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DN Debate

DN Debate. *"Wage differences exist - but not in the low-wage sector"*

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Refugees are less likely than the control group to fall into the category of the most well-paid jobs, the authors write. Photo: Janerik Henriksson / TT

DN DEBATE 23/7.

Christopher F Baum, Hans Lööf, Andreas Stephan, Klaus F Zimmermann: Most studies of wage differences between refugee immigrants and native Swedes do not take into account professional affiliation. In almost half of the Swedish labor market, people with a refugee background who have established themselves in the labor market earn as much or more than the control group.

Swedish integration policy has failed. Therefore, refugee immigration must be tightened. In any case, that is what is being said in the political debate. But if one of the main goals is for migrants to become productive members of the workforce, the

policy has been successful. Admittedly, employment for the new citizens is off to a weak start. But over time, it comes close to the average for European citizens. With the salary as a measure of ability, the result is even stronger. Refugee immigrants have the same or higher salary than comparable native Swedes in almost half of the Swedish labor market.

With over 80 million refugees today and forecasts of even more in the future, the possibility of establishing oneself on the labor market in new home countries is an important issue for the public's goodwill to open the country's borders. But extensive studies from different countries show problems. Employment approaches the level of the native population only after a couple of decades in the new home countries. Wages as a measure of productivity continue to lag behind even in the longer term. What does it look like in Sweden, which has Europe's largest share of the population with a refugee background?

To get answers , between the years 2003 and 2013 we studied just over 100,000 people who came to Sweden before 1997 and who were established in the labor market. As a control group, 100,000 men and women born in Sweden with statistically similar characteristics to immigrants are used. Many previous studies are characterized by the fact that they do not take into account that refugee immigrants mainly work in sectors of society with the lowest wages. As far as we know, no match similar to ours has been made to create a control group that is comparable to the refugee group.

With the exception of the global financial crisis of 2007–2008, the Swedish labor market was strong during the period we examined. As many as 84 percent of the control group had employment, which is uniquely high in the western world in modern times. The corresponding average for the period was 65 percent for those who arrived in Sweden as refugees before 1990 (many from the Middle East), 60 percent for non-European refugees who were granted asylum between 1990 and 1996 (a large group from North Africa) and 72 percent for European refugees who received Sweden as a new homeland during the same period (mainly the former Yugoslavia). By 2013, the employment of these immigrants had grown to just below the level of the entire EU population.

The difference in wages between refugee immigrants and the native-born population is greatest in the most well-paid jobs.

In our study, the labor market is divided into four different categories depending on the nature of the tasks. It then appears that the refugee group has a lower probability than the control group of falling into the category of cognitive and non-routine,

with the most well-paid jobs. People who came to Sweden as refugees also have slightly worse chances than comparable Swedes to get work in administration and sales (cognitive routine). On the other hand, migrants with refugee status are more likely to work with manual tasks in both service (non-routine) and goods production (routine). Here are also the majority of low-wage jobs in Sweden.

The difference in salary between refugee immigrants and the native-born population is greatest in the most well-paid jobs. For the area of cognitive non-routine, the gap is 25 percent. Explanations for the immigrants' lower wages may be that they are less productive, wage discrimination, that it is easier for native Swedes to make a wage career where the benefits are high, and different lengths of work experience. If we take into account the latter, the gap is halved. In the category administration and trade, the difference is 4 percent higher for domestic-born, but virtually the entire gap can be explained by the fact that Swedish-born have more years in the labor market. With the same length of work experience, there is no pay difference. Even in the area of manual routine-based jobs, the wage gap between the two groups disappears when checking for differences other than country of birth.

What can we learn from this study from previous waves of refugee immigration to better understand labor market integration for today's and tomorrow's refugee immigrants? The failure or success of integration policy can only be read in a more long-term perspective. Integration must take time and offer good opportunities for immigrants to prepare for a changing and demanding labor market. For native Swedes, it takes at least twelve years of schooling to be able to qualify for the labor market. If a main goal of migration policy is for refugees who have been granted asylum to become productive members of the labor force, the result must be judged to be successful. The large group of refugee immigrants we have studied achieves an employment rate close to EU level of just over 70 per cent over time,

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Fact box: This is how the survey was done

100,000 men and women born in 1954–1980 who came to Sweden before 1997 are included in the survey. With the help of annual individual data from Statistics Sweden, combined with employer information on professional affiliation and salaries, the persons were followed in the labor market during the period 2003–2013. The control group used 100,000 men and women born in Sweden who are as identical to the refugee group as official statistics allow. Matching variables used are gender, age, education, place of residence, family situation, professional experience, company category and industry.

In the study, the labor market is divided into four different main categories.

Cognitive non-routine that generally requires academic education with tasks in areas such as technology, finance, research, education, media, medicine, healthcare and leadership. Just over five out of ten jobs in

Sweden are in this growing area. The clearly highest wages are also paid here, at the same time as the wage spread is greater than in other areas.

Cognitive routine with tasks in administration and sales. More than one in ten people in the labor market belong to this occupational area.

Manual cognitive tasks. This includes, for example, childcare, elderly care, hotel and restaurant work, taxis and cleaning. A total of 15 percent of those employed belong to this category.

Manual routine work. Many of these jobs are in product production, repair and maintenance. More than every fifth person in the Swedish labor market belongs to this area.

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Debattartikel

Christopher F Baum, Hans Lööf, Andreas Stephan, Klaus F Zimmermann:

"Löneskillnader finns – men inte inom låglönesektorn"

TEXT

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