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**VARIETIES OF INEQUALITY:
ALLOCATION, DISTRIBUTION, AND THE WAGE DISADVANTAGES OF
IMMIGRANT WORKERS**

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ABSTRACT

In this paper, I ask how immigrant/native-born wage gaps differ in two institutionally distinct receiving societies in Western Europe: Sweden, with a comparatively equal wage structure, and the United Kingdom, with a comparatively unequal wage structure. Using large, nationally representative data sets and focusing on 30 immigrant groups that reside in both countries, I document two distinct kinds of inequality between immigrant and native-born workers. In terms of wage percentiles, immigrants fare unambiguously better in the UK, net of human capital, demographic characteristics, and sending country. That is, immigrants achieve higher relative positions in the British labor market than in the Swedish labor market. But immigrant/native-born gaps in terms of real wages are at least as large in the UK as in Sweden, and for some groups larger, because overall earnings inequality is so high in the UK. These findings suggest that policies to improve immigrant pay must consider immigrant-specific barriers in the labor market *and* the detrimental effects of earnings inequality for immigrant workers.

INTRODUCTION

Labor market scholars have long been interested in documenting and explaining wage inequality between immigrant and native-born workers. We know a great deal, for example, about the importance of immigrant/native-born differences in human capital, assimilation as immigrants adjust to their new societies, changes in inequality over successive migration cohorts, and variation in disadvantage across immigrant groups. Studies that examine a single receiving country, as most do, tend to focus on individual-level causes of inequality, such as deficits in human capital, or a lack of experience in the labor market or with the language of the host country. Inter-group differences are thought to be the result of different experiences of discrimination due to race or ethnicity, or the geographic, cultural, or economic “distance” of receiving countries.

But immigrants can actually face two “varieties” of wage inequality within the labor markets of their host countries, although these varieties only become clear when we look at wage gaps in comparative perspective. Immigrants can be disadvantaged in the process of allocating workers to jobs, that is, in attaining relatively high positions within the labor market. (These are the kinds of disadvantages that are the focus of much of the previous research, mentioned above.) But these disadvantages can also be contracted or expanded by the overall level of wage inequality within the labor market. These varieties of inequality relate to key concepts in the literature on stratification: (in)equality of opportunity and (in)equality of outcomes. Equality of opportunity is achieved if people from different groups (e.g., immigrant and native-born workers) are equally likely to end up in high (and low) positions. (In)equality of outcomes, on the other hand, has to do with *how* high or *how* low those positions are. How many times more do workers at the “top” earn than workers at the “bottom”? Inequality of opportunity and inequality of

outcomes are both the result of specific policy choices and institutional configurations, leading some scholars to speak of “inequality by design” (Fischer et al. 1996). One of the clearest ways to demonstrate that inequalities are not inevitable is to show that they vary across time or across (national) contexts. That is a main objective of the comparative design of this research.

I consider the wage outcomes of 30 immigrant groups that reside in two theoretically distinct European receiving societies, Sweden and the United Kingdom. Sweden and the UK are polar extremes in the context of the European Union: Sweden with a comparatively equal wage structure and the UK with a comparatively unequal wage structure (OECD 2003). I ask two questions. First, are immigrants disadvantaged in the process of *allocating* workers to jobs at different levels of the wage structure, and do levels of disadvantage vary across the two countries? Second, how does the shape of the wage *distribution* affect the actual size of immigrant/native-born wage gaps?

Using methods developed by comparative scholars of gender wage inequality (Blau & Kahn 1992; Mandel & Semyonov 2005), I examine the role of wage compression in immigrant wage attainment, by considering both wage percentiles and logged hourly wages. The former indicates immigrants’ relative positions in the labor market and is the outcome of allocative processes. The latter illustrates absolute wage gaps, and is very much affected by overall wage inequality. If immigrants do better in one country than the other in terms of wage percentiles, differences can be attributed to immigrant-specific barriers in the labor market, or in other words, to different levels of disadvantage in the process of allocation of jobs. On the other hand, cross-national differences in logged wage gaps can be due to a combination of immigrant-specific factors and differences in wage structure.

INSTITUTIONAL CONTEXTS

The following discussion is organized around the two major research questions, and focuses on policy and institutional variation between Sweden and the UK. I begin with a discussion of two factors that potentially affect the disadvantages that immigrants face in the process of allocating workers to jobs, or whether immigrants have equal chances of ending up in “good” and “bad” jobs. In particular, I focus on discrimination and access to the labor market and de-commodification and access to welfare. I then turn to institutional effects on the distribution of wages, or the distance between jobs at the “bottom” and the “top.” I also address one factor, the presence in the UK of London, a global city, that has potential effects on both the allocation and distribution of wages. At the end of the section, I summarize the expected effects of these institutional and policy variations for wage outcomes.

Discrimination and access to work

The issue of access to jobs and discrimination is obviously central to any analysis of inequality between immigrants and the native-born in the labor market, and particularly for the allocative processes that match people to better and worse jobs. In short, the question is: Do immigrants have equal access to the jobs that are available in a given country? Are there policies and institutions that prevent or facilitate equal job opportunities for immigrants? Formal and informal barriers to labor market access for immigrants vary across the two countries in this analysis. Evidence on a major informal barrier to access, discrimination, suggests that Swedes are less discriminatory. A report based on several waves of Eurobarometer data demonstrates that, along an array of dimensions, including resistance to diversity, opposition to civil rights for minorities, and support for repatriation policies, Brits adopt more “ethnically exclusionist” stances than their counterparts in Sweden (Coenders et al. 2003:2-6). But we should be cautious

in linking the results of opinion polls to discrimination itself. First, these results are for the population as a whole, not for employers. Even assuming employers have similar attitudes to the population at large, studies have shown that employers' discriminatory behavior can be unrelated to stated opinions (Pager & Quillian 2005). Anti-discrimination legislation could be important in preventing discriminatory behavior. Although both countries do formally prohibit discrimination by race and ethnicity, the UK has the most highly developed and long-standing anti-discrimination legislation in Europe. Its first law against discrimination in the labor market dates back to the 1970s. On the other hand, despite progressive immigrant-related policies on many fronts, Sweden's anti-discrimination legislation has lagged behind many other countries, particularly at the stage of recruitment of job candidates (Graham & Soininen 1998). Taken as a whole, the findings from this review of factors affecting labor market access for immigrants suggest that, if public opinions represent the level of discrimination in a society well, then Sweden is probably the less discriminatory context, but if formal anti-discrimination legislation plays a larger role (and we have good reason to believe that it might), then the UK could be the less discriminatory context.

De-commodification and access to welfare

Another factor that could affect allocative processes is the availability of alternatives to work. Scholars of comparative political economy, and particularly Esping-Andersen (1990) have noted that the availability of transfer income, particularly in the form of unemployment insurance or social assistance, has a "de-commodifying" effect on potential workers. That is, with the availability of such transfer income, people are less forced into work in order to maintain an acceptable standard of living. De-commodification is relevant for wages, because, given temporary or longer-term alternatives to work, immigrants (and other low-skilled or marginalized

groups) need not take poorly remunerated jobs. Some previous research (Kogan 2003) suggests that, indeed, immigrants with generous welfare benefits end up in better jobs, because they are not forced into immediate employment. And there is certainly more general evidence that unemployment benefits, particularly generous ones, allow workers to avoid some of the “scar” effects of unemployment, such as downward earnings and occupational mobility (Gangl 2004).

