IMMIGRANT WAGE GAPS IN CROSS-NATIONAL PERSPECTIVE: IMMIGRANT-SPECIFIC DISADVANTAGES OR WAGE STRUCTURE?

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ABSTRACT

In this paper, I ask how immigrant/native-born wage gaps differ in two institutionally distinct receiving societies in Western Europe: Sweden, with a comparatively equal wage structure, and the United Kingdom, with a comparatively unequal wage structure. Using large, nationally representative data sets and focusing on 30 immigrant groups that reside in both countries, I document a paradox. In terms of wage percentiles, immigrants fare unambiguously better in the UK, net of human capital, demographic characteristics, and sending country. That is, immigrants achieve higher relative positions in the British labor market than in the Swedish labor market. But immigrant/native-born gaps in terms of logged wages are at least as large in the UK as in Sweden, and for some groups larger, because overall earnings inequality is so high in the UK. These findings complement previous findings on gender wage gaps in cross-national perspective, and suggest that policies to improve immigrant pay must consider immigrant-specific barriers in the labor market *and* detrimental effects of earnings inequality for immigrants.

INTRODUCTION

Labor market scholars have long been interested in documenting and explaining wage inequality between immigrant and native-born workers. We know a great deal, for example, about the importance of immigrant/native-born differences in human capital, assimilation as immigrants adjust to their new societies, changes in inequality over successive migration cohorts, and variation in disadvantage across immigrant groups. Studies that examine a single receiving country, as most do, tend to focus on individual-level causes of inequality, such as deficits in human capital, or a lack of experience in the labor market or with the language of the host country. Inter-group differences are thought to be the result of different experiences of discrimination due to race or ethnicity, or the geographic, cultural, or economic "distance" of receiving countries.

In recent years, however, cross-nationally comparative research on immigrant labor market outcomes has begun to generate new, more institutional explanations for immigrant/native-born inequalities. It is to this literature that I contribute in this paper. I consider the wage outcomes of 30 immigrant groups that reside in two theoretically distinct European receiving societies, Sweden and the United Kingdom. Sweden and the UK are polar extremes in the context of the European Union: Sweden with a comparatively equal wage structure and the UK with a comparatively unequal wage structure (OECD 2003). Using methods developed by comparative scholars of gender wage inequality (Blau & Kahn 1992; Mandel & Semyonov 2005), I examine the role of wage compression in immigrant wage attainment, by considering both wage percentiles and logged hourly wages. The former indicates immigrants' relative positions in the labor market, controlling for the level of wage inequality. The latter illustrates absolute wage gaps, and is very much affected by wage inequality. If immigrants do better do

better in one country than the other in terms of wage percentiles, differences can be attributed to immigrant-specific barriers in the labor market. On the other hand, cross-national differences in logged wage gaps can be due to a combination of immigrant-specific factors and differences in wage structure. By carefully comparing the two outcomes, we can better understand the underlying mechanisms that generate cross-national differences in immigrant/native-born inequality.

MOTIVATION AND PREVIOUS RESEARCH

Comparative research is central to understanding the role of context in immigrant economic incorporation. Nevertheless, cross-nationally comparative studies have been rare until recently. Three strands of research have begun to remedy this. The first looks at a variety of immigrant groups in a single host country. There are a number of excellent recent studies on immigrant economic outcomes for the two countries that are the focus here (Bell 1997; Modood 1997a; Heath & McMahon 1997; Owen 1997; Bevelander 1999; Scott 1999; Berthoud 2000; le Grand & Szulkin 2002; Arai & Vilhelmsson 2004; Bevelander 2005). These studies consistently show variation across immigrant groups in each country, net of observed individual-level characteristics. As I noted above, there are a variety of explanations for net intergroup differences, including unobserved differences in human capital, cultural attitudes toward work, and discrimination in the host country. It is difficult to adjudicate between these with standard statistical data, and a full analysis of intergroup differences is beyond the scope of this article, but an important lesson is that one must carefully take origins into account in any analysis of destination effects.

A second approach tracks a single immigrant group across multiple receiving societies.

Kogan (2003) posits that welfare availability and lack of demand for low-skilled workers improve occupational status outcomes but depress labor force participation and employment among ex-Yugoslavs in Sweden versus Austria. Lewin-Epstein et al. (2003) attribute higher occupational attainment and higher unemployment among immigrants from the former Soviet Union in Canada versus Israel to Canada's restrictive "point system" that selects for human capital and Israel's settlement assistance that benefits recent newcomers. Model et al. (1999) find that there are surprisingly few destination effects on the economic outcomes of Caribbean migrants in Canada, the US, Britain, and France. The major downside to such studies looking at a single group is that we do not know whether findings are generalizable to other groups. A wider range of sending countries allows detection of patterns with broader contextual causes.

The few studies that include multiple immigrant groups *and* receiving societies tend to focus on the economically liberal societies, perhaps in part because there is a comparatively long tradition of immigration research on these countries. Certainly, liberal societies are not identical in their institutional configurations. One body of research on the US and the UK (Model & Ladipo 1996; Model 1997, 2005) attributes more positive immigrant outcomes in the US to the presence of native-born minorities (African Americans) in the lowest position of the labor queue. Reitz and collaborators identify overall earnings inequality as a primary contextual variation among Australia, Canada, and the US (Reitz 1998), and between Canada and Germany (Reitz et al. 1999). In countries with more equal earnings (the US compared to Canada and Australia and Canada compared to Germany), those at the bottom of the distribution (disproportionately immigrants) are economically better off. Nonetheless, these two studies mostly look at immigrant wage penalties in general, and are only able to compare a few groups that have settled in more than one country. One recent study (van Tubergen et al. 2004) includes many sending and

receiving countries. This study is a major contribution, and its "double comparative design" is ideally suited to test theories about the effects of immigrants' origins and destinations on labor force participation and unemployment. Due to its very broad scope, this study is not able to devote attention to cross-national differences in the effects of individual-level variables (e.g., destination effects on recent newcomers versus longer-settled immigrants).

I extend these previous studies in several ways. First, unlike much of the previous research just discussed, I include immigrant men and women with a wide range of origins (30 sending countries) in two destinations, and I specifically control for origins, since origins has been identified as a central determinant of wages in so many individual national contexts. Second, I carefully distinguish between immigrant/native-born inequality due to immigrant-specific factors and due to wider institutional causes (here, wage compression). Finally, I examine the role of cross-national variation in the effects of individual-level variables other than immigrant origins.

INSTITUTIONAL CONTEXTS

This paper is focused on immigrant/native-born wage gaps, and whether these gaps vary across countries. In the following discussion, I focus on potential explanations for such cross-national variation: unobserved heterogeneity across immigrant populations, "de-commodification" or the availability of non-market income, the overall shape of a country's wage distribution, and immigrants' access to jobs.

First, issues of heterogeneity among immigrant populations are very important for any analysis of wage inequality. Issues of *unobserved* heterogeneity are particularly problematic, for they cannot be corrected even with standard statistical controls. Information on the language

abilities of immigrants is not available in these data, so this remains an issue of unobserved heterogeneity. Nonetheless, we can make an informed guess about the expected pattern of effects. Given the role of English as a world language, a consequence of Britain's extensive colonial history, we might expect newcomers to the UK to have an advantage over their counterparts in Sweden, since Swedish is less commonly learned outside of Sweden.

The more conventional idea of unobserved heterogeneity has to do with less tangible variables such as motivation. Borjas (1987) has suggested that immigrants from more unequal countries to less unequal countries will be negatively selected, while immigrants from less unequal countries to more unequal countries will be positively selected, and some sociological research is consistent with this hypothesis (van Tubergen et al. 2004). Because I control for sending country, differences in the relative income inequality in sending and receiving countries is a function of the receiving country's level of inequality. This inequality is considerably higher in the UK than in Sweden, so we might expect immigrants to the UK to be more positively selected than immigrants to Sweden.[1] We should be able to see this selectivity in terms of observed independent variables such as education (i.e., immigrants to the UK should have higher levels of education), but we might also expect better outcomes in the UK, even after we control for observed characteristics.

