

# Labour Market Integration of Migratory Generations: an Exploratory Analysis based on Census Data

## *Inserimento nel Mercato del Lavoro delle Generazioni Migratorie: un'Analisi Esplorativa con Dati Censuari*

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**Abstract** In the recent past, international migration and foreign presence studies have focused, in Italy as well, on socioeconomic integration of second generation. This work aims to analyse the labour market integration of first and second generation immigrants in Italy, in order to detect any differences, and the relevant modalities, in terms of access to employment and vocational qualification, taking into account a gender and citizenship perspective too. Does the integration into working life change according to age at arrival? Do men and women have the same job profiles? Does citizenship affect access to and integration into labour market?

**Abstract** Negli ultimi anni anche in Italia gli studi sulle migrazioni internazionali e la presenza straniera hanno focalizzato l'attenzione sull'integrazione socio-economica delle seconde generazioni. Obiettivo di questo lavoro è analizzare l'inserimento nel mercato del lavoro della prima e della seconda generazione di immigrati per capire se, e come, ci siano differenze in termini di accesso al lavoro e di qualificazione professionale, anche in una prospettiva di genere e per cittadinanza. L'inserimento lavorativo cambia in base all'età di arrivo? Uomini e donne hanno lo stesso profilo lavorativo? La nazionalità condiziona l'accesso e l'inserimento nel mondo del lavoro?

**Keywords:** Immigrants, Migratory Generations, Human capital, Labour Market, Socioeconomic Integration, Gender, Census data

## 1 Introduction

Foreign presence in Italy is nowadays characterized by a high proportion of married couples with children. This entails an increasing presence of foreign children and young people born in our country (or abroad) from foreign-born parents. The

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integration of these groups of immigrants into Italian labour market becomes therefore a key issue for several reasons, which can be summarized as follows: i) *numerical increase*: young immigrants represent a significant proportion of the Italian human capital; ii) *multicultural society*: socioeconomic development dynamics in a multicultural society are linked to the opportunities of social advancement for this young people (Ambrosini, Molina, 2004); iii) *benchmark for integration policy*: the access to labour market is the main key to assess the effectiveness of immigrant integration (Oecd, 2012); iv) *new integration policies*: integration policies need to go beyond the “emergency concept” (Congia, 2014).

A very rich theoretical debate developed around the issue of labour integration of second generation immigrants. Our aim is not to analyse in more depth the relevant concepts; it is anyway interesting to highlight the ongoing development of approaches whose interpretation go beyond theoretical foundations of the original models, like the linear assimilation theory (Park, Burgess, 1924) and the neo assimilation theory (Alba, Nee, 1997). According to those theoretical positions, socio-economic integration of second generation immigrants depends on language skills, lifestyle, mentality and typical behaviour of native population. To overcome the integration/assimilation concept, other theories, like the segmented assimilation theory (Portes, Zhou, 1993) and the “ideal-tipiche” trajectories theory (Ambrosini, Molina, 2004), suggest that social integration and employment chances for immigrants' children are closely linked to individual skills, social capital and family characteristics. Other theories, among which transnational theories (Glick Schiller et al., 1992), focus on the importance of the original cultural heritage and on the central role of relationships and communication with the original context for the creation of pathways into employment. From an empirical point of view, the results from international studies carried out in specific geographical contexts show that immigrants' children, compared with native peers, have a higher unemployment rate and, at the same time, they are often employed in unskilled labour (Gaymu, Parant, 1996; Glaude, Borrel, 2002; Silberman, Fournier, 2006). Furthermore, these studies show that, compared to their parents, second generation immigrant's access to employment remains very difficult, even if a decrease occupation segregation is observed (Meurs et al., 2006). Other studies have highlighted the importance of age at arrival in the destination country as a key factor to achieve a better occupational integration (Hasmath, 2012). Starting from the young immigrant generation classification proposed by Rumbaut (2004), this paper makes use of data from 2011 Italian population census to investigate the labour market integration of first and second generation immigrants. The aim is to detect any differences, and the relevant modalities, among different groups of migratory generations in terms of access to employment and vocational qualification, from a gender and citizenship perspective too. The definition of reference population and its categories, the description of used data, indices and adopted multidimensional methods of analysis will be presented in the following section 2. An analytical description of the indices and the result of multidimensional analysis will be proposed in the two parts of section 3. In the last section there will be a discussion of more significant results also in the light of international literature.

## 2 Reference population, data and methods

The reference population is young people aged between 15 and 34, foreigners, both born in Italy or abroad from foreign-born parents, who were enumerated at 2011 census (October 8<sup>th</sup>). From this reference population we computed a derived variable (age at arrival in Italy), in order to classify our reference population according to the scale proposed by Rumbaut (2004). We obtained five migratory generations: the second generation (G2), which includes people born in Italy from foreign-born parents; the generation 1.75 (G1.75), which includes foreign-born people arrived in Italy at the age of 0 to 5 years; the generation 1.50 (G1.50), which includes foreign-born people arrived in Italy at the age of 6 to 12 years; the generation 1.25 (G1.25), which includes foreign-born people arrived in Italy at the age of 13 to 17 years; the first generation (G1), which includes foreign-born people arrived in Italy at the age of 18 to 34 years.

