Immigrants and autochthonous in the Italian labour market: a comparative study

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Introduction to the topic and aims of the paper

In the last decades, immigration from developing countries and Central-East Europe to Italy is continuously growing. At the present time, Italy is second only after Germany in the number of foreigners, exceeding other countries with longer tradition of immigration. This trend represents an important element of novelty not only in demography, but also in the national socio-economic contest. In particular, the increasing presence of immigrants in the Italian labour market shows to be related to the persistence of relevant structural deficit in the local production system (Bonifazi et al. 2008). Between 2009 and 2010, despite the ongoing global economic crisis, according to more recent data released by Italian National Institute of Statistics (Istat 2010), Italian occupation has decreased of 336 thousands units (with a reduction of the occupational rate from 56.9% to 56.3%), while immigrant occupation has increased of 183 thousands units (with a reduction of the rates from 64.5% to 63.1%).

From a qualitative point of view, the foreign component seems to be characterized by at least three aspects. The first refers to a high level of "over-skilled employment" in respect to the professionalism of workers, level that results to be higher among foreigners than among natives. The second aspect deals with occupational segregation of immigrants workers, that has stressed the existing segmentation of local labour markets in the country. The third aspect is constituted by underemployment. These characteristics are mainly based on gender, education and area of residence (Strozza 2002; Zanfrini 2002; Strozza et al. 2009), Particularly, legal status (regular or irregular staying) and area/country of origin are additional elements of discrimination to identify the degree of access of migrants to the labour market and the type of occupation covered.

Accordingly, this contribution aims to investigate the characteristics of the working insertion of immigrants in the different local segments of Italian labour market, focusing the attention on the possible factors that distinguish various nationality of immigrants present across the national territory. In adding, another objective of the research is to compare the situation of immigrants to that of Italians.

Particularly, the study aims to test, both for immigrants and natives – the coherence between the achieved education and the exercised occupation, in order to identify possible situations of over-skilled employment. Moreover another goal is to identify possible situations of segregation and underemployment of foreign workers as well as of Italians.

Given the general decreasing trend in Italian labour market in the past two years almost in all productive sectors, the research questions we aim to answer are the following: do immigrants with an adequate level of education find a coherent occupation in Italian labour market? Are immigrants according to their area of origin segregated and/or underemployed in specific sectors of local labour market?

Data and Methods

The used micro data is that from "Rilevazione continua sulle forze lavoro (RCFL)" [Continous survey on labour forces] carried out by ISTAT annually. The survey involves by means of a questionnaire each three-month period on average 165 thousands individuals of different ages,

of which on average 94 percent are Italians and the remaining 6 percent are immigrants. The survey sample reflects the population structure of the resident population. More recent data available for 2010 is here analysed, using weighted average values for the entire year.

The main variables used for analysis are age, gender, area of origin, geographical area of residence, occupational condition, sector of activity, professional level, educational level, year of residence in Italy. Situations of segregation, underemployment and over-skilled employment are measure by means of indexes.

The term "segregation" here refers to the unequal distribution of individuals in the occupational structure according to citizenship. There are two forms: "vertical segregation" describes the clustering of certain categories of individuals at the top of occupational hierarchies and of others at the bottom; "horizontal segregation" describes the fact that at the same occupational level (that is within occupational classes, or even occupations themselves) groups of individuals have different job tasks. In this research the interest is mainly on occupational horizontal segregation by citizenship and is measured using the "index of dissimilarity" (ID) according to Blackburn et al. (1993).

The concept of "underemployment" derives from ILO classification which with this term refers to persons who during a reference period are willing to work additional hours, are available to do so, and work less hours than a selected number of hours. This classification also has been adopted by Istat (2004) and we refer to it in the way it is also calculated.

The crossed information of individual professional level according to Isco-88 and individual educational level according to Isced-97 is instead used to indentify situations of "over-skilled employment" according to definition and the operationalization procedure provided by Istat (2005). This index test the coherence between profession and educational level of workers.

