

Comments on Bauer, Lofstrom & Zimmermann: Immigration policy, assimilation of immigrants, and natives' sentiments towards immigrants: evidence from 12 OECD countries

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This paper addresses a very important issue, namely how immigration policy might affect the assimilation of immigrants into the labour market as well as the attitudes of natives towards immigrants in the recipient countries. Many people have strong opinions on this issue, although their opinions are rarely supported by empirical evidence. The underlying reason is that very few empirical studies deal with the implications of immigration policy. The contribution made by this article is that it focuses interest on immigration policy.

The conclusion of the paper is that governments in Europe should choose migrants more according to the needs of their labour markets. The needs of the labour market in the recipient countries is discussed in terms of the skills of the individual migrant and the international transferability of these skills. The authors argue that the international transferability of skills is more important than the skills per se, which means that admission criteria based on the migrants' country of origin are more effective than criteria based on skills.

The conclusion is based on four sources: predictions from economic theory, descriptive comparative statistics for 12 countries, a review of previous research, and a survey of attitudes towards immigration in 12 countries. My discussion will concentrate on the empirical support for the authors' conclusions.

1. Descriptive statistics for 12 countries

Table 1 in the article serves as the basis for the classification of the type of immigration policy in the 12 countries, and of the "outcome" in the labour market for immigrants. The problem with this classification is that the authors mix immigrants and foreign citizens into one

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category, sometimes called immigrants and sometimes foreigners. In official statistics an immigrant into the US, Canada and New Zealand is defined as someone born in a foreign country, while in the nine European countries, an immigrant is defined as a foreign citizen. The European countries differ in their rules and procedures for naturalisation. The Scandinavian countries and the Netherlands have more generous rules for naturalisation than the German-speaking countries. In Sweden a foreign citizen¹ may be granted Swedish citizenship after five years of residence. This means that foreign citizens comprise around 50 per cent of the foreign-born population, consisting of those most recently arrived in Sweden. This has important implications for the labour market “outcome” of immigrants. Immigrants from Eastern European countries (incl. former Yugoslavia) into Sweden is an illustrative example. In 1999 the unemployment rate of foreign citizens from Eastern European countries was 27 per cent, while the unemployment rate of residents born in these countries was 16 per cent. This difference of more than 10 percentage points is entirely due to a very high proportion of newly arrived immigrants among the foreign citizens. Hence the use of foreign citizenship to denote immigrants in the Scandinavian countries and in the Netherlands probably leads to an overestimation of the labour market difficulties of immigrants in these countries. The authors seem unaware of this complication and instead discuss the implications of including the children and grandchildren of immigrants among the foreigners, which might be of relevance in the German-speaking countries.

2. Review of previous research

The second piece of evidence is a very impressive review of around 30 assimilation studies. Of these studies, 18 refer to immigrants into English-speaking countries and 7 to immigrants into Germany. The main result is that the country of origin of the immigrants seems to be decisive for their success in the labour markets in the recipient countries. However, the studies of immigration into English-speaking countries stress the importance of coming from a country where English is the prevalent language, and the studies of immigration into Germany show that immigrants who are “ethnic Germans” do better than refugees who are not “ethnic Germans”. Accordingly it is possible that the individuals’ knowledge of the language in the new country

¹ Nordic citizens after two years of residence.

is more important than, as the authors claim, differences in cultural background and in the schooling systems. The suggestion that European countries should try to “select the ‘right’ source countries” is then perhaps only applicable to European countries where world languages are spoken, like English, French, German and Spanish. The possibilities for a country like Sweden to pick the “right” source countries would be very limited.

3. Attitudes towards immigration in 12 countries

The third piece of empirical evidence is an international survey on the attitudes of natives towards immigration. The survey is used to analyse whether a policy that attracts relatively skilled workers would imply greater tolerance towards immigrants. A skilled worker is, as previously, someone coming from the “right” country. In the statistics used in the article, this is interpreted in terms of unskilled refugees and skilled labour migrants. The results of the survey are discussed in relation to the proportion of refugees and the labour force participation ratio of immigrants (foreigners) in different countries, i.e. the comparative statistics that mixes immigrants and foreign citizens. Given that the data only covers 12 countries in one single year, the authors stress that the results are suggestive rather than conclusive. With this reservation, the authors tend to select the evidence that supports the main conclusion/suggestion of the paper and don’t comment on evidence that points in another direction. An example is the interpretation of the answers to the question “Immigrants are generally good for the economy”, where the authors claim that unfavourable views towards immigrants are associated with a high proportion of refugees and the subsequent low labour force participation rates. In the interpretation of the results, the Netherlands and Norway are selected as countries that have unfavourable sentiments towards immigrants, a high proportion of refugees and low labour force participation rates in the immigrant population. By putting the figures from Tables 1 and 2 together in the table below, it becomes obvious that such a pattern hardly exists. Sweden has twice as high a proportion of refugees as Norway and the Netherlands, whereas the attitudes towards immigrants are significantly more negative in Norway and in the Netherlands than in Sweden. Germany has the same proportion of refugees as Norway, and Spain the same proportion as the Netherlands, but there is no similarity in the attitudes towards immigrants. If the proportion of refugees and/or the labour force partici-

pation ratio are going to be used to explain the sentiments towards immigration, it would be better to use these proportions and ratios as independent variables instead of the country dummies.

	Immigrants are generally good for the economy*	Per cent refugees**	LFP ratio***
US	0.07 (0.02)	11.6	1.07
Canada	0.37 (0.02)	11.8	1.06
New Zealand	0.24 (0.02)	4.2	1.01
UK	-0.11 (0.02)	18.5	1.03
Germany	0.11 (0.02)	20.7	1.02
Austria	0.18 (0.02)	-	1.10
The Netherlands	-0.11 (0.02)	29.3	0.68
Norway	-0.15 (0.02)	20.0	0.68
Ireland	0.32 (0.02)	0.5	1.07
Italy	-0.04 (0.02)	7.2	1.00
Spain	0.01 (0.02)	30.2	0.75
Sweden	ref.	61.5	0.98

Notes: *From Table 2, estimated marginal effects, model 1, standard errors in ().

** From Table 1, column 3, proportion of asylum seekers in 1991-95 total inflow.

*** From Table 1, column 5, share of foreign labour force in total labour force 1995 divided by the proportion of immigrants in population 1995.

The authors have modified their conclusions compared to the version presented at the conference. Although modified, the message of the paper is quite clear. Economic performance as well as the popularity of governments would gain by a change in immigration policy from mainly accepting refugees to mainly accepting labour migrants according to the needs of their labour markets. The needs of the labour market should not be interpreted as specific skills in terms of education or experience, but as immigrants coming from the “right” countries. Right countries are those with similar culture and schooling systems. This highly controversial message is, however, not convincingly supported by empirical evidence.