Taking into account those groups of immigrants, we computed a matrix  $M_{(x,v)}$ , for 110 statistical units (x) obtained as a combination among migratory generations (5), gender (2) and citizenships (11: first ten citizenships at the 2001 Italian population census, plus the “other citizenships” category (grouping all other foreigners enumerated at the Census)). For the analysis, we used the following statistical indicators (v): employment rate, unemployment rate, percentage of workers employed in agriculture, percentage of workers employed in service sector, percentage of blue collars, percentage of white collars, percentage of self-employed workers. The allocation of jobs to the three categories of blue, semi-white and white collars was done on the basis of the combination of occupation and status in employment, and it could be biased by the difficulty of categorising some activities, particularly for what concerns the sector of personal services, since it was not possible to work on individual data. Those used for this paper are aggregate figures provided by Istat on ad hoc request.

Starting from the matrix, we applied a multidimensional analysis. The adopted strategy consisted of two steps: first of all, in order to reduce the number of variables/indicators, we applied a factorial analysis using the method of the principal component analysis. Then, in order to classify the statistical units in a lower number of homogeneous aggregations, we applied a cluster analysis to the factorial score using Ward's method.

## 3 Results

Before discussing the results of the multidimensional analysis (section 3.2), we present some preliminary descriptive statistics regarding the elementary indices used in the multidimensional analysis (section 3.1).

### 3.1 *Some preliminary features*

At the 2011 demographic census, the foreign resident population counted over 4 million of people, corresponding to 6.7% of total population living in Italy. The reference population (15-34 years old foreigners) amounts to 1,384,300 and it is composed by migratory generations of different numerical dimension. The biggest migratory generation is the first generation, G1 (888,419 units, 64.2% of the reference population), followed by G1.25 (183,540; 13.3% of the reference population), G1.75 (167,425; 12.1% of the reference population), G1.50 (115,785; 8.4% of the reference population) and G.2 (2.1% of the reference population). The last generation, G2, is the smallest one; with 29,132 statistical units represents only 4.7% of the total foreign population born in Italy from foreign-born parents.

In Table 1 some descriptive statistics of the indices used in the multidimensional analysis are presented. The median value of the employment rate recorded by the 110 statistical units is equal to 36 employed per 100 young foreign people of 15-34 years old. The range of variability appears particularly large: from a minimum value of 3.4 to a maximum value of 85.1 per 100 young people. This situation that is due to the difference in the activity rates and in the unemployment rates of the statistical units, it is probably linked first of all to the different age composition of the five migratory generations. In matter of fact, the range of variability of the unemployment rate comes from 5.8 to 66.8 unemployed per 100 foreign labour force, a very large range with a median value equal to 21%. The distribution by sector of employment is extremely variable too. The primary sector employed since a maximum of 35% of the workers, but some statistical units have not employed in this sector (the median value is about 5%). An important share of the workers is employed in the service sector: an average of 63%, with a minimum value of 21 and a maximum corresponding to the totality of the case for at least one statistical unit. The share of blue collar is particularly large: the median value is 62%, with the lowest value equals to 22% and the highest one corresponding to the total of the young employed of a given statistical unit. The presence in semi-skilled works seems more or less important. On the contrary, the share of white collars remains extremely low: the median value is less than 2% and the share approaches the 12% only in the statistical unit with highest percentage value. The role of self-employment varies significantly among the 110 statistical units, so that the percentages range from a minimum of just over 3% to a maximum that exceeds 40%.

**Table 1:** Descriptive statistics of indices used in the multidimensional analysis

<i>Elementary indices</i>	<i>Min.</i>	<i>Max.</i>	<i>Median</i>	<i>Mean</i>	<i>Std. Dev.</i>
Employment rate	3.4	85.1	36.1	40.0	22.4
Unemployment rate	5.8	66.8	21.2	23.0	12.1
% workers employed in agriculture	0.0	34.8	5.1	6.1	5.7
% workers employed in services	21.2	100.0	67.5	63.4	22.7
% blue collar	22.2	93.7	62.0	62.1	19.6
% white collar	0.0	11.7	1.9	2.7	2.7
% self-employed workers	3.4	40.3	14.9	16.4	7.6

### 3.2 *Multidimensional analysis*

Starting from the original matrix (110 statistical units and seven elementary indices) we decided to adopt a multidimensional data analysis strategy which is composed by two steps: principal component analysis and a cluster analysis on the factor scores. In this way, it is possible reaching a size reduction of dimensions of analysis and then obtain clusters as homogeneous as possible of the elementary units according to their labour market integration.