Across advanced industrialized societies, income equality is achieved in two basic ways: redistribution of income through taxes and transfers, and wage compression resulting from regulation of the labor market and collective bargaining. In addition to the purported effect on the

[1]Gini coefficients for the UK and Sweden were 36.0 and 25.0 in 1999-2000 (World Bank 2005).

selectivity of immigrants, cross-national differences in these processes of income redistribution and wage compression can also have other, countervailing effects.

First, the availability of transfer income, particularly in the form of unemployment insurance or social assistance, has a "de-commodifying" effect on potential workers (Esping-Andersen 1990). That is, with the availability of such transfer income, people are less forced into work in order to maintain an acceptable standard of living. De-commodification is relevant for wages, because, given temporary or longer-term alternatives to work, immigrants (and other low-skilled or marginalized groups) need not take poorly remunerated jobs. Some previous research (Kogan 2003) suggests that, indeed, immigrants with generous welfare benefits end up in better jobs, because they are not forced into immediate employment. And there is certainly more general evidence that unemployment benefits, particularly generous ones, allow workers to avoid some of the "scar" effects of unemployment, such as downward earnings and occupational mobility (Gangl 2004).

The marginal effective tax rate (METR) is a rough indicator of this concept for the working-aged adults in this analysis. (A METR of 100% implies the financial equivalence of work and non-work – maximum de-commodification.) Across a range of family types and circumstances, Sweden has considerably higher METR scores than the UK (OECD 2005:Chap. 3); that is, in Sweden, non-working families are able to maintain standards of living that are relatively close to working families. But perhaps more important for the discussion here is that both the UK restricts immigrants from receiving non-contributory benefits such as social assistance (Groenendijk et al. 2000). Thus, Sweden has a smaller gap between the welfare rights of immigrants and the native-born, and if de-commodification pushes wages up, then this institutional difference between the two countries would lead to smaller immigrant/native-born

wage gaps in Sweden.

The effects of welfare availability might be particularly important for immigrants, who face specific barriers to desirable employment, and could have a need for time to invest in human capital (such as language skills) in order to seek and find appropriate work. This is probably particularly true among recent immigrants. Thus, it could be that immigrants in Sweden who *do* enter the labor market are better prepared to maximize their earnings than immigrants in the UK. What this means is that, although low income inequality might cause lower selectivity in migration flows to Sweden, some forms of income redistribution through which this low inequality is achieved might disproportionately assist the least well-prepared potential workers, especially immigrants, in finding better jobs.

The other means of reducing income inequality, wage compression, could also benefit some groups of immigrants. Wage compression alters the structure of opportunity in the labor market in a way that benefits groups at the bottom of the wage structure and reduces the advantages of those at the top. Given that many immigrant groups find themselves toward the bottom of the wage structures of their host societies, wage compression would have a positive effect on wages (Reitz 1998; Reitz et al. 1999). As an example of this process, gender wage gaps are generally smaller in countries with high levels of wage compression, because women still earn less than men in all industrialized countries, and the wage gap is magnified by overall inequality (Blau & Kahn 1992, 2002; Mandel & Semyonov 2005). So again, even though immigrants to a country with higher wage compression (Sweden) might be less positively selected than immigrants to a country with more inequality (the UK), wage compression could have a countervailing positive effect on immigrant/native-born wage inequality. The difference between these two effects can of course actually be observed with the given data: More positively

selected immigrants in the UK would be expected to attain higher wage percentiles, but these advantages will not translate into advantages in absolute wages.

One further consideration about these two national contexts is the presence in the UK of London, a "global city." In these two countries, London is the only "global city": a major international center of finance and trade (Sassen 2001). Sassen has emphasized the polarizing effect of globalization on such cities' occupational and wage structures, and the preponderance of international migrants in both high- and low-end jobs. According to this scenario, we might expect more extremely high-paid work *and* extremely low-paid work (and workers) in London than in the UK as a whole or than in Sweden. Nevertheless, important critiques of Sassen question the empirical basis of the theory, and in particular, Waldinger (1996) shows that New York has experienced an overall occupational upgrading, rather than a polarization of the occupational structure. If this is also the case in London, we might expect wages to be higher there than elsewhere, and this might be particularly true for immigrants, some of whom are likely to be managers and professionals employed by transnational corporations. Given all of these potentially unique features of London's occupational and wage structure, I give it special attention in this analysis.

Finally, the issue of access to jobs and discrimination is obviously central to any analysis of inequality between immigrants and the native-born in the labor market. In short, do immigrants have equal access to the jobs that are available in a given country? Are there policies and institutions that prevent or facilitate equal job opportunities for immigrants? Formal and informal barriers to labor market access for immigrants vary across these two countries. Evidence on a major informal barrier to access, discrimination, suggests that Swedes are less discriminatory. A report based on several waves of Eurobarometer data demonstrates that, along

an array of dimensions, including resistance to diversity, opposition to civil rights for minorities, and support for repatriation policies, Brits adopt more "ethnically exclusionist" stances than their counterparts in Sweden (Coenders et al. 2003:2-6). But we should be cautious in linking the results of opinion polls to discrimination itself. First, these results are for the population as a whole, not for employers. Even assuming employers have similar attitudes to the population at large, studies have shown that employers' discriminatory behavior can be unrelated to stated opinions (Pager & Quillian 2005). Anti-discrimination legislation could be important in preventing discriminatory behavior. Although both countries do formally prohibit discrimination by race and ethnicity, the UK has the most highly developed and long-standing anti-discrimination legislation in Europe. Its first law against discrimination in the labor market dates back to the 1970s. On the other hand, despite progressive immigrant-related policies on many fronts, Sweden's anti-discrimination legislation has lagged behind many other countries, particularly at the stage of recruitment of job candidates (Graham & Soininen 1998). Taken as a whole, the findings from this review of factors affecting labor market access for immigrants suggest that, if public opinions represent the level of discrimination in a society well, then Sweden is probably the less discriminatory context, but if formal anti-discrimination legislation plays a larger role, then the UK could be the less discriminatory context.

In terms of immigrant-specific disadvantages, or what we would expect to observe from the analysis of wage percentiles, several factors would suggest that immigrants in the UK would be more successful than those in Sweden. First, immigrants in the UK most likely have better (unobserved) language abilities. Second, if more motivated immigrants head to more unequal countries, as some theories suggest, immigrants in the UK should be more positively selected than their counterparts in Sweden, and therefore perform better in the labor market. And finally,

the UK has a longer history of and more developed anti-discrimination legislation, which could be key in removing barriers to immigrants in the labor market. But there are also at least two reasons we might expect immigrants in Sweden to fare better. First, their welfare rights are more equal to those of native-born workers than is the case in the UK. That is, immigrants in the UK might be more forced to take low-level jobs toward the bottom of the wage distribution, because they have less access to de-commodifying, non-market sources of income than native-born workers. Second, in public opinion polls, Swedes have less ethnically exclusionary attitudes than Brits, and this could be one measure, albeit probably a poor one, of employers' actions. In terms of logged wage gaps between immigrant and native-born workers, the higher level of wage inequality in the UK will magnify immigrant disadvantages, relative to Sweden. So whether logged wage gaps are larger in Sweden or the UK will be the combined result of immigrant-specific disadvantages and wage structure. I turn now to an empirical analysis to understand these inequality-generating processes.

DATA

The analysis uses British Labour Force Surveys (BLFS) and Swedish Longitudinal Individual Data (LINDA).[2] Both data sets are based on nationally representative, household-level surveys.

The BLFS is a quarterly survey of 0.2% of the population of Great Britain and 0.3% of Northern Ireland (Office for National Statistics 2003). Addresses are randomly selected from the

[2]I thank Statistika centralbyrån (SCB) in Örebro for allowing me to work with LINDA on site at their facilities during a visit in 2004. Due to legal regulations with these official micro-level data, I can only access them in-country.

Postcode Address File in Great Britain and the Valuation List in Northern Ireland. The BLFS has a rotating structure; households remain in the sample for five consecutive quarters. I select each respondent's first quarter of participation, and pool data over the period from Spring 1997 to Fall 2004 to obtain a sufficiently large sample size. For the first quarter of participation, interviews are face-to-face with at least one adult, who may provide information on other household members. Although interviewers speak only English, they carry written documents explaining the survey in nine other languages, and arrange for interpreters as necessary. Response rates have ranged from 80 to 85% in recent years. Earnings data are available for all non-self-employed workers in the UK currently employed at the time of the survey. Unfortunately, there is no large, nationally representative data source in the UK including earnings data on the self-employed, so the BLFS remains the best source of wage data for the UK, when one wishes to analyze small sub-groups such as immigrants.