The marginal effective tax rate (METR) is a rough indicator of this concept for the working-aged adults in this analysis. (A METR of 100% implies the financial equivalence of work and non-work – maximum de-commodification.) Across a range of family types and circumstances, Sweden has considerably higher METR scores than the UK (OECD 2005:Chap. 3); that is, in Sweden, non-working families are able to maintain standards of living that are relatively close to working families.

But perhaps more important for the discussion here is that the UK restricts immigrants from receiving non-contributory benefits such as social assistance (Groenendijk et al. 2000). Thus, Sweden has a smaller gap between the welfare rights of immigrants and the native-born, and if de-commodification allows immigrants to avoid jobs at the bottom of the earnings distribution, then this institutional difference between the two countries would lead to higher immigrant wage attainment in Sweden.

The effects of welfare availability might be particularly important for immigrants, who face specific barriers to desirable employment, and could have a need for time to invest in human capital (such as language skills) in order to seek and find appropriate work. This is probably particularly true among recent immigrants. Thus, it could be that immigrants in Sweden who *do* enter the labor market are better prepared to maximize their earnings than immigrants in the UK.

Wage compression

The two countries in the analysis vary not only in terms of the policies and institutions that affect the allocation of jobs, but also in terms of overall levels of wage inequality. Wage compression alters the structure of opportunity in the labor market in a way that benefits groups at the bottom of the wage structure and reduces the advantages of those at the top. Given that many immigrant groups find themselves toward the bottom of the wage structures of their host societies, wage compression would have a positive effect on wages (Reitz 1998; Reitz et al. 1999). As an example of this process, gender wage gaps are generally smaller in countries with high levels of wage compression, because women still earn less than men in all industrialized countries, and the wage gap is magnified by overall inequality (Blau & Kahn 1992, 2002; Mandel & Semyonov 2005).

Two major factors influence the distribution of wages, and both of these vary between these two countries. First, the availability of welfare, as discussed above, can effectively raise the wage floor, because workers are unlikely to take an extremely low-paying job if their economic well-being would be higher with welfare benefits. Since welfare benefits are more generous in Sweden, this is a part of the story of lower wage inequality in Sweden. The other part of the story is collective bargaining. If unions are strong and centralized (as in Sweden), wage inequality will be lower than if unions are weak and de-centralized (as in the UK). David Soskice (1999) has called these two models “coordinated” and “uncoordinated” market economies, respectively. Both Sweden and the UK have experienced significant changes in recent decades in terms of the strength and coordination of unions, but the cross-national differences remain quite dramatic.

Global cities and inequality

One further consideration about these two national contexts is the presence in the UK of

London, a “global city.” In these two countries, London is the only “global city”: a major international center of finance and trade (Sassen 2001). Sassen has emphasized the polarizing effect of globalization on such cities’ occupational and wage structures, and the preponderance of international migrants in both high- and low-end jobs. According to this scenario, we might expect more extremely high-paid work *and* extremely low-paid work (and workers) in London than in the UK as a whole or than in Sweden. Nevertheless, important critiques of Sassen question the empirical basis of the theory, and in particular, Waldinger (1996) shows that New York has experienced an overall occupational upgrading, rather than a polarization of the occupational structure. If this is also the case in London, we might expect wages to be higher there than elsewhere, and this might be particularly true for immigrants, some of whom are likely to be managers and professionals employed by transnational corporations. Given all of these potentially unique features of London’s occupational and wage structure, I give it special attention in this analysis. The presence of a global city could potentially affect both the chances of immigrant workers have of being in high-paid jobs and the overall structure of the wage distribution, so I compare inequality with respect to both outcomes (wage percentiles and logged wages) in London versus the rest of the UK.

Summary of institutional and policy variation

In terms of immigrant-specific disadvantages, or what we would expect to observe from the analysis of wage percentiles, institutional and policy variations do not suggest a clear outcome. The UK has a longer history of and more developed anti-discrimination legislation, which could be key in removing barriers to immigrants in the labor market. But there is also good reason to expect immigrants in Sweden to fare better, because their welfare rights are more equal to those of native-born workers than is the case in the UK. That is, immigrants in the UK might

be more forced to take low-level jobs toward the bottom of the wage distribution, because they have less access to de-commodifying, non-market sources of income than native-born workers.

In terms of logged wage gaps between immigrant and native-born workers, the higher level of wage inequality in the UK will magnify immigrant disadvantages, relative to Sweden. So whether logged wage gaps are larger in Sweden or the UK will depend on the combined result of immigrant-specific disadvantages and wage structure. If immigrant wage percentiles are higher in the UK than Sweden, then the question is whether they are *enough* higher to counteract high overall levels of wage inequality.

DATA

The analysis uses British Labour Force Surveys (BLFS) and Swedish Longitudinal Individual Data (LINDA).¹ Both data sets are based on nationally representative, household-level surveys.

The BLFS is a quarterly survey of 0.2% of the population of Great Britain and 0.3% of Northern Ireland (Office for National Statistics 2003). Addresses are randomly selected from the Postcode Address File in Great Britain and the Valuation List in Northern Ireland. The BLFS has a rotating structure; households remain in the sample for five consecutive quarters. I select each respondent's first quarter of participation, and pool data over the period from Spring 1997 to Fall 2004 to obtain a sufficiently large sample size. For the first quarter of participation, interviews are face-to-face with at least one adult, who may provide information on other household

¹I thank Statistiska centralbyrån (SCB) in Örebro for allowing me to work with LINDA on site at their facilities during a visit in 2004. Due to legal regulations with these official micro-level data, I can only access them in-country.

members. Although interviewers speak only English, they carry written documents explaining the survey in nine other languages, and arrange for interpreters as necessary. Response rates have ranged from 80 to 85% in recent years. Earnings data are available for all non-self-employed workers in the UK currently employed at the time of the survey. Unfortunately, there is no large, nationally representative data source in the UK including earnings data on the self-employed, so the BLFS remains the best source of wage data for the UK, when one wishes to analyze small sub-groups such as immigrants.

LINDA combines data from population, tax, and employment registers, which are linked by individual identity numbers (Edin & Fredriksson 2000). It is based on a simple random sample of identity numbers. Everyone in the household of each sampled individual is also included. LINDA includes a large over-sample of immigrants (20% of the total foreign-born population versus 3.3% of the native-born). Because LINDA is based on registers rather than a survey, everyone sampled is in the data set. Information on how to file tax forms, a primary source of LINDA data, is available in 14 major immigrant languages (Skatteverket 2005). LINDA is longitudinal, but I use only 2002 data, because there is no comparable longitudinal data for the UK. Earnings data are available for a sub-sample of persons employed during November or December, stratified by sector of employment (public/private) and by whether an individual was personally sampled or is a family member of a sampled individual. Weighting takes this stratification into account.

Sample sizes for both data sets, by gender and immigrant origins, are found in the appendix table.

VARIABLES

Earnings. I consider two dependent variables in this paper. First, I estimate logged hourly earnings from data on usual hours worked, monthly earnings in Sweden, and weekly earnings in the UK. Since I use the logged form of this variable and am mostly interested in within-country earnings inequality across groups, I leave earnings in the respective local currency, Swedish crowns and British pounds. Because I use more than one time point in the UK data, UK earnings figures are inflation-adjusted to 2002 pounds. The second dependent variable is earnings percentiles, based on my estimates of hourly wage. Percentiles are calculated separately for men and for women in each country. The percentile analysis allows me to compare the process of earnings attainment of immigrants in the two countries, relative to the native-born, without the confounding influence of overall wage inequality.

Age and age squared. Persons aged 25 through 59 are included in the analysis. Age is centered at 40, which is near the mean in both countries.