The two main components extracted by factor analysis, jointly explain 69.6% of initial matrix total variance (Table 2). The first factor, which represents 38.6% of total variability, has a strong negative correlation to the percentage of blue collar (-0.84) and agricultural workers (-0.65) and a high positive correlation to the percentage of self-employed workers (0.78), of workers employed in the service sector (0.72) and of white collars (0.66). Therefore, this axis is called “employment quality/type”. The second factor, which explains 31% of total variance, was instead defined as “probability of being employed” because of its strong positive correlation to the employment rate (0.91) and its negative correlation to the unemployment rate (-0.89).

In the second stage of the analysis, applying an agglomerative hierarchical cluster analysis (bottom-up) using Ward’s method, we obtained 6 main clusters. In Figure 1 we projected statistical units (110) on the factorial plan based on the six clusters we identified. In their description, we will take into account the combination among migratory generations, gender and citizenship.

The *first cluster* comprises 16 statistical units; these units are all females not belonging to G1 or G1.75. Among others, this group is composed of Polish and Peruvian women belonging to G2, G1.50 and G1.25. This group is characterized by very low insertion in the economic system (negative part of the second axis). The jobs of the few employed women often lie in the intermediate level on the professional scale (positive part of the first axis). The barycentre of this cluster is in fact in the fourth quadrant of the factorial plan.

The *second cluster* is ethnically characterised. It comprises the majority (8/10) of Chinese statistical units, with the exception of G2 females and males. The barycentre of the cluster is at the top right of the factorial plan (first quadrant), which indicates a better integration in the labour market. This cluster is in fact, from one side, characterized by a high level of employment rate and a low level of unemployment rate and, from the other side, by the highest rate of white collars and the highest proportion (about 1/3) of self-employed workers, too.

In the *third cluster*, consisting of 23 statistical units, we find Chinese people that are not included in the previous group: G2 males and females. This cluster is composed of Philippine's females belonging to all migratory generations (except G2), Ukrainian females belonging to G1, G1.75 and G2 and Polish and Romanian females belonging to G1 and G1.75. This group is clearly defined by the gender (19 of 23 statistical units are females), with a less clear distinction by migratory generation (5 statistical units belong to G2, 8 to G1.75 and 6 to G1). This cluster is essentially composed by women belonging to immigrant communities traditionally involved in female labour migration. This shows no significant differences among first and second generation immigrant

women belonging to these communities, with regard to their employment, limited to the service sector. This group differs from the first one – essentially composed of women as well – for higher labour market participation and lower level of unemployment.

**Table 2:** Component loadings, 1<sup>st</sup> and 2<sup>nd</sup> factors extracted

<i>Elementary Indices</i>	<i>1<sup>st</sup> factor</i>	<i>2<sup>nd</sup> factor</i>
% blue collars	-0.835	0.383
% self-employed workers	0.778	0.284
% workers employed in services	0.724	-0.421
% white collars	0.655	0.249
% workers employed in agriculture	-0.654	0.290
employment rate	-0.137	0.906
unemployment rate	-0.044	-0.892
% of variance	38.6	31.0
cumulative % of variance	38.6	69.6

Note: Varimax rotation method.

The *fourth cluster* is fully composed of males. It consists of 22 statistical units, 10 of which belonging to G1. This group is in the second quadrant of the factorial plan, characterized by a high labour participation (high employment rate and contained unemployment rate) but in unskilled labour (mainly blue collars). Among first generation male immigrants, finding a job is not particularly difficult, but rarely their job is in the intermediate or higher level on the scale of professions (Fullin and Reyneri, 2011), with the sole exception of Chinese people.

The *fifth cluster* is the most copious group (25 statistical units). It is characterized by a low level of employment, with the barycentre at the bottom of the third quadrant of the factorial plan. This group differs from the first one because of its structure by activity sector and employment quality/type; this structure does not significantly differ from the average one. It is essentially composed of immigrants belonging to G2 or G1.25, G1.50 and G1.75. The only statistical units belonging to G2 are Moroccan, Albanian and Indian females who probably came to Italy for family reunification purposes and who have very low employment levels. This cluster represents therefore the typical situation of young foreign-born people, who arrived in the receiving country (in this case, Italy) when they were very young or were born in the receiving country, who have a low participation level in labour market, as they are typically students or learners involved in training activities. This cluster is characterized by high level of unemployment, probably due to the difficulty of finding a job corresponding to skills and aspirations of this “second” generation young people. The situation of immigrants’ children in Italy is not limited to the above. In fact, the *sixth cluster*, essentially consisting of males belonging to G2 and G1.25, G1.50 and G1.75, confirms immigrants’ children employment in very low profile jobs. This cluster differs from the fourth one due to a lower employment and higher unemployment rate. From that, we can derive the hypothesis, to be tested with more analytical data and dedicated techniques of analysis, that the intergenerational upward professional mobility can be very weak among immigrants and their descendants.