LINDA combines data from population, tax, and employment registers, which are linked by individual identity numbers (Edin & Fredriksson 2000). It is based on a simple random sample of identity numbers. Everyone in the household of each sampled individual is also included. LINDA includes a large over-sample of immigrants (20% of the total foreign-born population versus 3.3% of the native-born). Because LINDA is based on registers rather than a survey, everyone sampled is in the data set. Information on how to file tax forms, a primary source of LINDA data, is available in 14 major immigrant languages (Skatteverket 2005). LINDA is longitudinal, but I use only 2002 data, because there is no comparable longitudinal data for the UK. Earnings data are available for a sub-sample of persons employed during November or December, stratified by sector of employment (public/private) and by whether an individual was personally sampled or is a family member of a sampled individual. Weighting

takes this stratification into account.

Sample sizes for both data sets, by gender and immigrant origins, are found in the appendix table.

VARIABLES

Earnings. I consider two dependent variables in this paper. First, I estimate logged hourly earnings from data on usual hours worked, monthly earnings in Sweden, and weekly earnings in the UK. Since I use the logged form of this variable and am mostly interested in within-country earnings inequality across groups, I leave earnings in the respective local currency, Swedish crowns and British pounds. Because I use more than one time point in the UK data, UK earnings figures are inflation-adjusted to 2002 pounds. The second dependent variable is earnings percentiles, based on my estimates of hourly wage. Percentiles are calculated separately for men and for women in each country. The percentile analysis allows me to compare the process of earnings attainment of immigrants in the two countries, relative to the native-born, without the confounding influence of overall wage inequality.

Age and age squared. Persons aged 25 through 59 are included in the analysis. Age is centered at 40, which is near the mean in both countries.

Education. The education variable is UNESCO's (United Nations Educational, Scientific, and Cultural Organization) ISCED-97 (International Standard Classification of Education) (UNESCO 1997). The categories, in their generic formulation, are:

1. Primary education (or first stage of basic education)
2. Lower secondary (or second stage of basic education)

3. (Upper) secondary education

4. Post-secondary, non-tertiary education

5. Tertiary education (not leading directly to an advanced research qualification)

6. Tertiary education (leading to an advanced research qualification)

Category 6 is very small, so it is combined with category 5 for the analysis. ISCED codes are directly available in LINDA (Statistika centralbyrån 2000); coding procedures for BLFS are based on external documentation (OECD 1999).

Usual hours worked. Although the dependent variables are based on hourly wage, I also control for usual weekly hours worked, to adjust for the possible lower earnings of those working fewer hours.

Marital/partnership status. This variable is coded 1 if a person lives with a spouse or domestic partner. I often refer to it as marital status, even though this is not by legal definition.[3] Among partnered immigrants, an additional variable distinguishes native-born and foreign-born spouses.

Children. The variable for pre-school aged children is coded 1 if a person lives in a family with children under 6. The variable for school-aged children is coded 1 if a person lives in a family with children aged 6 to 17.

Years since migration and years since migration squared. The analysis is limited to immigrants who moved as adults (aged 18 and older); an analysis of the second and 1.5

[3]In the Swedish data, cohabiting couples can only be identified if they are either officially registered or have children in common. This probably accounts for the somewhat lower partnership rates in Sweden when compared to the UK.

generations is beyond the scope of this analysis.[4] This criterion implies that most immigrants attained any primary and secondary education in the home country. This variable is centered at 14, the approximate mean in both countries.

Origin country. Each of the 30 origins groups can be uniquely identified in both receiving countries. The origin countries include some within the pre-2004 "EU-15" (France, Germany, Greece, Italy, the Netherlands, Portugal, and Spain); other highly developed countries (Australia, Canada, Japan, and the US); countries in Eastern Europe (Poland, the former Yugoslavia, and the former Soviet Union);[5] and countries outside of Europe or on Europe's periphery (Algeria, Bangladesh, China, Columbia, Egypt, India, Iran, Iraq, Morocco, Pakistan, the Philippines, Somalia, Sri Lanka, Turkey, Uganda, and Vietnam). I also include a heterogeneous category of all other immigrants.

Region. A region variable ensures that immigrants are compared to native-born persons in similar labor markets. In Sweden, the region variable is constructed by state (län). The British regional variable is an aggregation of a county/unitary authority-level indicator. In total, there are 21 regions for Sweden and 20 for Britain.

Note that I do not present results for many of these independent variables, for reasons of space, but all multivariate models control for all of them. I will focus mostly on the effects of immigrant

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[4]The second generation (native-born children of immigrants) is included in the native-born category, because they are not uniformly identifiable in the data.

[5]Among immigrants who arrived in their host countries when the Soviet Union and Yugoslavia were still unified nation states, the contemporary names of places of origin are often not available in the data. In other cases, the data distributors have aggregated these countries of origin.

origins, education, and years since migration.

MODELS

I run two sets of models for each country, for each of the two dependent variables, and for men and women separately, formally expressed:

$$Y_i = \alpha + \delta_1 \boldsymbol{O}_i + \delta_2 \boldsymbol{C}_i + \delta_3 \boldsymbol{R}_i + \epsilon_i \quad [1]$$

$$Y_i = \alpha + \delta_1 \boldsymbol{O}_i + \delta_2 \boldsymbol{C}_i + \delta_3 \boldsymbol{R}_i + \delta_4 \boldsymbol{C}_i F_i + \epsilon_i \quad [2]$$

where Y_i is the logged hourly wage[6] or wage percentile of the i^{th} individual, $\boldsymbol{O}$ is a vector of dummy variables indicating countries of origin, $\boldsymbol{C}$ is a vector of the individual demographic and human capital characteristics (age, age squared, education, hours worked, marital status, preschool- and school-aged children, years since migration, and years since migration squared), $\boldsymbol{R}$ is a vector of dummy variables indicating region, and F is a single dummy variable indicating whether a respondent belongs to any of the foreign-born groups. The excluded categories are native-born, primary education, not living with a spouse or partner, no children, and the capital "regions" of Stockholm and inner London. Age is centered at 40, time since migration is centered at 14 for immigrants, and native-born persons are coded 0 on years since migration, origins, and spouse nativity variables.

[6]Using this semi-logarithmic specification for wages, coefficients represent relative changes in the geometric mean of raw wages. Petersen (2006) suggests an alternative technique to estimate differences in arithmetic means: a generalized linear model with a logarithmic link function and a Gamma or Poisson distributed error term, but given limited access to these data, I have not yet been able to try this technique.

RESULTS

The analysis proceeds as follows. I first present selected descriptive statistics on workers in both countries, and then move on to the analysis of wages. From the wage models, I test the statistical significance of within-country origin effects and between-country differences (the effect of destination country on the size of origin gaps) in the size of origin effects using t-statistics. I also explore how the effects of individual-level characteristics (with a focus on education and time since migration) vary for foreign-born and native-born populations and across countries. In a final empirical section, I consider the role of London in shaping immigrant labor market experiences in the UK. Throughout the discussion, I focus most on "origin penalties" or "origin gaps."[7] By this, I mean the difference in wages for specific groups of immigrants versus native-born groups with similar characteristics.