Education. The education variable is UNESCO's (United Nations Educational, Scientific, and Cultural Organization) ISCED-97 (International Standard Classification of Education) (UNESCO 1997). The categories, in their generic formulation, are:

1. Primary education (or first stage of basic education)
2. Lower secondary (or second stage of basic education)
3. (Upper) secondary education
4. Post-secondary, non-tertiary education
5. Tertiary education (not leading directly to an advanced research qualification)
6. Tertiary education (leading to an advanced research qualification)

Category 6 is very small, so it is combined with category 5 for the analysis. ISCED codes are directly available in LINDA (Statistiska centralbyrån 2000); coding procedures for BLFS are based on external documentation (OECD 1999).

Usual hours worked. Although the dependent variables are based on hourly wage, I also control for usual weekly hours worked, to adjust for the possible lower earnings of those working fewer hours.

Marital/partnership status. This variable is coded 1 if a person lives with a spouse or domestic partner. I often refer to it as marital status, even though this is not by legal definition.² Among partnered immigrants, an additional variable distinguishes native-born and foreign-born spouses.

Children. The variable for pre-school aged children is coded 1 if a person lives in a family with children under 6. The variable for school-aged children is coded 1 if a person lives in a family with children aged 6 to 17.

Years since migration and years since migration squared. The analysis is limited to immigrants who moved as adults (aged 18 and older); an analysis of the second and 1.5 generations is beyond the scope of this analysis.³ This criterion implies that most immigrants attained any primary and secondary education in the home country. This variable is centered at 14, the approximate mean in both countries.

²In the Swedish data, cohabiting couples can only be identified if they are either officially registered or have children in common. This probably accounts for the somewhat lower partnership rates in Sweden when compared to the UK.

³The second generation (native-born children of immigrants) is included in the native-born category, because they are not uniformly identifiable in the data.

Origin country. Each of the 30 origins groups can be uniquely identified in both receiving countries. The origin countries include some within the pre-2004 “EU-15” (France, Germany, Greece, Italy, the Netherlands, Portugal, and Spain); other highly developed countries (Australia, Canada, Japan, and the US); countries in Eastern Europe (Poland, the former Yugoslavia, and the former Soviet Union);⁴ and countries outside of Europe or on Europe’s periphery (Algeria, Bangladesh, China, Columbia, Egypt, India, Iran, Iraq, Morocco, Pakistan, the Philippines, Somalia, Sri Lanka, Turkey, Uganda, and Vietnam). I also include a heterogeneous category of all other immigrants.

Region. A region variable ensures that immigrants are compared to native-born persons in similar labor markets. In Sweden, the region variable is constructed by state (län). The British regional variable is an aggregation of a county/unitary authority-level indicator. In total, there are 21 regions for Sweden and 20 for Britain.

Note that I do not present results for many of these independent variables, for reasons of space, but all multivariate models control for all of them. I will focus mostly on the effects of immigrant origins, education, and years since migration.

MODELS

I run two sets of models for each country, for each of the two dependent variables, and for men and women separately, formally expressed:

⁴Among immigrants who arrived in their host countries when the Soviet Union and Yugoslavia were still unified nation states, the contemporary names of places of origin are often not available in the data. In other cases, the data distributors have aggregated these countries of origin.

$$Y_i = \alpha + \delta_1 \mathbf{O}_i + \delta_2 \mathbf{C}_i + \delta_3 \mathbf{R}_i + \epsilon_i \quad [1]$$

$$Y_i = \alpha + \delta_1 \mathbf{O}_i + \delta_2 \mathbf{C}_i + \delta_3 \mathbf{R}_i + \delta_4 \mathbf{C}_i F_i + \epsilon_i \quad [2]$$

where Y_i is the logged hourly wage⁵ or wage percentile of the i^{th} individual, \mathbf{O} is a vector of dummy variables indicating countries of origin, \mathbf{C} is a vector of the individual demographic and human capital characteristics (age, age squared, education, hours worked, marital status, preschool- and school-aged children, years since migration, and years since migration squared), \mathbf{R} is a vector of dummy variables indicating region, and F is a single dummy variable indicating whether a respondent belongs to any of the foreign-born groups. The excluded categories are native-born, primary education, not living with a spouse or partner, no children, and the capital “regions” of Stockholm and inner London. Age is centered at 40, time since migration is centered at 14 for immigrants, and native-born persons are coded 0 on years since migration, origins, and spouse nativity variables.

RESULTS

The analysis proceeds as follows. I first present selected descriptive statistics on workers in both countries, and then move on to the analysis of wages. From the wage models, I test the statistical significance of within-country origin effects and between-country differences (the effect of destination country on the size of origin gaps) in the size of origin effects using t-

⁵Using this semi-logarithmic specification for wages, coefficients represent relative changes in the geometric mean of raw wages. Petersen (2006) suggests an alternative technique to estimate differences in arithmetic means: a generalized linear model with a logarithmic link function and a Gamma or Poisson distributed error term, but given limited access to these data, I have not yet been able to try this technique.

statistics. I also explore how the effects of individual-level characteristics (with a focus on education and time since migration) vary for foreign-born and native-born populations and across countries. In a final empirical section, I consider the role of London in shaping immigrant labor market experiences in the UK. Throughout the discussion, I focus most on “origin penalties” or “origin gaps.”⁶ By this, I mean the difference in wages for specific groups of immigrants versus native-born groups with similar characteristics.

Descriptive statistics

[Table 1]

Table 1 gives descriptive statistics for independent variables used in the analyses, by country, gender, and nativity. (For the purposes of this table, nativity is the simple dichotomy of foreign- versus native-born.) This table shows that there are important nativity-based and cross-national differences in individual human capital characteristics, that will be important to control for in the wage analyses. Not surprisingly, immigrants in the labor force are more likely to have very low levels of education than are their native-born counterparts in both countries; an exception is immigrant women in the UK. Except for immigrant women in Sweden, immigrants are also more likely than native-born workers to be found at the *high* end of the educational spectrum. In terms of cross-national differences, more immigrants to Sweden have higher education than is the case in the UK, and fewer immigrants to Sweden have the lowest level of education. The other human capital characteristic displayed in this table, years since migration, also varies markedly by nativity and country. If being in the country for a longer period of time is an advantage in the labor market as we might expect, then immigrants in the Swedish labor

⁶Note that in some instances, “origin penalties” is a false label, because immigrants actually have *higher* wages than the native-born.

market have an advantage relative to their counterparts in the UK, for they have been in the host country longer, on average.

[Table 2]

I turn now to some descriptive statistics on earnings. Table 2 gives the differences between native-born wages and the wages of the various immigrant groups in the analysis, using both wage metrics (logged hourly wage and wage percentile). Negative figures for an immigrant group indicate lower average wages than the native-born. Within each country, we see a wide range of origin effects, for both men and women, and using both metrics. Some groups, especially those groups from the rest of the EU and from other more-developed countries, have wage advantages relative to the native-born, while other groups, especially those from the less-developed world, face substantial wage penalties. So for example, among immigrant men in Sweden, effects of sending country on wages range from a penalty of 33% (Bangladesh) to an advantage of 26% (Canada).⁷ In the UK, the range for immigrant men is substantially larger, from an 82% penalty (Bangladesh) to a 64% advantage (the United States). Immigrant women have a somewhat narrower range of wage outcomes in both countries, relative to native-born women, but it is still the case that the range of outcomes is larger in the UK than in Sweden. Iraqi women in Sweden earn 23% less than native-born women, while Canadian women earn 21% more than native-born women. In the UK, Bangladeshi immigrant women earn 25% less than native-born women, while immigrant women from the U.S. earn 53% more.

