

Integration over the long run – Immigrant economic progress since 1946

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Abstract

The history of post-war immigration in northwestern Europe can largely be divided into an initial period of labor migration, followed by increasing refugee migration. This paper examines differences in early-stage integration between those arriving in Sweden immediately after the Second World War and those arriving more recently. A prime question here is if today's migrants, who are much more heterogenous and historically different from native Swedes, have different integration patterns than the European immigrants of the 1950s faced, or are the trajectories largely similar, but at different levels. Longitudinal individual-level data on immigrants during the 1940s, 50s, and 60s are extremely rare. This study exploits new data covering the entire population of an industrial city from 1900 – 2016, allowing us for the first time to follow migrants in detail during the entire post-war period, up to today. Preliminary findings suggest that migrants in the "golden age" of labor migration actually display less upward occupational mobility than in later periods, but have higher relative incomes. This paper will examine these findings in more detail for different arrival cohorts. Using detailed individual data, combined with macroeconomic fluctuations, we can not only identify differences in integration processes by period, but also the potentially changing effects of the macroeconomic situation at arrival on pathways of integration.

Extended abstract (references not yet included)

One of the most important demographic developments in Sweden from the Second World War onwards has been increasing immigration. Modern Swedish migration history is often divided into two distinct periods. The first period started with the end of the World War II and lasted until the early 1970s, with the inflow mainly consisting of labor migrants. Similar to many other northwestern European countries, increasing immigration in Sweden was triggered by high labor demand, resulting in the active recruitment of workers. The aftermath of the oil crisis of the mid-1970s, however, stopped further labor immigration. Migration to Sweden thereafter, in the second phase, has mainly consisted of family reunification migrants and refugees.

While the economic integration of the second wave of migrants has been the subject of a large body of research, much less is known about the integration of those arriving prior to 1968. High-quality register data is available for all individuals living in Sweden from 1968 onwards, while for the time before 1968 no digitized longitudinal data has been available until recently, making at least the initial integration process a point of speculation. We exploit longitudinal data covering the industrial city of Landskrona in southwestern Sweden between 1900 and 2016, allowing us to follow migrants arriving in this shipbuilding city and examine their integration, through relative income attainment and occupational mobility. An important aspect of this paper is the contrast between the success of migrants from the first period and the later experiences of migrants arriving in the second period.

More than two thirds of the migrants to Sweden during the 40s, 50s, and 60s came from other Nordic countries. Workers were recruited from Germany, Austria and, Italy in the 1950s, and from Yugoslavia, Greece and Turkey in the 1960s. The largest migrant group in the period originates from Finland. The period of labor migration to Sweden is characterized by large fluctuations in the number of immigrants entering, which can be explained by changing demand of labor in the production industry combined with the economic performance of the sending countries.

Focusing on the migrants arriving during the era of labor migration, we find in our preliminary results that men display low levels of vertical occupational mobility, measured as movement along the Hisclass and ISCO scales. While they display significantly lower rates of upward mobility, they display no tendencies towards higher rates of downward mobility. This could well be due to the nature of labor migration during the post-war period, with a focus initially on skilled manual workers who may tend to remain in the same jobs throughout their career. Immigrant women, on the other hand, display the opposite pattern, with no significant differences from native women in their upward mobility probabilities, but significantly higher risks of downward occupational mobility.

This paper does not, however, merely focus on immigrant arriving before 1970, it also contrasts their experiences with those of migrants from the current era dominated by refugees. In this way we capture both within-cohort developments as well as across-cohort trends. Preliminary evidence in terms of relative incomes gives strong support to Borjas' (1985) ideas of declining cohort "quality" over time. Figure 1 shows that each arrival cohort rapidly increases income with time in Sweden, but that this increase stops at some ceiling, with the ceiling getting lower for each successive cohort.