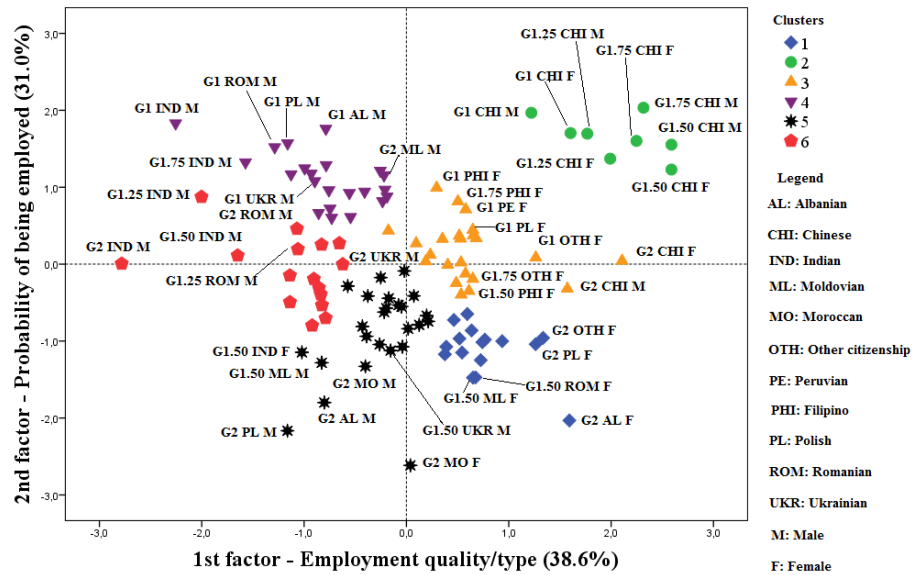


Figure 1: Statistical units by clusters projected on the factorial plan of the first two extracted components (only some combinations of migratory generations, gender and citizenships are showed)

#### 4 Conclusions and future developments

To sum up, excluding the case of Chinese group, which is the best placed in the Italian production system thanks to the strong ethnic entrepreneurship, in 2011, we still see differences among categories of young immigrants (15-34 years old) attributable to the combination of personal expectations and employment opportunities by gender and nationality. Among Moroccans, Albanians and Indians, gender differences are significant as to participation levels and in terms of employment. All nationalities with a strong female presence in the labour market (Eastern Europe, Latin America and South-East Asia) are characterized by an exceptionally strong concentration in the service sector. For this reason, the groups emerging from our multidimensional analysis are clearly connoted by gender.

Even the migratory generation seems to play an important role, although different for men and women. If second generation immigrants and those belonging to decimal generations (G1.25, G1.50 and G1.75) have low levels of labour market participation, without marked gender differences, due to the fact that many of them are still in school or training (it is important to remember that second generation immigrants are concentrated in the younger age groups, below 25 years old, as opposed to first generation immigrants, more often between 25 and 34 years old), among young men an employment in low-level activities remains the distinctly more frequent case, while among women we can observe more frequent cases of mid-level

job among decimal and second generation. This clearly illustrates the challenging upward social mobility for immigrants, also among migratory generations; such difficulty is stronger among men than women, a general issue that requires great attention from policy makers and further research by scholars. Moreover, the results of our study confirm somehow the findings of international literature. The results of the research carried out by others scholars show, in fact, that second generation immigrants have difficulties in finding a job but also that the country of origin and gender significantly affect the level of participation in the labour market by second generation immigrants. On the one hand, children of foreign-born people coming from the southern part of the world, specifically from Africa, continue to be heavily penalized (such as first generations immigrants) from an employment point of view (Meurs et al., 2006; Silberman, Fournier, 2006); on the other hand, as opposed to the results of research stating that women struggle more than men in finding a job (Dayan et al., 1996; Holland, de Valk, 2013), in recent years there was a progressive increase in female employment rates (Glaude, Borrel, 2002; Meurs et al., 2005). Our results seem to suggest that second generation female immigrants have more chances of social mobility, in line with the findings of some previous studies, or that young women, after entering the labour market, have more opportunities for professional mobility (Dayan et al., 1996). Of course, this result needs to be further verified on the basis of a more detailed analysis of occupations. This is a starting point that, along with other findings of our study (whose purpose is only exploratory and which has evident limitations due to data availability and to the selection criteria of statistical units) are worth further investigation in the near term. In the future analysis it could be important to consider also the young people with Italian citizenship by acquisition or children of mixed couples. Another aspect that could be considered regards the place of residence, because of the dichotomy South-North in the labour market and in the Italian productive system.

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