Comparing the previous figures to those for wage percentiles in this same table, we see evidence that higher wage inequality in the UK has important consequences for immigrant

⁷Differences in means of logged wages can be interpreted as relative differences in the geometric means of raw wages.

wages. First, an immigrant group with a similar disadvantage in terms of wage percentiles in the two countries has a larger penalty in terms of logged wages in the UK than it does in Sweden. A good example of this is Turkish immigrant men in the two countries, who are located at similar relative positions in the wage structure of the two countries, just over 25 percentiles lower than native-born male workers. In Sweden, this difference in percentiles translates into a 25% wage penalty, whereas in the UK, it translates into a 56% wage penalty. Moroccan immigrant women are another example of this pattern; they have somewhat lower earnings in terms of percentiles in Sweden, but in terms of logged wages, their relative earnings are much lower in the UK. On the other hand, a similar wage *advantage* in the two countries in terms of wage percentiles is also magnified in the UK in terms of logged wages. A good example of this is Canadian immigrant women, who have wages that are just over 15 percentiles higher than native-born women in the two countries. This translates into a wage advantage of 28% in the UK, but only 21% in Sweden. Another form of this pattern is that a similar difference in logged wages – for example, Spanish immigrant men in the two countries have wage penalties of around 15% – stems from a *higher* relative position of the group in the UK than in Sweden. We see this same pattern for Portuguese immigrant women in the two countries.

Perhaps more immediately striking than these findings, however, is that in terms of wage percentiles, most immigrant groups fare unambiguously better in the UK. This is even more true for immigrant women than it is for immigrant men. In fact, only one group of immigrant women (those from Canada) fares better in Sweden in terms of wage percentiles. These findings thus suggest that immigrants have greater access in the UK to higher levels of the wage structure. Nonetheless, higher earnings inequality in the UK has detrimental effects for some immigrant groups. It is of course important to determine whether these patterns are in part due to differences

in the individual-level characteristics of the immigrants themselves, and I turn now to multivariate models that control for such factors.

Multivariate results

[Tables 3 & 4]

Tables 3 and 4 display the results of models predicting logged wages and wage percentiles for men and women, respectively. The tables are sorted by the size of the cross-national difference in the relative attainment of the given immigrant group. Thus, the immigrant groups at the top of each of these two tables have higher relative logged wages in Sweden, while those at the bottom of the table have higher relative logged wages in the UK. By organizing the tables in this way, the basic pattern is more clear. On the whole, the UK looks like a far more favorable destination when we look at wage percentiles than when we look at logged wages. Among men, for example, we see that five immigrant groups do significantly worse in the UK than in Sweden in terms of logged wages, the vast majority of groups are statistically indistinguishable in the two countries along this outcome, and only three groups have statistically significant advantages in the UK. But when we look at wage percentiles, the UK looks considerably more favorable for immigrants. Only Portuguese men are significantly worse off in the UK than in Sweden. Most groups do better in the UK. The three groups that had higher logged wages in the UK also have higher wage percentiles, and in addition, 10 of the groups that had indistinguishable logged wage gaps in the two countries have a significant advantage in the UK in terms of wage percentiles.

Among women, we see basically the same pattern. Only Indian immigrant women have lower logged wages in the UK than in Sweden, seven groups have higher logged wages in the UK, and the outcome for the rest of the groups is statistically indistinguishable in the two

countries. But in terms of wage percentiles, *no* groups of immigrant women have a significantly worse outcome in the UK, and 16 groups do significantly better in the UK. In short, immigrants to the UK are more successful within the existing British wage structure than immigrants to Sweden are in the existing Swedish wage structure. Immigrant-specific disadvantage is greater in Sweden. However, despite the higher attainment of immigrants to the UK in terms of wage percentiles, the more unequal British wage structure gives many immigrant groups the same disadvantage in terms of logged wages in the two countries, or sometimes even a larger disadvantage in the UK. Being near the bottom of the wage structure in the quite unequal UK is certainly worse, in absolute terms, than being near the bottom of the wage structure in more egalitarian Sweden. These findings suggest that even immigrants who are further from the bottom in the UK than in Sweden have lower rather than higher absolute wages in the UK. This is a somewhat paradoxical finding, but quite consistent with previous findings on gender wage gaps, discussed above.

[Table 5]

Table 5 shows selected human capital effects from a model that allows these effect to vary by nativity. Regarding the effects of education, there are two important findings. The first is that returns to education are higher in the UK than in Sweden when the outcome is logged hourly wages. This is another form of higher overall wage inequality in the UK. Note, however, that this is *not* the case when we look at wage percentiles. Thus, higher levels of education give workers in the two countries relatively similar advantages within their respective wage structures, but that wage structure is more unequal in the UK. Perhaps more interestingly, however, is the second finding with respect to education, and that is that immigrants' education is consistently devalued in Sweden, but immigrant workers have very similar returns to education to native-born workers

in the UK. This means that the benefit of the UK as an immigrant destination is more pronounced for immigrants with higher education. This is true whether we consider logged wages or wage percentiles. Putting these two findings together, it is clear that the UK is the far more favorable destination for immigrants with high levels of education: Returns to education are generally higher in the UK, and immigrant education in particular is less devalued than it is in Sweden.

[Figures 1 & 2]

In Figures 1 and 2, we see with respect to change across migration cohorts the same basic pattern for logged wages and wage percentiles, namely that immigrants who have been in Sweden longer fare better than recent newcomers, while immigrants who have been in the UK longer fare no better, and sometimes worse, than recent newcomers. Although this finding in the UK is somewhat counter-intuitive, it is a long-established pattern consistent with previous research that immigrants in the UK do not improve their wages over time (Chiswick 1980). It seems somewhat unlikely that immigrants do *worse* the longer that they have been in the UK, and instead more likely to be due to something about the composition of various immigration cohorts or the particular labor market conditions they faced upon arrival. What this pattern means for cross-national trends, however, is that, compared to the origin gaps discussed above, the advantage of the UK as a country of destination is even larger among more recently-arrived immigrants, and somewhat muted among long-settled immigrants.

The role of London

One major finding of this paper is that immigrants in the UK fare better in the labor market in terms of their relative placement in the wage structure than do their immigrant counterparts in Sweden; they fare less well in terms of logged wages, if only because wage inequality is greater in the UK. It is important to address the special role of London in shaping

the experiences of immigrants in the UK as a whole, for London is the home of over 40% of immigrant newcomers. London does have a distinctive opportunity structure: Its industrial structure is considerably more “post-industrial,” its occupational structure is considerably more top-heavy than the UK as a whole, and its median wages are much higher than the rest of the UK (figures not shown here). We might then rightly ask whether cross-national differences are driven by London’s dominant role in UK trends. Do the around 60% of immigrants who settle in the UK outside of London have similar labor market experiences to their London counterparts? Are immigrants outside of the global city of London more like immigrants in Sweden in terms of their fates in the labor market?

[Table 6]

Table 6 addresses these questions. For both men and women and with respect all job outcomes, the trend is clear. Levels of native-born/immigrant inequality are, if anything, somewhat higher in London than outside of London. That is, the *relative* attainment of immigrants is lower in London, which we can see by the mostly negative figures in the table. This result is due in large part to the very high attainment of British-born Londoners. (Native-born men in London have jobs, on average, that pay over 25% more than native-born workers in the rest of the UK; for women, the difference is even more extreme: over 35% more in London than outside of London.) What does this imply for cross-national patterns? Since the role of London is to increase native-born/immigrant inequality, the cross-national pattern would be even more extreme were we to focus only on immigrants outside of London. It is not the case, for example, that high-level employees of transnational corporations working in London are the driving force behind the relatively high attainment of the foreign-born in the UK as a whole. Although I am unable to isolate all individual metropolitan areas with these data, future research

should explore such intra-national variations in inequality more thoroughly.