Descriptive statistics

[Table 1]

Table 1 gives descriptive statistics for independent variables used in the analyses, by country, gender, and nativity. (For the purposes of this table, nativity is the simple dichotomy of foreign- versus native-born.) This table shows that there are important nativity-based and cross-national differences in individual human capital characteristics, that will be important to control for in the wage analyses. Not surprisingly, immigrants in the labor force are more likely to have very low levels of education than are their native-born counterparts in all three countries; an exception is immigrant women in the UK. Except for immigrant women in Sweden, immigrants are also more likely than native-born workers to be found at the *high* end of the educational

[7]Note that in some instances, "origin penalties" is a false label, because immigrants actually have *higher* wages than the native-born.

spectrum. Recall that, based on cross-national differences in income inequality, we might have expected immigrants to be more educationally selective in the UK, because it is the more unequal of the two countries. This does not appear to be the case. In fact, more immigrants to Sweden have higher education than is the case in the UK, and fewer immigrants to Sweden have the lowest level of education. Although this does not rule out selectivity according to *unobserved* characteristics, it certainly suggests that the logic of income maximization does not appear to drive the educational selectivity of migration flows. The other human capital characteristic displayed in this table, years since migration, also varies markedly by nativity and country. If being in the country for a longer period of time is an advantage in the labor market as we might expect, then immigrants in the Swedish labor market have an advantage relative to their counterparts in the UK, for they have been in the host country longer, on average.

[Table 2]

I turn now to some descriptive statistics on earnings. Table 2 gives the differences between native-born wages and the wages of the various immigrant groups in the analysis, using both wage metrics (logged hourly wage and wage percentile). Negative figures for an immigrant group indicate lower average wages than the native-born. Within each country, we see a wide range of origin effects, for both men and women, and using both metrics. Some groups, especially those groups from the rest of the EU and from other more-developed countries, have wage advantages relative to the native-born, while other groups, especially those from the less-developed world, face substantial wage penalties. So for example, among immigrant men in Sweden, effects of sending country on wages range from a penalty of 33% (Bangladesh) to an advantage of 26% (Canada).[8] In the UK, the range for immigrant men is substantially larger,

[8]Differences in means of logged wages can be interpreted as relative differences in the

from an 82% penalty (Bangladesh) to a 64% advantage (the United States). Immigrant women have a somewhat narrower range of wage outcomes in both countries, relative to native-born women, but it is still the case that the range of outcomes is larger in the UK than in Sweden. Iraqi women in Sweden earn 23% less than native-born women, while Canadian women earn 21% more than native-born women. In the UK, Bangladeshi immigrant women earn 25% less than native-born women, while immigrant women from the U.S. earn 53% more.

Comparing the previous figures to those for wage percentiles in this same table, we see evidence that higher wage inequality in the UK has important consequences for immigrant wages. First, an immigrant group with a similar disadvantage in terms of wage percentiles in the two countries has a larger penalty in terms of logged wages in the UK than it does in Sweden. A good example of this is Turkish immigrant men in the two countries, who are located at similar relative positions in the wage structure of the two countries, just over 25 percentiles lower than native-born male workers. In Sweden, this difference in percentiles translates into a 25% wage penalty, whereas in the UK, it translates into a 56% wage penalty. Moroccan immigrant women are another example of this pattern; they have somewhat lower earnings in terms of percentiles in Sweden, but in terms of logged wages, their relative earnings are much lower in the UK. On the other hand, a similar wage *advantage* in the two countries in terms of wage percentiles is also magnified in the UK in terms of logged wages. A good example of this is Canadian immigrant women, who have wages that are just over 15 percentiles higher than native-born women in the two countries. This translates into a wage advantage of 28% in the UK, but only 21% in Sweden. Another form of this pattern is that a similar difference in logged wages – for example, Spanish immigrant men in the two countries have wage penalties of around 15% – stems from a *higher*

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geometric means of raw wages.

relative position of the group in the UK than in Sweden. We see this same pattern for Portuguese immigrant women in the two countries.

Perhaps more immediately striking than these findings, however, is that in terms of wage percentiles, most immigrant groups fare unambiguously better in the UK. This is even more true for immigrant women than it is for immigrant men. In fact, only one group of immigrant women (those from Canada) fares better in Sweden in terms of wage percentiles. These findings thus suggest that immigrants have greater access in the UK to higher levels of the wage structure. Nonetheless, higher earnings inequality in the UK has detrimental effects for some immigrant groups. It is of course important to determine whether these patterns are in part due to differences in the individual-level characteristics of the immigrants themselves, and I turn now to multivariate models that control for such factors.

Multivariate results

[Tables 3 & 4]

Tables 3 and 4 display the results of models predicting logged wages and wage percentiles for men and women, respectively. The tables are sorted by the size of the cross-national difference in the relative attainment of the given immigrant group. Thus, the immigrant groups at the top of each of these two tables have higher wage penalties in terms of logged wages in Sweden, while those at the bottom of the table have higher logged wages in the UK. By organizing the tables in this way, the basic pattern is more clear. On the whole, the UK looks like a far more favorable destination when we look at wage percentiles than when we look at logged wages. Among men, for example, we see that five immigrant groups do significantly worse in the UK than in Sweden in terms of logged wages, the vast majority of groups are statistically indistinguishable in the two countries along this outcome, and only three groups have statistically

significant advantages in the UK. But when we look at wage percentiles, the UK looks considerably more favorable for immigrants. Only Portuguese men are significantly worse off in the UK than in Sweden. Most groups do better in the UK. The three groups that had higher logged wages in the UK also have higher wage percentiles, and in addition, 10 of the groups that had indistinguishable logged wage gaps in the two countries have a significant advantage in the UK in terms of wage percentiles.

Among women, we see basically the same pattern. Only Indian immigrant women have lower logged wages in the UK than in Sweden, seven groups have higher logged wages in the UK, and the outcome for the rest of the groups is statistically indistinguishable in the two countries. But in terms of wage percentiles, *no* groups of immigrant women have a significantly worse outcome in the UK, and 16 groups do significantly better in the UK. In short, immigrants to the UK are more successful within the existing British wage structure than immigrants to Sweden are in the existing Swedish wage structure. Immigrant-specific disadvantage is greater in Sweden. However, despite the higher attainment of immigrants to the UK in terms of wage percentiles, the more unequal British wage structure gives many immigrant groups the same disadvantage in terms of logged wages in the two countries, or sometimes even a larger disadvantage in the UK. Being near the bottom of the wage structure in the quite unequal UK is certainly worse, in absolute terms, than being near the bottom of the wage structure in more egalitarian Sweden. These findings suggest that even immigrants who are further from the bottom in the UK than in Sweden have lower rather than higher absolute wages in the UK. This is a somewhat paradoxical finding, but quite consistent with previous findings on gender wage gaps, discussed above.

[Table 5]

Table 5 shows selected human capital effects from a model that allows these effect to vary by nativity. Regarding the effects of education, there are two important findings. The first is that returns to education are higher in the UK than in Sweden when the outcome is logged hourly wages. This is another form of higher overall wage inequality in the UK. Note, however, that this is *not* the case when we look at wage percentiles. Thus, higher levels of education give workers in the two countries relatively similar advantages within their respective wage structures, but that wage structure is more unequal in the UK. Perhaps more interestingly, however, is the second finding with respect to education, and that is that immigrants' education is consistently devalued in Sweden, but immigrant workers have very similar returns to education to native-born workers in the UK. This means that the benefit of the UK as an immigrant destination is more pronounced for immigrants with higher education. This is true whether we consider logged wages or wage percentiles. Putting these two findings together, it is clear that the UK is the far more favorable destination for immigrants with high levels of education: Returns to education are generally higher in the UK, and immigrant education in particular is less devalued than it is in Sweden.

[Figures 1 & 2]

In Figures 1 and 2, we see with respect to change across migration cohorts the same basic pattern for logged wages and wage percentiles, namely that immigrants who have been in Sweden longer fare better than recent newcomers, while immigrants who have been in the UK longer fare no better, and sometimes worse, than recent newcomers. Although this finding in the UK is somewhat counter-intuitive, it is a long-established pattern consistent with previous research that immigrants in the UK do not improve their wages over time (Chiswick 1980). It seems somewhat unlikely that immigrants do *worse* the longer that they have been in the UK, and instead more likely to be due to something about the composition of various immigration

cohorts or the particular labor market conditions they faced upon arrival. What this pattern means for cross-national trends, however, is that, compared to the origin gaps discussed above, the advantage of the UK as a country of destination is even larger among more recently-arrived immigrants, and somewhat muted among long-settled immigrants.