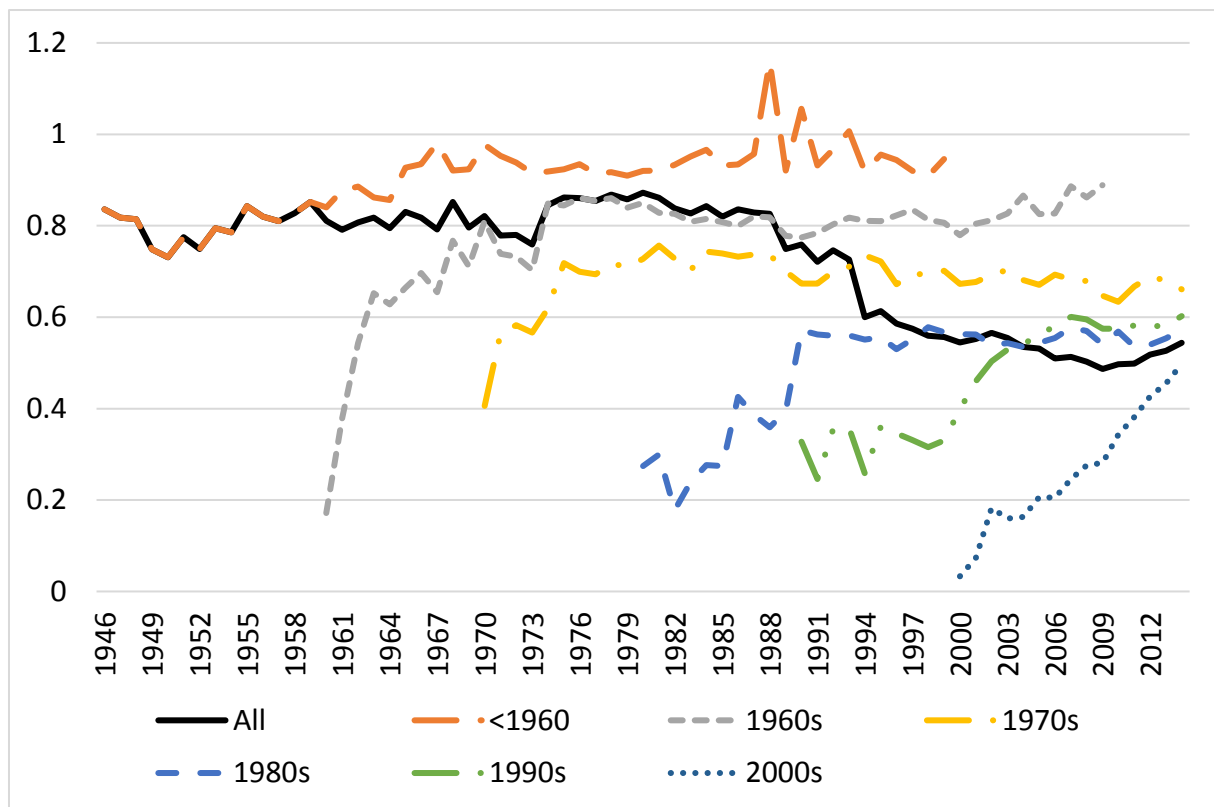


Figure 1. Relative incomes for immigrant males, by arrival cohort. Native Swedes = 1. Source: Own calculations based on Landskrona population data.

For an immigrant, the labor market situation at immigration is also of great importance, since the demand for labor is higher during an economic boom, which increases the opportunities for jobs. Thus, migrants entering Sweden during high growth years are faster integrated in the labor market and in society. This process is notable in the relative earnings growth of the cohort arriving during the deep recession of the 1990s, where initial growth is blocked for a decade, only to see catch-up in later years.

These preliminary findings will be elaborated upon in the final paper. One of the major strengths of this study is that it sheds empirical light on a time when little is known about immigrant integration by exploiting a unique source of individual longitudinal data. It also contrasts the experiences of more recent migrants with those of migrants who arrived during northern Europe's "golden age" of migration. Of significance here is the possibility to discuss potential integration issues arising with today's migrants in the light of a longer historical perspective. Are today's migrants, who are much more heterogeneous and historically different from native Swedes facing different challenges than the European immigrants of the 1950s faced, or are they merely integrating at a different order of magnitude, but following similar paths, as hinted at in figure 1?