CONCLUSIONS

There are two particularly important results of this analysis. First, immigrants, both men and women, have higher wage percentiles in the UK than in Sweden for a wide range of origins groups. There is something about the British institutional context that is more advantageous for immigrants. The initial advantage of settling in the UK diminishes somewhat over time, but does not entirely disappear for most groups for many years. I also show that the presence of London, a global city, actually mutes cross-national differences, since immigrants in the UK outside of London have higher relative attainment. The relative success of immigrants in the UK is thus not a “global city” effect.

The second important finding is that wage inequality prevents most immigrants in the UK from converting their advantages in the labor market into higher absolute earnings than their counterparts in Sweden. In one sense, the UK is a better destination for immigrants: Immigrants face fewer barriers to attaining high positions in the wage structure. But high wage inequality in the UK means that immigrants are often, counter intuitively, just as materially well off elsewhere, despite greater barriers in the labor market.

One quite plausible explanation for smaller immigrant-specific disadvantages in the British labor market is the UK’s relatively advanced anti-discrimination laws, as the institutional discussion at the beginning of the paper highlights. Nonetheless, the patterns could also in part be due to two other factors related to the characteristics of the immigrants themselves. Given the role of English as a world language, a consequence of Britain’s extensive colonial history, we might expect newcomers to the UK to have an advantage over their counterparts in Sweden in

terms of language abilities, since Swedish is less commonly learned outside of Sweden. I cannot measure language (there is no variable available in either data set), but language could explain part of the Sweden/UK difference in terms of immigrant wage attainment.

Second, Borjas (1987) has suggested that immigrants to more unequal countries will be more positively selected, and some sociological research is consistent with this hypothesis (van Tubergen et al. 2004). Because I control for sending country, differences in the relative income inequality in sending and receiving countries is a function of the receiving country's level of inequality. This inequality is considerably higher in the UK than in Sweden, so it is possible that immigrants to the UK are more positively selected than immigrants to Sweden.

I would suggest that the observed pattern is *not* due exclusively to language and selectivity issues. With respect to language issues, it is worth noting that even groups which have been shown to have poor English-language abilities in the UK, such as Bangladeshis and Pakistanis (Modood 1997), do considerably better in the British labor market than in Sweden, in terms of their wage percentiles. In terms of selectivity issues, we should be able to see selectivity in terms of observed independent variables such as education (i.e., immigrants to the UK should have higher levels of education), because education, perhaps much like unmeasured characteristics such as motivation, receives higher returns in the more unequal UK labor market than elsewhere. If migrants select their destinations based on income maximization, we would expect those with the highest levels of education to pick the destination where returns to education are highest; this simply does not seem to be the case in the comparison of these two countries.

Interestingly, the major institutional characteristic that would work in favor of Sweden's immigrants, access to welfare that would allow them to stay outside the labor force if no

desirable jobs are available, does not seem to make up for the institutional advantages of immigrants in the UK. This suggests that the Swedish model, while extremely successful at equalizing labor market outcomes along some dimensions, faces an important challenge when it comes to migrant newcomers. Sweden's egalitarianism, focused explicitly on ameliorating class and gender inequalities in the labor market, is not (yet) well-suited to addressing this other, relatively new dimension of inequality.

The finding about the role of wage compression in shaping immigrant/native-born wage inequality has important implications. It suggests that institutions and policies that specifically address immigrant disadvantage are actually relatively effective in the UK, and at least in the European context, the UK provides a relatively good model of ameliorating nativity-based inequalities. (Or, even if the selectivity hypothesis is correct, the finding suggests that the UK attracts the "best" and most motivated immigrants due precisely to its unequal income distribution.) But immigrants in the UK cannot overcome high wage inequality: In terms of the most materially concrete of the outcomes examined in this paper, absolute wages, most immigrants are just as well if not better off elsewhere. So for countries such as Sweden, attempts to ameliorate inequalities between immigrants and native-born workers must target barriers to access directly. In Sweden, it is clear that the institutions that have been so successful at reducing other forms of inequality (for example, by class and by gender) are less effective at reducing inequalities between immigrant newcomers and native-born workers. In the UK, efforts to remove barriers to access through targeted policies must certainly continue, but the most pressing policy issue for immigrants in cross-national perspective is the UK's very high level of earnings inequality.

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Table 1. Selected human capital characteristics, by gender, country of residence, and nativity

	Men				Women			
	Sweden		UK		Sweden		UK	
	NB	FB	NB	FB	NB	FB	NB	FB
Primary	5%	11%	10%	12%	3%	10%	15%	12%
Lower secondary	11%	10%	22%	4%	8%	9%	36%	8%
Upper secondary	52%	42%	37%	53%	50%	43%	20%	47%
Tertiary, non-degree	9%	4%	10%	6%	4%	4%	12%	12%
Tertiary, degree	24%	32%	21%	25%	35%	35%	17%	21%
Years since migration (mean)		14.9		11.4		15.9		13.9
Years since migration (st. dev.)		9.4		10.0		9.7		10.6

Sources: British Labour Force Surveys, Spring-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+).

Table 2. Gross origin gaps in wages, by gender and country of residence

	Men				Women			
	Logged wage		Wage percentile		Logged wage		Wage percentile	
	Sweden	UK	Sweden	UK	Sweden	UK	Sweden	UK
EU-15								
France	0.152	0.038	8.2	4.7	0.107	0.323	10.2	18.9
Germany	-0.032	0.193	-5.6	9.1	0.015	0.179	1.0	10.2
Greece	-0.072	0.091	-7.1	6.8	-0.058	0.334	-9.3	20.7
Italy	-0.239	-0.003	-22.3	-2.8	0.015	0.108	1.7	5.4
Netherlands	0.096	0.431	8.1	21.2	0.053	0.268	6.5	16.1
Portugal	0.078	-0.371	3.8	-22.9	-0.098	-0.109	-14.1	-7.0
Spain	-0.151	-0.164	-14.6	-10.1	-0.114	0.052	-16.4	3.6
Other more developed countries								
Australia	-0.131	0.515	-13.5	24.6	-0.021	0.507	2.3	26.6
Canada	0.258	0.509	12.9	23.8	0.210	0.282	16.7	15.6
Japan	0.216	0.514	6.3	25.3	0.007	0.429	2.0	23.2
US	0.128	0.639	11.6	26.4	0.159	0.529	13.1	23.6
Eastern Europe								
FSU	-0.005	-0.096	1.4	-6.4	-0.043	0.076	-7.1	4.6
Poland	-0.001	0.050	-0.6	4.1	-0.037	0.116	-7.0	5.9
Yugoslavia	-0.230	-0.098	-23.8	-6.0	-0.167	-0.001	-23.6	-1.3
Other less developed countries								
Algeria	-0.211	-0.264	-21.5	-14.0	-0.153	0.059	-22.2	5.9
Bangladesh	-0.330	-0.821	-30.9	-36.0	-0.184	-0.247	-24.6	-9.0
China	0.046	-0.110	5.1	-4.6	-0.085	0.043	-11.0	2.7
Columbia	-0.113	-0.280	-13.1	-19.0	-0.043	0.178	-6.4	9.3
Egypt	-0.018	0.058	-6.8	9.9	0.004	0.046	-1.8	3.4
India	-0.010	-0.137	-2.8	-7.1	-0.074	-0.089	-11.1	-6.5
Iran	-0.120	0.018	-11.2	-0.7	-0.075	0.163	-10.2	9.5
Iraq	-0.239	0.060	-23.8	5.2	-0.225	0.197	-30.0	10.1
Morocco	-0.202	-0.257	-20.9	-16.8	-0.105	-0.201	-13.3	-11.5
Pakistan	-0.094	-0.493	-12.3	-26.2	-0.171	-0.050	-22.2	-5.5
Philippines	-0.281	-0.328	-30.3	-20.3	-0.199	-0.065	-29.1	-1.9
Somalia	-0.290	-0.143	-30.1	-6.7	-0.164	0.375	-23.4	20.6
Sri Lanka	-0.206	-0.228	-19.2	-14.1	-0.181	0.060	-26.4	1.9
Turkey	-0.248	-0.556	-27.8	-26.7	-0.192	0.040	-26.7	1.8
Uganda	-0.166	-0.120	-15.3	-8.8	-0.068	0.062	-8.7	3.7
Vietnam	-0.268	-0.286	-28.6	-12.2	-0.198	-0.078	-27.8	-5.2
Other foreign-born	-0.089	0.035	-9.2	0.9	-0.045	0.140	-6.9	8.1
Native-born mean	4.901	2.325	51.0	50.1	4.743	1.951	50.9	49.6