The role of London

One major finding of this paper is that immigrants in the UK fare better in the labor market in terms of their relative placement in the wage structure than do their immigrant counterparts in Sweden; they fare less well in terms of logged wages, if only because wage inequality is greater in the UK. It is important to address the special role of London in shaping the experiences of immigrants in the UK as a whole, for London is the home of over 40% of immigrant newcomers. London does have a distinctive opportunity structure: Its industrial structure is considerably more "post-industrial," its occupational structure is considerably more top-heavy than the UK as a whole, and its median wages are much higher than the rest of the UK (figures not shown here). We might then rightly ask whether cross-national differences are driven by London's dominant role in UK trends. Do the around 60% of immigrants who settle in the UK outside of London have similar labor market experiences to their London counterparts? Are immigrants outside of the global city of London more like immigrants in Sweden in terms of their fates in the labor market?

[Table 6]

Table 6 addresses these questions. For both men and women and with respect all job outcomes, the trend is clear. Levels of native-born/immigrant inequality are, if anything, somewhat higher in London than outside of London. That is, the *relative* attainment of immigrants is lower in London, which we can see by the mostly negative figures in the table.

This result is due in large part to the very high attainment of British-born Londoners. (Native-born men in London have jobs, on average, that pay over 25% more than native-born workers in the rest of the UK; for women, the difference is even more extreme: over 35% more in London than outside of London.) What does this imply for cross-national patterns? Since the role of London is to increase native-born/immigrant inequality, the cross-national pattern would be even more extreme were we to focus only on immigrants outside of London. It is not the case, for example, that high-level employees of transnational corporations working in London are the driving force behind the relatively high attainment of the foreign-born in the UK as a whole. Although I am unable to isolate all individual metropolitan areas with these data, future research should explore such intra-national variations in inequality more thoroughly.

SUMMARY AND CONCLUSIONS

There are two particularly important results of this analysis. First, immigrants, both men and women, have higher wage percentiles in the UK than in Sweden for a wide range of origins groups. This pattern exists not because immigrants in the UK are of higher "quality," as measured by the variables here, but because there is something about the British institutional context that is more advantageous. The initial advantage of settling in the UK diminishes somewhat over time, but does not entirely disappear for most groups for many years. I also show that the presence of London, a global city, actually mutes cross-national differences, since immigrants in the UK outside of London have higher relative attainment. The relative success of immigrants in the UK is thus not a "global city" effect.

The second important finding is that wage inequality prevents most immigrants in the UK from converting their advantages in the labor market into higher absolute earnings than their

counterparts elsewhere. In one sense, the UK is a better destination for immigrants: Immigrants face fewer barriers to attaining high positions in the wage structure. But high wage inequality in the UK means that immigrants are often paradoxically just as materially well off elsewhere, despite greater barriers in the labor market.

Explaining some of the relative advantage of immigrants in the UK is not difficult. The widespread use of English in many sending countries, more positive selectivity in migration flows because of greater income inequality in the UK, or relatively advanced anti-discrimination laws could all explain this trend. I would suggest that the pattern is *not* due exclusively to language and selectivity issues. First, there seems to be no evidence that educational selectivity among migrants is based on income inequality in the receiving country, and education, perhaps much like unmeasured characteristics such as motivation, receives higher returns in the more unequal UK labor market than elsewhere. So if migrants select their destinations based on income maximization, we would expect those with the highest levels of education to pick the destination where returns to education are highest; this simply does not seem to be the case. With respect to language issues, it is worth noting that even groups which have been shown to have poor English-language abilities in the UK, such as Bangladeshis and Pakistanis (Modood 1997b), do considerably better in the British labor than in Sweden, in terms of their wage percentiles.

Interestingly, the major institutional characteristics that would work in favor of Sweden's immigrants, access to welfare that would allow them to stay outside the labor force if no desirable jobs are available, does not seem to make up for the institutional advantages of immigrants in the UK. This suggests that the Swedish model, while extremely successful at equalizing labor market outcomes along some dimensions, faces an important challenge when it comes to migrant newcomers. Sweden's egalitarianism, focused explicitly on ameliorating class

and gender inequalities in the labor market, is not (yet) well-suited to addressing this other, relatively new dimension of inequality.

The finding about the role of wage compression in shaping immigrant/native-born wage inequality has important implications. It suggests that institutions and policies that specifically address immigrant disadvantage are actually relatively effective in the UK, and at least in the European context, the UK provides a relatively good model of ameliorating nativity-based inequalities. (Or, if the selectivity hypothesis is correct, the UK attracts the "best" and most motivated immigrants due precisely to its unequal income distribution.) But immigrants in the UK cannot overcome high wage inequality: In terms of the most materially concrete of the outcomes examined in this paper, absolute wages, most immigrants are just as well if not better off elsewhere. So for countries such as Sweden, attempts to ameliorate inequalities between immigrants and native-born workers must target barriers to access directly. In Sweden, it is clear that the institutions that have been so successful at reducing other forms of inequality (for example, by class and by gender) are less effective at reducing inequalities between immigrant newcomers and native-born workers. In the UK, efforts to remove barriers to access through targeted policies must certainly continue, but the most pressing policy issue for immigrants in cross-national perspective is the UK's very high level of earnings inequality.

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Table 1. Selected human capital characteristics, by gender, country of residence, and nativity

	Men				Women			
	Sweden		UK		Sweden		UK	
	NB	FB	NB	FB	NB	FB	NB	FB
Primary	5%	11%	10%	12%	3%	10%	15%	12%
Lower secondary	11%	10%	22%	4%	8%	9%	36%	8%
Upper secondary	52%	42%	37%	53%	50%	43%	20%	47%
Tertiary, non-degree	9%	4%	10%	6%	4%	4%	12%	12%
Tertiary, degree	24%	32%	21%	25%	35%	35%	17%	21%
Years since migration (mean)		14.9		11.4		15.9		13.9
Years since migration (st. dev.)		9.4		10.0		9.7		10.6

Sources: British Labour Force Surveys, Spring-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+).

Table 2. Gross origin gaps in wages, by gender and country of residence

	Men				Women			
	Logged wage		Wage percentile		Logged wage		Wage percentile	
	Sweden	UK	Sweden	UK	Sweden	UK	Sweden	UK
EU-15								
France	0.152	0.038	8.2	4.7	0.107	0.323	10.2	18.9
Germany	-0.032	0.193	-5.6	9.1	0.015	0.179	1.0	10.2
Greece	-0.072	0.091	-7.1	6.8	-0.058	0.334	-9.3	20.7
Italy	-0.239	-0.003	-22.3	-2.8	0.015	0.108	1.7	5.4
Netherlands	0.096	0.431	8.1	21.2	0.053	0.268	6.5	16.1
Portugal	0.078	-0.371	3.8	-22.9	-0.098	-0.109	-14.1	-7.0
Spain	-0.151	-0.164	-14.6	-10.1	-0.114	0.052	-16.4	3.6
Other more developed countries								
Australia	-0.131	0.515	-13.5	24.6	-0.021	0.507	2.3	26.6
Canada	0.258	0.509	12.9	23.8	0.210	0.282	16.7	15.6
Japan	0.216	0.514	6.3	25.3	0.007	0.429	2.0	23.2
US	0.128	0.639	11.6	26.4	0.159	0.529	13.1	23.6
Eastern Europe								
FSU	-0.005	-0.096	1.4	-6.4	-0.043	0.076	-7.1	4.6
Poland	-0.001	0.050	-0.6	4.1	-0.037	0.116	-7.0	5.9
Yugoslavia	-0.230	-0.098	-23.8	-6.0	-0.167	-0.001	-23.6	-1.3
Other less developed countries								
Algeria	-0.211	-0.264	-21.5	-14.0	-0.153	0.059	-22.2	5.9
Bangladesh	-0.330	-0.821	-30.9	-36.0	-0.184	-0.247	-24.6	-9.0
China	0.046	-0.110	5.1	-4.6	-0.085	0.043	-11.0	2.7
Columbia	-0.113	-0.280	-13.1	-19.0	-0.043	0.178	-6.4	9.3
Egypt	-0.018	0.058	-6.8	9.9	0.004	0.046	-1.8	3.4
India	-0.010	-0.137	-2.8	-7.1	-0.074	-0.089	-11.1	-6.5
Iran	-0.120	0.018	-11.2	-0.7	-0.075	0.163	-10.2	9.5
Iraq	-0.239	0.060	-23.8	5.2	-0.225	0.197	-30.0	10.1
Morocco	-0.202	-0.257	-20.9	-16.8	-0.105	-0.201	-13.3	-11.5
Pakistan	-0.094	-0.493	-12.3	-26.2	-0.171	-0.050	-22.2	-5.5
Philippines	-0.281	-0.328	-30.3	-20.3	-0.199	-0.065	-29.1	-1.9
Somalia	-0.290	-0.143	-30.1	-6.7	-0.164	0.375	-23.4	20.6
Sri Lanka	-0.206	-0.228	-19.2	-14.1	-0.181	0.060	-26.4	1.9
Turkey	-0.248	-0.556	-27.8	-26.7	-0.192	0.040	-26.7	1.8
Uganda	-0.166	-0.120	-15.3	-8.8	-0.068	0.062	-8.7	3.7
Vietnam	-0.268	-0.286	-28.6	-12.2	-0.198	-0.078	-27.8	-5.2
Other foreign-born	-0.089	0.035	-9.2	0.9	-0.045	0.140	-6.9	8.1
Native-born mean	4.901	2.325	51.0	50.1	4.743	1.951	50.9	49.6

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+).

