

Diversity, Integration and the Economy

Synopsis

This project analyses how migrant diversity influences economic performance, productivity, innovation and growth in host regions, and how this is mediated by regulatory frameworks. The project sits within a wider project carried out in partnership with other European research institutes and coordinated by the Migration Research Group (MRG) of the Hamburg Institute of International Economics (HWWA/HWWI). The module in which COMPAS is involved focuses on the impact of mainstream and targeted policies – including services – on migrant labour market outcomes in the UK and Germany. In the first phase, commissioned papers examine the system regulating the access of migrants to the labour market and social benefits and the existing evidence on the effect of such policies on the economic performance of migrants. The second stage involves semi-structured interviews with members of migrant communities and service providers in the two countries.

Background

The labour market performance of migrants in host economies is a major component of integration. Economic success of migrants and ethnic minorities is generally considered to be a positive outcome for both migrants and the receiving society, but it is far from universally attained. In the UK labour market, for instance, many migrant groups are found to have a significant disadvantage in comparison to British-born white people as measured by all the main indicators of labour performance (participation, employment and wages). Individual factors responsible for the lower performance of many migrant and ethnic minority groups in host labour markets – e.g. education, language skills, cultural background etc. – have been extensively investigated in recent literature. However, a wide gap in knowledge remains as regards the impact of institutional contexts in receiving countries – e.g. labour market structures and practices, the educational system, the welfare regime – and the effectiveness of possible strategies to improve the economic outcomes of migrant workers. The omission of regulatory frameworks is particularly significant in the European context. Where the state plays an extensive role in providing welfare and social assistance it is important to compare and contrast the impact of different types of institutional contexts. The relative neglect of this dimension is also apparent in the scarcity of comparative analyses of integration outcomes between countries or regions with different regulatory frameworks.

Aims

The study aims to advance the debate on the theme of integration policy, focusing on the relationship between migrant diversity, migrants' economic performance and regulatory frameworks. In particular, we are interested in the impact of regulatory frameworks – defined in a broad sense, i.e. including service provisions – at national and local level on the labour market outcomes of migrants. The module builds on existing research into determinants of migrant incorporation in labour markets but aims to supplement this with a more detailed account of the role of regulatory frameworks. The focus on labour integration and regulatory frameworks and the emphasis on diversity provide a good basis for deriving recommendations on which legal rights, social and welfare services, education systems and targeted integration programmes can best bring out the human and social capital of migrants. This will enable us to enhance our understanding of how policy interventions at EU, national and local level can constrain or make positive use of forms of diversity.

The ESRC Centre on Migration, Policy and Society (COMPAS) at the University of Oxford conducts high quality research in order to develop theory and knowledge, inform public opinion and contribute to policy debates on migration.

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Methods

UK and Germany have been selected as case studies in order to ensure scope for comparison of regulatory frameworks – also across regions – and human, social and cultural capital of migrants. The two countries provide excellent laboratories for comparison having dealt with integration in different ways in terms of access to citizenship, tolerance of cultural diversity, anti-discrimination legislation, and so on. UK and Germany also delegate different degrees of competence to local authorities on integration and welfare policies, producing divergent sub-national approaches. The research involves two main methodological steps. First, the institutional context affecting the migrants' economic integration and the impact of such regulatory frameworks on the migrant workers' outcomes are analysed. For each of the two countries, a first paper provides a legal-political description of regulatory frameworks – focussing in particular on the legal status of the different groups and their access to the labour market and welfare provisions. A second paper analyses the existing evidence about the effect of such a legal context – including targeted integration strategies but also the involvement of migrants in mainstream policies of economic inclusion. Secondly, we shall carry out qualitative research in the form of approximately 130 semi-structured interviews involving 60 migrants and 5 service providers in each of the two countries. We shall consider the performance of migrant communities, selected on the basis of numerical significance, legal status and policy relevance in the receiving area, through interviews with members of each community. The sample will include a representative balance of gender and age, socio-economic status, religion, length of residence, etc. and will be recruited through contacts with community groups and agencies working with migrants. An analysis of group outcomes in relation to different regulatory frameworks would enable us to explore to what extent differential outcomes are a function of forms of capital specific to ethnic groups or social background, and how regulatory frameworks are influencing the development and utilisation of these forms of capital.

Work in progress

The two papers describing the legal framework in the UK and Germany have been completed and the two papers reviewing the evidence about its impact on the labour market performance are being finalised. The field-work is being planned and is likely to take place in the last quarter of 2006 and the first quarter of 2007.

Planned Outputs: Website, Internet forum, final conference, special series of HWWA Discussion Papers, two edited monographs, academic articles, Policy Briefs

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