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+).

Table 3. Net origin effects on wages among men

	Logged wage				Wage percentile				UK vs. Sweden	
	Sweden		UK		Sweden		UK		Logged wage	Wage percentile
	b	s.e.	b	s.e.	b	s.e.	b	s.e.		
Portugal	0.01	0.10	-0.42	0.06	-2.96	9.38	-23.84	2.62	-0.423	-20.88
Sri Lanka	-0.22	0.03	-0.42	0.04	-18.44	2.65	-24.94	2.03	-0.208	-6.51
Turkey	-0.23	0.04	-0.40	0.07	-24.52	2.59	-17.49	3.31	-0.172	7.03
China	-0.14	0.03	-0.30	0.07	-9.39	2.72	-15.24	4.59	-0.160	-5.85
Pakistan	-0.27	0.05	-0.42	0.03	-26.29	4.45	-22.25	1.56	-0.155	4.04
Columbia	-0.25	0.04	-0.40	0.22	-23.08	3.54	-24.83	10.77	-0.151	-1.75
Bangladesh	-0.53	0.11	-0.68	0.06	-45.06	8.05	-27.95	2.14	-0.148	17.11
Morocco	-0.31	0.04	-0.44	0.06	-28.90	4.65	-26.04	3.76	-0.127	2.86
France	-0.04	0.09	-0.13	0.08	-7.49	4.50	-3.67	3.36	-0.094	3.82
Algeria	-0.32	0.04	-0.41	0.11	-28.72	3.73	-21.47	4.79	-0.092	7.24
Egypt	-0.22	0.05	-0.26	0.16	-22.55	3.88	-7.67	6.16	-0.045	14.89
Philippines	-0.39	0.06	-0.42	0.06	-37.79	5.75	-25.20	3.29	-0.034	12.59
Spain	-0.22	0.06	-0.25	0.06	-20.26	6.99	-14.21	3.46	-0.032	6.04
India	-0.23	0.03	-0.26	0.03	-21.19	2.73	-13.79	1.40	-0.031	7.39
Vietnam	-0.20	0.03	-0.23	0.22	-22.37	2.72	-8.31	12.62	-0.028	14.06
Uganda	-0.30	0.03	-0.33	0.05	-26.56	3.30	-20.24	3.08	-0.026	6.32
FSU	-0.20	0.03	-0.21	0.10	-12.21	2.95	-11.37	5.97	-0.013	0.84
Poland	-0.16	0.02	-0.16	0.06	-14.60	2.08	-6.87	3.65	0.006	7.73
Other FB	-0.16	0.01	-0.14	0.02	-15.21	0.78	-8.45	0.93	0.021	6.76
Yugoslavia	-0.23	0.01	-0.21	0.08	-22.91	1.14	-11.06	5.23	0.024	11.85
Iran	-0.25	0.01	-0.19	0.12	-21.34	1.13	-13.08	4.58	0.056	8.27
Greece	-0.18	0.03	-0.10	0.07	-15.94	2.08	-3.67	4.32	0.077	12.27
Italy	-0.24	0.06	-0.12	0.07	-22.31	4.92	-8.71	3.27	0.125	13.60
Germany	-0.18	0.06	-0.03	0.07	-17.34	5.84	-3.01	3.08	0.140	14.33
Iraq	-0.32	0.02	-0.16	0.09	-28.70	1.67	-7.14	4.26	0.162	21.56
Somalia	-0.30	0.02	-0.11	0.13	-29.18	1.78	-4.13	8.27	0.193	25.05
Canada	0.05	0.15	0.25	0.09	-4.38	6.93	10.20	3.81	0.202	14.58
Japan	0.01	0.24	0.25	0.17	-11.06	17.16	11.64	4.96	0.240	22.71
Netherlands	-0.05	0.04	0.23	0.08	-3.97	3.48	11.02	3.95	0.290	14.99
US	-0.09	0.04	0.32	0.07	-5.46	1.87	9.48	2.73	0.406	14.94
Australia	-0.19	0.03	0.31	0.05	-15.31	4.33	14.03	2.44	0.495	29.34

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Bold indicates a coefficient or cross-national difference that is statistically different than zero, based on t-tests, critical value=1.96, p=.05, two-tailed test.