Table 3. Net origin effects on wages among men

	Logged wage				Wage percentile				UK vs. Sweden	
	Sweden		UK		Sweden		UK		Logged	Wage
	b	s.e.	b	s.e.	b	s.e.	b	s.e.	wage	percentile
Portugal	0.01	0.10	**-0.42**	0.06	-2.96	9.38	**-23.84**	2.62	**-0.423**	**-20.88**
Sri Lanka	**-0.22**	0.03	**-0.42**	0.04	**-18.44**	2.65	**-24.94**	2.03	**-0.208**	-6.51
Turkey	**-0.23**	0.04	**-0.40**	0.07	**-24.52**	2.59	**-17.49**	3.31	**-0.172**	7.03
China	**-0.14**	0.03	**-0.30**	0.07	**-9.39**	2.72	**-15.24**	4.59	**-0.160**	-5.85
Pakistan	**-0.27**	0.05	**-0.42**	0.03	**-26.29**	4.45	**-22.25**	1.56	**-0.155**	4.04
Columbia	**-0.25**	0.04	-0.40	0.22	**-23.08**	3.54	**-24.83**	10.77	-0.151	-1.75
Bangladesh	**-0.53**	0.11	**-0.68**	0.06	**-45.06**	8.05	**-27.95**	2.14	-0.148	**17.11**
Morocco	**-0.31**	0.04	**-0.44**	0.06	**-28.90**	4.65	**-26.04**	3.76	-0.127	2.86
France	-0.04	0.09	-0.13	0.08	-7.49	4.50	-3.67	3.36	-0.094	3.82
Algeria	**-0.32**	0.04	**-0.41**	0.11	**-28.72**	3.73	**-21.47**	4.79	-0.092	7.24
Egypt	**-0.22**	0.05	-0.26	0.16	**-22.55**	3.88	-7.67	6.16	-0.045	**14.89**
Philippines	**-0.39**	0.06	**-0.42**	0.06	**-37.79**	5.75	**-25.20**	3.29	-0.034	12.59
Spain	**-0.22**	0.06	**-0.25**	0.06	**-20.26**	6.99	**-14.21**	3.46	-0.032	6.04
India	**-0.23**	0.03	**-0.26**	0.03	**-21.19**	2.73	**-13.79**	1.40	-0.031	**7.39**
Vietnam	**-0.20**	0.03	-0.23	0.22	**-22.37**	2.72	-8.31	12.62	-0.028	14.06
Uganda	**-0.30**	0.03	**-0.33**	0.05	**-26.56**	3.30	**-20.24**	3.08	-0.026	6.32
FSU	**-0.20**	0.03	**-0.21**	0.10	**-12.21**	2.95	-11.37	5.97	-0.013	0.84
Poland	**-0.16**	0.02	**-0.16**	0.06	**-14.60**	2.08	-6.87	3.65	0.006	7.73
Other FB	**-0.16**	0.01	**-0.14**	0.02	**-15.21**	0.78	**-8.45**	0.93	0.021	**6.76**
Yugoslavia	**-0.23**	0.01	**-0.21**	0.08	**-22.91**	1.14	**-11.06**	5.23	0.024	**11.85**
Iran	**-0.25**	0.01	-0.19	0.12	**-21.34**	1.13	**-13.08**	4.58	0.056	8.27
Greece	**-0.18**	0.03	-0.10	0.07	**-15.94**	2.08	-3.67	4.32	0.077	**12.27**
Italy	**-0.24**	0.06	-0.12	0.07	**-22.31**	4.92	**-8.71**	3.27	0.125	**13.60**
Germany	**-0.18**	0.06	-0.03	0.07	**-17.34**	5.84	-3.01	3.08	0.140	**14.33**
Iraq	**-0.32**	0.02	-0.16	0.09	**-28.70**	1.67	-7.14	4.26	0.162	**21.56**
Somalia	**-0.30**	0.02	-0.11	0.13	**-29.18**	1.78	-4.13	8.27	0.193	**25.05**
Canada	0.05	0.15	**0.25**	0.09	-4.38	6.93	**10.20**	3.81	0.202	14.58
Japan	0.01	0.24	0.25	0.17	-11.06	17.16	**11.64**	4.96	0.240	22.71
Netherlands	-0.05	0.04	**0.23**	0.08	-3.97	3.48	**11.02**	3.95	**0.290**	**14.99**
US	**-0.09**	0.04	**0.32**	0.07	**-5.46**	1.87	**9.48**	2.73	**0.406**	**14.94**
Australia	**-0.19**	0.03	**0.31**	0.05	**-15.31**	4.33	**14.03**	2.44	**0.495**	**29.34**

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Bold indicates a coefficient or cross-national difference that is statistically different than zero, based on t-tests, critical value=1.96, p=.05, two-tailed test.