Table 4. Net origin effects on wages among women

	Logged wage				Wage percentile				UK vs. Sweden	
	Sweden		UK		Sweden		UK		Logged wage	Wage percentile
	b	s.e.	b	s.e.	b	s.e.	b	s.e.		
Morocco	-0.09	0.04	-0.26	0.08	-8.95	7.41	-13.31	4.60	-0.173	-4.37
China	-0.15	0.03	-0.28	0.07	-17.68	3.09	-15.12	3.64	-0.131	2.56
Bangladesh	-0.18	0.02	-0.28	0.15	-22.79	3.13	-9.89	5.28	-0.095	12.89
India	-0.11	0.02	-0.20	0.03	-14.54	1.99	-12.51	1.26	-0.089	2.03
Canada	0.12	0.05	0.04	0.06	5.71	3.83	2.02	2.89	-0.079	-3.69
Vietnam	-0.09	0.01	-0.16	0.32	-13.88	1.51	-10.62	15.34	-0.068	3.26
Sri Lanka	-0.13	0.02	-0.17	0.06	-18.48	2.36	-10.85	3.19	-0.040	7.63
Yugoslavia	-0.10	0.01	-0.13	0.08	-14.34	0.77	-8.32	4.50	-0.034	6.02
Portugal	-0.12	0.05	-0.15	0.06	-17.25	6.27	-8.25	3.31	-0.026	9.00
Philippines	-0.19	0.01	-0.21	0.03	-27.65	1.69	-10.51	1.93	-0.019	17.14
Poland	-0.08	0.01	-0.09	0.07	-11.91	1.55	-5.79	3.35	-0.011	6.13
Greece	-0.11	0.02	-0.11	0.10	-14.89	2.45	-4.41	5.02	-0.002	10.48
Italy	-0.08	0.03	-0.08	0.05	-9.27	3.46	-4.89	2.67	0.001	4.38
Iran	-0.14	0.01	-0.12	0.06	-17.61	1.29	-6.51	3.63	0.015	11.10
France	0.01	0.03	0.03	0.04	-1.43	2.84	2.16	1.86	0.016	3.58
Uganda	-0.10	0.02	-0.08	0.08	-12.16	3.36	-4.78	4.79	0.019	7.37
Egypt	-0.11	0.04	-0.08	0.20	-15.69	4.97	-3.70	8.84	0.030	11.99
Other FB	-0.07	0.01	-0.04	0.01	-10.12	0.91	-1.82	0.71	0.040	8.30
Algeria	-0.15	0.02	-0.11	0.08	-19.33	3.06	-2.21	4.66	0.043	17.12
Iraq	-0.21	0.02	-0.16	0.10	-26.31	2.53	-10.35	6.01	0.045	15.96
Turkey	-0.15	0.01	-0.09	0.08	-19.45	1.52	-4.64	5.00	0.055	14.81
Spain	-0.15	0.03	-0.08	0.05	-19.84	4.27	-3.55	2.58	0.068	16.29
FSU	-0.13	0.02	-0.04	0.07	-16.36	2.18	-1.83	3.29	0.084	14.53
Germany	-0.02	0.02	0.08	0.04	-2.69	3.00	4.61	1.95	0.095	7.31
Pakistan	-0.19	0.02	-0.05	0.07	-22.72	3.16	-4.37	3.87	0.141	18.35
Somalia	-0.08	0.03	0.08	0.19	-11.38	3.13	3.82	9.71	0.158	15.20
Netherlands	-0.02	0.03	0.14	0.06	-2.75	2.44	8.79	3.12	0.162	11.54
Columbia	-0.10	0.02	0.06	0.12	-12.97	2.60	4.33	7.39	0.168	17.29
US	0.04	0.05	0.27	0.06	-0.98	3.57	8.82	2.13	0.225	9.80
Australia	-0.01	0.01	0.24	0.04	2.85	1.30	11.44	1.93	0.244	8.59
Japan	-0.14	0.03	0.17	0.09	-16.09	4.15	8.79	5.25	0.310	24.88

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Bold indicates a coefficient or cross-national difference that is statistically different than zero, based on t-tests, critical value=1.96, p=.05, two-tailed test.

Table 5. Selected human capital effects on wages

	Men				Women			
	Sweden		UK		Sweden		UK	
	b	s.e.	b	s.e.	b	s.e.	b	s.e.
Logged wage								
Lower secondary	0.063	0.009	0.210	0.006	0.051	0.009	0.192	0.004
Upper secondary	0.140	0.008	0.260	0.005	0.092	0.007	0.238	0.005
Tertiary, non-degree	0.345	0.010	0.479	0.007	0.246	0.009	0.526	0.006
Tertiary, degree	0.413	0.009	0.697	0.006	0.299	0.007	0.728	0.006
Lower secondary x foreign-born	-0.048	0.021	0.051	0.047	-0.047	0.014	-0.026	0.030
Upper secondary x foreign-born	-0.076	0.017	0.071	0.027	-0.040	0.012	0.061	0.024
Tertiary, non-degree x foreign-born	-0.147	0.024	-0.028	0.037	-0.063	0.029	-0.028	0.028
Tertiary, degree x foreign-born	-0.127	0.019	0.042	0.031	-0.054	0.014	-0.053	0.027
Years since migration	0.003	0.001	-0.009	0.002	0.006	0.000	-0.001	0.001
Years since migration squared	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Wage percentile								
Lower secondary	5.683	0.930	11.857	0.310	9.015	1.307	12.047	0.227
Upper secondary	13.359	0.814	15.255	0.281	14.430	0.989	14.502	0.260
Tertiary, non-degree	32.132	0.927	29.295	0.358	32.828	1.142	32.719	0.293
Tertiary, degree	35.748	0.840	39.990	0.301	40.899	0.982	41.471	0.269
Lower secondary x foreign-born	-4.297	2.100	-0.823	2.494	-7.758	2.135	-1.396	1.692
Upper secondary x foreign-born	-7.053	1.677	1.422	1.193	-6.092	1.829	2.384	1.307
Tertiary, non-degree x foreign-born	-12.973	2.138	-4.616	1.956	-7.676	3.722	-2.102	1.526
Tertiary, degree x foreign-born	-9.134	1.728	-0.677	1.384	-9.035	2.074	-4.346	1.401
Years since migration	0.670	0.089	-0.325	0.079	0.871	0.059	0.010	0.067
Years since migration squared	0.011	0.006	0.014	0.006	-0.010	0.006	-0.002	0.005

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Years since migration is centered at 14 (native-born persons coded 0). Figures are taken from a model that also includes age, age squared, marital status, children, countries of origin (native-born persons coded 0), survey year, and region. Bold indicates coefficients significantly different from 0, $p=0.05$, two-tailed test.

Table 6. London/non-London differences in origin effects in the UK

	Logged wage		Wage percentile	
	Men	Women	Men	Women
EU-15				
France	0.115	-0.065	10.961	-1.675
Germany	-0.167	0.050	-6.814	4.373
Greece	0.061	-0.097	2.267	-5.777
Italy	-0.068	0.001	-4.166	2.605
Netherlands	-0.028	-0.034	-9.558	-0.560
Portugal	-0.121	-0.408	-6.858	-20.016
Spain	-0.301	-0.207	-14.601	-13.466
Other more developed countries				
Australia	0.024	-0.081	3.159	-0.482
Canada	-0.097	-0.056	-2.701	-0.521
Japan	-0.189	0.054	-3.198	6.194
US	0.240	0.302	7.394	11.661
Eastern Europe				
FSU	-0.561	-0.168	-28.536	-9.496
Poland	-0.109	-0.171	-5.541	-4.607
Yugoslavia	-0.208	-0.027	-8.257	-0.407
Other less developed countries				
Algeria	-0.339	-0.032	-9.912	-6.972
Bangladesh	-0.304	-0.167	-14.897	-27.859
China	-0.358	-0.029	-23.123	-2.476
Columbia	-0.688	-0.388	-26.086	-19.003
Egypt	-0.534	-0.613	-21.490	-24.773
India	-0.264	-0.137	-13.444	-5.133
Iran	0.188	-0.036	4.595	-2.492
Iraq	-0.170	-0.114	-8.737	-0.818
Morocco	-0.328	-0.393	-19.304	-27.403
Pakistan	-0.090	-0.352	-2.675	-16.082
Philippines	0.011	-0.103	3.728	-6.141
Somalia	0.128		13.791	
Sri Lanka	-0.482	-0.312	-23.765	-16.207
Turkey	-0.518	-0.298	-18.290	-13.334
Uganda	-0.278	-0.270	-15.532	-17.989
Vietnam	-0.057	-0.433	3.826	-20.041
Other foreign-born	-0.253	-0.167	-12.478	-9.310
Native-born baseline				
(mean)	0.275	0.358	2.847	1.953

Sources: British Labour Force Surveys, Fall 1996-Fall 2004.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Bold indicates a difference that is statistically different than zero, based on t-tests for ISEI models (critical value=1.96, p=.05, two-tailed test).