Table 4. Net origin effects on wages among women

	Logged wage				Wage percentile				UK vs. Sweden	
	Sweden		UK		Sweden		UK		Logged	Wage
	b	s.e.	b	s.e.	b	s.e.	b	s.e.	wage	percentile
Morocco	-0.09	0.04	**-0.26**	0.08	-8.95	7.41	**-13.31**	4.60	-0.173	-4.37
China	**-0.15**	0.03	**-0.28**	0.07	**-17.68**	3.09	**-15.12**	3.64	-0.131	2.56
Bangladesh	**-0.18**	0.02	-0.28	0.15	**-22.79**	3.13	-9.89	5.28	-0.095	**12.89**
India	**-0.11**	0.02	**-0.20**	0.03	**-14.54**	1.99	**-12.51**	1.26	**-0.089**	2.03
Canada	**0.12**	0.05	0.04	0.06	5.71	3.83	2.02	2.89	-0.079	-3.69
Vietnam	**-0.09**	0.01	-0.16	0.32	**-13.88**	1.51	-10.62	15.34	-0.068	3.26
Sri Lanka	**-0.13**	0.02	**-0.17**	0.06	**-18.48**	2.36	**-10.85**	3.19	-0.040	7.63
Yugoslavia	**-0.10**	0.01	-0.13	0.08	**-14.34**	0.77	-8.32	4.50	-0.034	6.02
Portugal	**-0.12**	0.05	**-0.15**	0.06	**-17.25**	6.27	**-8.25**	3.31	-0.026	9.00
Philippines	**-0.19**	0.01	**-0.21**	0.03	**-27.65**	1.69	**-10.51**	1.93	-0.019	**17.14**
Poland	**-0.08**	0.01	-0.09	0.07	**-11.91**	1.55	-5.79	3.35	-0.011	6.13
Greece	**-0.11**	0.02	-0.11	0.10	**-14.89**	2.45	-4.41	5.02	-0.002	10.48
Italy	**-0.08**	0.03	-0.08	0.05	**-9.27**	3.46	-4.89	2.67	0.001	4.38
Iran	**-0.14**	0.01	-0.12	0.06	**-17.61**	1.29	-6.51	3.63	0.015	**11.10**
France	0.01	0.03	0.03	0.04	-1.43	2.84	2.16	1.86	0.016	3.58
Uganda	**-0.10**	0.02	-0.08	0.08	**-12.16**	3.36	-4.78	4.79	0.019	7.37
Egypt	**-0.11**	0.04	-0.08	0.20	**-15.69**	4.97	-3.70	8.84	0.030	11.99
Other FB	**-0.07**	0.01	**-0.04**	0.01	**-10.12**	0.91	**-1.82**	0.71	**0.040**	**8.30**
Algeria	**-0.15**	0.02	-0.11	0.08	**-19.33**	3.06	-2.21	4.66	0.043	**17.12**
Iraq	**-0.21**	0.02	-0.16	0.10	**-26.31**	2.53	-10.35	6.01	0.045	**15.96**
Turkey	**-0.15**	0.01	-0.09	0.08	**-19.45**	1.52	-4.64	5.00	0.055	**14.81**
Spain	**-0.15**	0.03	-0.08	0.05	**-19.84**	4.27	-3.55	2.58	0.068	**16.29**
FSU	**-0.13**	0.02	-0.04	0.07	**-16.36**	2.18	-1.83	3.29	0.084	**14.53**
Germany	-0.02	0.02	**0.08**	0.04	-2.69	3.00	**4.61**	1.95	**0.095**	**7.31**
Pakistan	**-0.19**	0.02	-0.05	0.07	**-22.72**	3.16	-4.37	3.87	**0.141**	**18.35**
Somalia	**-0.08**	0.03	0.08	0.19	**-11.38**	3.13	3.82	9.71	0.158	15.20
Netherlands	-0.02	0.03	**0.14**	0.06	-2.75	2.44	**8.79**	3.12	**0.162**	**11.54**
Columbia	**-0.10**	0.02	0.06	0.12	**-12.97**	2.60	4.33	7.39	0.168	**17.29**
US	0.04	0.05	**0.27**	0.06	-0.98	3.57	**8.82**	2.13	**0.225**	**9.80**
Australia	-0.01	0.01	**0.24**	0.04	**2.85**	1.30	**11.44**	1.93	**0.244**	**8.59**
Japan	**-0.14**	0.03	0.17	0.09	**-16.09**	4.15	8.79	5.25	**0.310**	**24.88**

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Bold indicates a coefficient or cross-national difference that is statistically different than zero, based on t-tests, critical value=1.96, p=.05, two-tailed test.

Table 5. Selected human capital effects on wages

	Men				Women			
	Sweden		UK		Sweden		UK	
	b	s.e.	b	s.e.	b	s.e.	b	s.e.
Logged wage								
Lower secondary	**0.063**	0.009	**0.210**	0.006	**0.051**	0.009	**0.192**	0.004
Upper secondary	**0.140**	0.008	**0.260**	0.005	**0.092**	0.007	**0.238**	0.005
Tertiary, non-degree	**0.345**	0.010	**0.479**	0.007	**0.246**	0.009	**0.526**	0.006
Tertiary, degree	**0.413**	0.009	**0.697**	0.006	**0.299**	0.007	**0.728**	0.006
Lower secondary x foreign-born	**-0.048**	0.021	0.051	0.047	**-0.047**	0.014	-0.026	0.030
Upper secondary x foreign-born	**-0.076**	0.017	**0.071**	0.027	**-0.040**	0.012	**0.061**	0.024
Tertiary, non-degree x foreign-born	**-0.147**	0.024	-0.028	0.037	**-0.063**	0.029	-0.028	0.028
Tertiary, degree x foreign-born	**-0.127**	0.019	0.042	0.031	**-0.054**	0.014	-0.053	0.027
Years since migration	**0.003**	0.001	**-0.009**	0.002	**0.006**	0.000	-0.001	0.001
Years since migration squared	**0.000**	0.000	**0.000**	0.000	**0.000**	0.000	0.000	0.000
Wage percentile								
Lower secondary	**5.683**	0.930	**11.857**	0.310	**9.015**	1.307	**12.047**	0.227
Upper secondary	**13.359**	0.814	**15.255**	0.281	**14.430**	0.989	**14.502**	0.260
Tertiary, non-degree	**32.132**	0.927	**29.295**	0.358	**32.828**	1.142	**32.719**	0.293
Tertiary, degree	**35.748**	0.840	**39.990**	0.301	**40.899**	0.982	**41.471**	0.269
Lower secondary x foreign-born	**-4.297**	2.100	-0.823	2.494	**-7.758**	2.135	-1.396	1.692
Upper secondary x foreign-born	**-7.053**	1.677	1.422	1.193	**-6.092**	1.829	2.384	1.307
Tertiary, non-degree x foreign-born	**-12.973**	2.138	**-4.616**	1.956	**-7.676**	3.722	-2.102	1.526
Tertiary, degree x foreign-born	**-9.134**	1.728	-0.677	1.384	**-9.035**	2.074	**-4.346**	1.401
Years since migration	**0.670**	0.089	**-0.325**	0.079	**0.871**	0.059	0.010	0.067
Years since migration squared	0.011	0.006	**0.014**	0.006	-0.010	0.006	-0.002	0.005

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Years since migration is centered at 14 (native-born persons coded 0). Figures are taken from a model that also includes age, age squared, marital status, children, countries of origin (native-born persons coded 0), survey year, and region. Bold indicates coefficients significantly different from 0, p=.05, two-tailed test.

Table 6. London/non-London differences in origin effects in the UK

	Logged wage		Wage percentile	
	Men	Women	Men	Women
EU-15				
France	0.115	-0.065	10.961	-1.675
Germany	-0.167	0.050	-6.814	4.373
Greece	0.061	-0.097	2.267	-5.777
Italy	-0.068	0.001	-4.166	2.605
Netherlands	-0.028	-0.034	-9.558	-0.560
Portugal	-0.121	**-0.408**	-6.858	**-20.016**
Spain	-0.301	**-0.207**	-14.601	**-13.466**
Other more developed countries				
Australia	0.024	-0.081	3.159	-0.482
Canada	-0.097	-0.056	-2.701	-0.521
Japan	-0.189	0.054	-3.198	6.194
US	0.240	**0.302**	7.394	**11.661**
Eastern Europe				
FSU	**-0.561**	-0.168	**-28.536**	-9.496
Poland	-0.109	-0.171	-5.541	-4.607
Yugoslavia	-0.208	-0.027	-8.257	-0.407
Other less developed countries				
Algeria	-0.339	-0.032	-9.912	-6.972
Bangladesh	**-0.304**	-0.167	**-14.897**	**-27.859**
China	**-0.358**	-0.029	**-23.123**	-2.476
Columbia	-0.688	-0.388	-26.086	-19.003
Egypt	-0.534	-0.613	-21.490	-24.773
India	**-0.264**	**-0.137**	**-13.444**	**-5.133**
Iran	0.188	-0.036	4.595	-2.492
Iraq	-0.170	-0.114	-8.737	-0.818
Morocco	**-0.328**	**-0.393**	**-19.304**	**-27.403**
Pakistan	-0.090	**-0.352**	-2.675	**-16.082**
Philippines	0.011	-0.103	3.728	-6.141
Somalia	0.128		13.791	
Sri Lanka	**-0.482**	**-0.312**	**-23.765**	**-16.207**
Turkey	**-0.518**	-0.298	**-18.290**	-13.334
Uganda	**-0.278**	-0.270	**-15.532**	**-17.989**
Vietnam	-0.057	-0.433	3.826	-20.041
Other foreign-born	**-0.253**	**-0.167**	**-12.478**	**-9.310**
Native-born baseline (mean)	**0.275**	**0.358**	**2.847**	**1.953**

Sources: British Labour Force Surveys, Fall 1996-Fall 2004.

Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+). Bold indicates a difference that is statistically different than zero, based on t-tests for ISEI models (critical value=1.96, p=.05, two-tailed test).

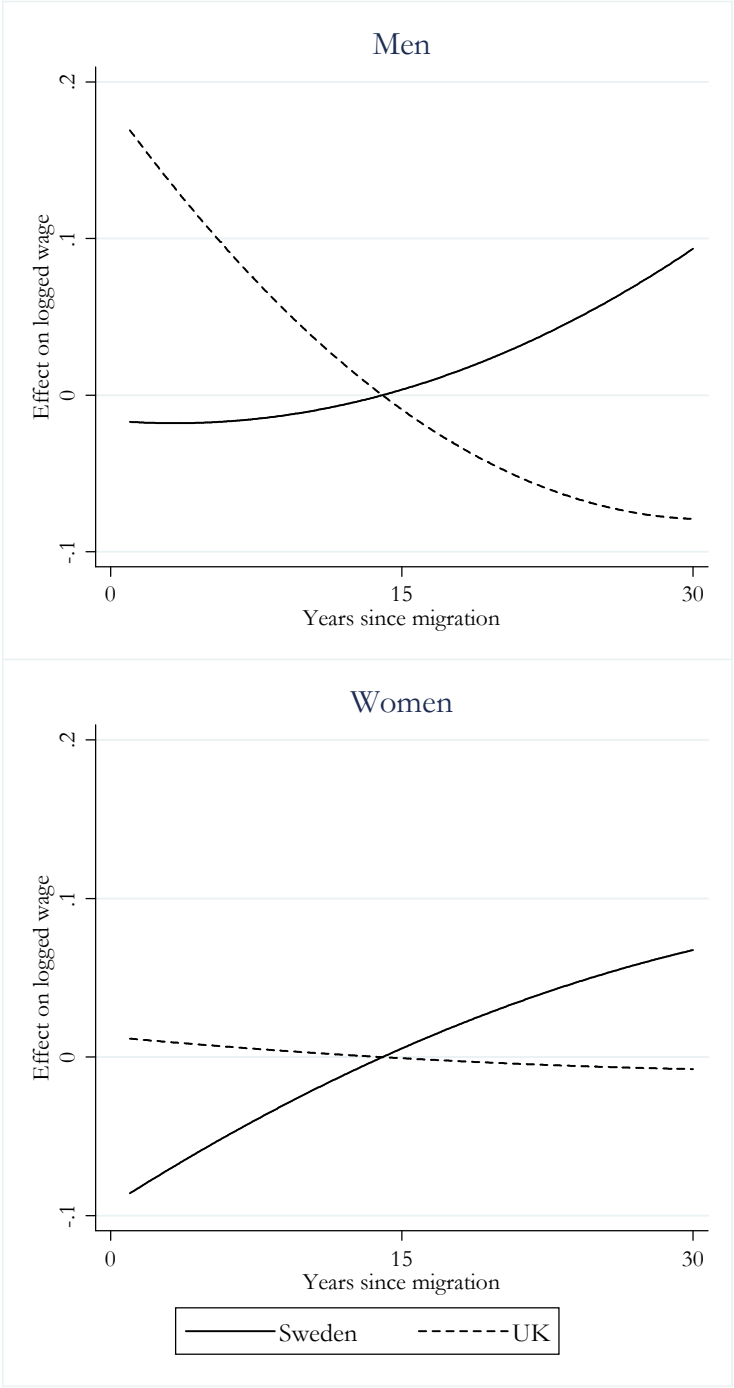
Appendix Table A1. Sample size by gender, country of origin, and country of residence

	Men		Women	
	Sweden	UK	Sweden	UK
EU-15				
France	174	102	106	185
Germany	534	98	559	178
Greece	235	44	132	18
Italy	157	106	77	100
Netherlands	157	58	119	70
Portugal	81	79	74	74
Spain	167	64	117	94
Other more developed countries				
Australia	58	139	40	148
Canada	42	49	45	79
Japan	24	36	61	28
US	275	138	248	169
Eastern Europe				
FSU	327	26	1020	62
Poland	694	25	2277	54
Yugoslavia	5073	30	5650	37
Other less developed countries				
Algeria	68	30	40	6
Bangladesh	173	123	137	26
China	206	45	312	46
Columbia	87	15	140	21
Egypt	82	31	48	10
India	178	471	196	421
Iran	2039	51	2066	39
Iraq	1361	37	980	17
Morocco	201	22	137	16
Pakistan	151	206	76	61
Philippines	41	56	483	175
Somalia	316	12	212	5
Sri Lanka	107	141	143	92
Turkey	629	69	686	39
Uganda	78	44	109	35
Vietnam	270	7	276	6
Other foreign-born	10603	1826	15741	2391
Total foreign-born	24588	4180	32307	4702
Native-born	87722	91401	101887	98194
Total sample size	112310	95581	134194	102896

Sources: British Labour Force Surveys, Spring 1997-Fall 2004; Swedish Longitudinal Individual Data, 2002.

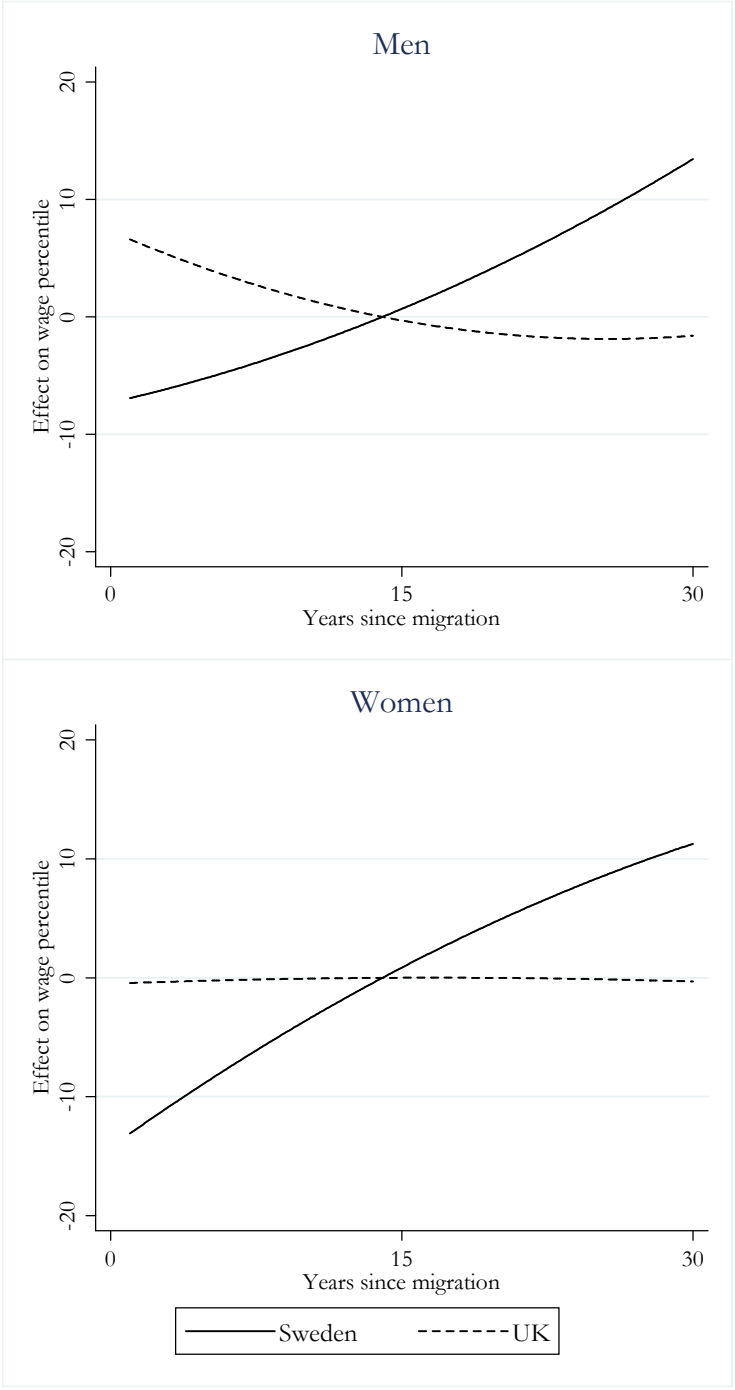
Notes: Sample includes persons of working age (25-59) who are native-born or immigrated as adults (aged 18+).

Figure 1.
Effects of time since migration on logged wages



Note: Effects are fixed at 0 for years=14.

Figure 2.
Effects of time since migration on wage percentile



Note: Effects are fixed at 0 for years=14.