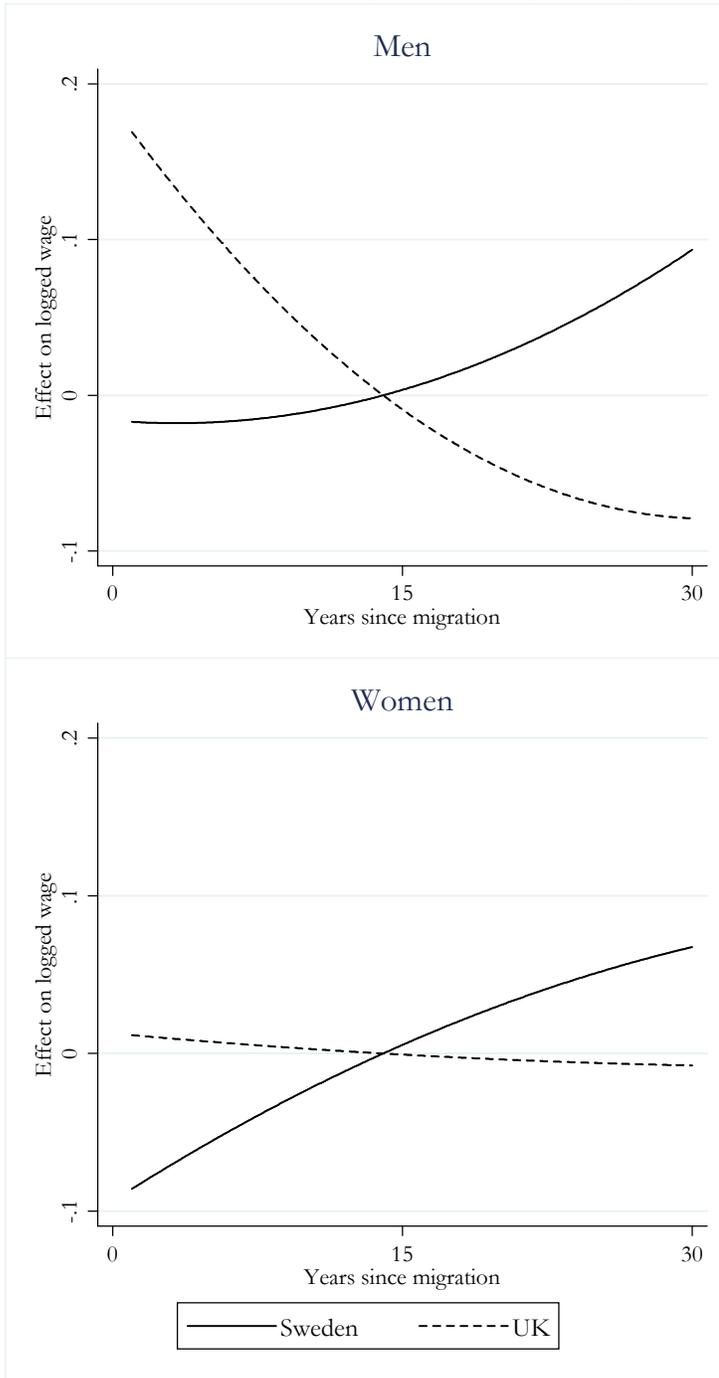
Appendix Table A1. Sample size by gender, country of origin, and country of residence

	Men		Women	
	Sweden	UK	Sweden	UK
EU-15				
France	174	102	106	185
Germany	534	98	559	178
Greece	235	44	132	18
Italy	157	106	77	100
Netherlands	157	58	119	70
Portugal	81	79	74	74
Spain	167	64	117	94
Other more developed countries				
Australia	58	139	40	148
Canada	42	49	45	79
Japan	24	36	61	28
US	275	138	248	169
Eastern Europe				
FSU	327	26	1020	62
Poland	694	25	2277	54
Yugoslavia	5073	30	5650	37
Other less developed countries				
Algeria	68	30	40	6
Bangladesh	173	123	137	26
China	206	45	312	46
Columbia	87	15	140	21
Egypt	82	31	48	10
India	178	471	196	421
Iran	2039	51	2066	39
Iraq	1361	37	980	17
Morocco	201	22	137	16
Pakistan	151	206	76	61
Philippines	41	56	483	175
Somalia	316	12	212	5
Sri Lanka	107	141	143	92
Turkey	629	69	686	39
Uganda	78	44	109	35
Vietnam	270	7	276	6
Other foreign-born	10603	1826	15741	2391
<i>Total foreign-born</i>	24588	4180	32307	4702
<i>Native-born</i>	87722	91401	101887	98194
<i>Total sample size</i>	112310	95581	134194	102896

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

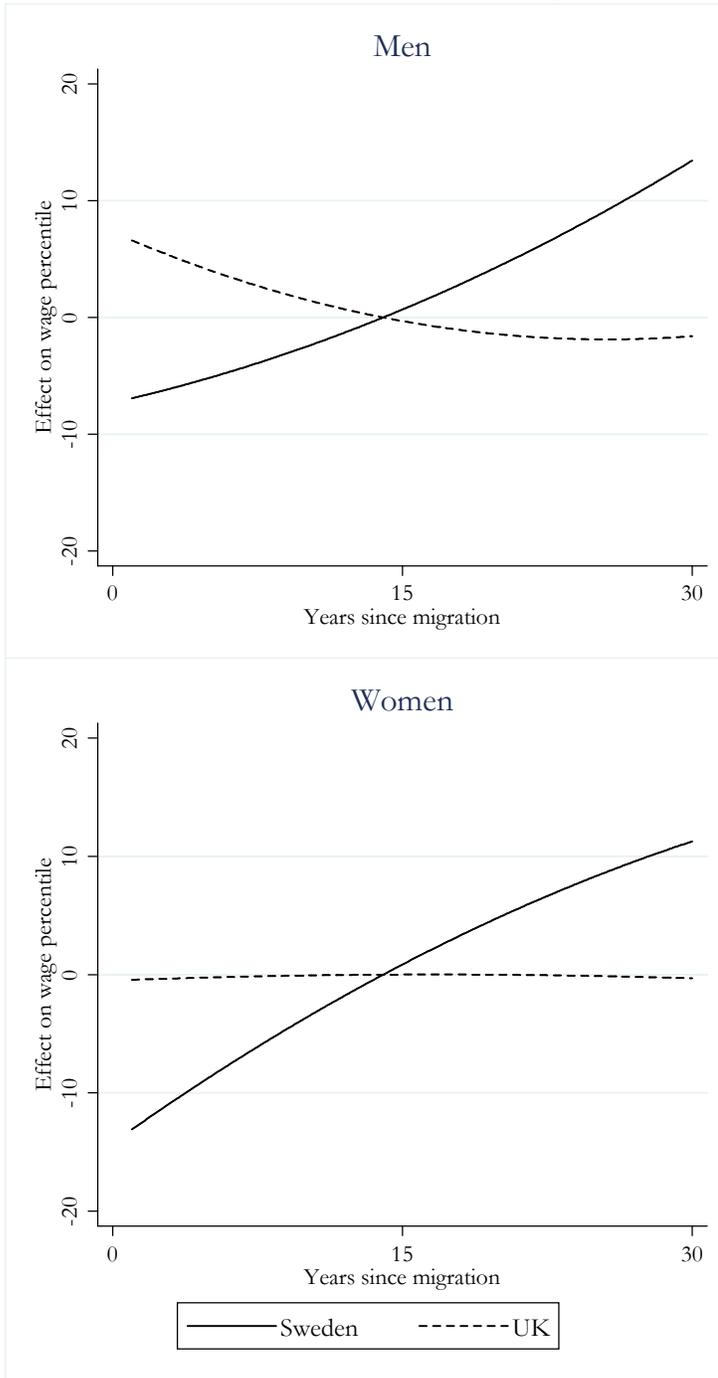
Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+).

Figure 1.
Effects of time since migration on logged wages



Note: Effects are fixed at 0 for years=14.

Figure 2.
Effects of time since migration on wage percentile



Note: Effects are fixed at 0 for years=14.