After a description of the previous indicators by main socio-demographic characteristics of the sample, we carry out different micro and macro multivariate analysis in order to define their main determinants and to classify national groups on the basis of similarity with respect to their occupational and socio-economic position. At micro level, segmentation analysis with regression trees (Ciampi, 1991) and different set regression models identify the main determinants of "underemployment" and "over-skilled employment". At macro level, factor analysis and cluster analysis synthesize the picture in order to identify origin country, geographical or socio-cultural segregational issues.

Preliminary results

The preliminary analysis of RCFL data confirms that also during 2010 immigrants record higher employment rates than native and their distribution in the national territory follows a north-south gradient. Beyond this difference in the proportion of employed, Italian and immigrants find allocation in different sector of activity and more importantly it emerges that also within immigrants there are significant differences according to the macro-area/country of origin (Gabrielli and Salaris, 2011).

The use of indexes was useful to summarize and identify the possible influence of selected variables on the level of segregation, underemployment and over-skilled employment observed in the Italian labour market. Table 1 reports main preliminary results of the application of the three indexes looking at the differences according to gender, age, educational level and years of permanence in Italy.

The segregation index (ID) confirms the higher occupational segregation of women than men among immigrants and natives as expected from the existing literature on gender differences in occupation. Moreover this preliminary analysis makes possible to point out that women coming from developing countries suffer for higher rates of over-skilled occupation compared to the other subgroups.

Increases in age imply lower percentages of underemployment and over-skilled employment, however this trend is not maintained when looking at segregation.

This first analysis provides other two useful elements to better understand differences between immigrants and Italians. The first refers to educational level where it emerges that most educated individual are more segregated and exercise occupation for which they are over-skilled. The second element deals with the duration of permanence in Italy and is strongly related to integration processes, as the longer an immigrant is in the country, the less disadvantage experience he/she has in the local labour market.

Table 1 – Indexes of occupational segregation, underemployment and over-skilled employment according to selected variables

Variables	Occupational Segregation ID (%)	% Underemployment		% Over-skilled employment	
		Italians	Immigrants (Developing Countries)	Italians	Immigrants (Developing Countries)
Gender					
Males	27.0	4.0	10.8	19.4	35.9
Females	31.6	4.3	11.5	20.0	50.4
Age					
15-24	24.7	4.5	10.9	32.9	30.5
25-34	31.5	4.0	11.1	30.5	41.6
35-44	31.8	4.4	12.2	20.4	44.8
45-54	35.2	3.9	10.7	13.2	44.5
55-64	42.5	3.8	5.9	10.2	36.4
Educational level					
Primary or lower	15.2	7.0	9.2	0.0	0.0
Lower secondary	25.0	5.5	11.2	0.3	0.2
Upper secondary	36.3	3.5	11.7	29.1	75.2
Tertiary	42.8	2.7	9.8	33.1	74.3
Years of permanence in Italy					
Born in Italy	-	4.1	10.7	19.6	35.9
1-2 years	37.6		11.0		44.4
3-5 years	41.7		10.0		55.9
6-10 years	35.6		12.4		55.1
11-15 years	32.5		12.4		48.6
16-20 years	32.3		12.2		43.2
+ 20 years	16.6		8.1		32.9

A second step of the analysis of the data focused on regression analysis, whose preliminary results are presented in Table 2. Controlling for different socio-demographic covariates (sex, age, region of residence, educational and occupational attainment, economic sector, length of stay in Italy), we estimate predict probabilities of underemployed and over-skilled employed by main origin countries and macro-areas. Immigrants take percentages systematically higher than the autochthonous in both indicators. The highest variability is observed among underemployed people: the Ukrainians have the highest observed percentage (64.3%), thus more than three times higher than Italians. Moroccans and Albanians, on the other side, have the highest quota of over-skilled employment (respectively 13.3% and 13.0%). This result is again more than three times higher than autochthonous one. Other results and insights of those here showed will be available in time for the EPC meeting.

Table 2 – Predicted probabilities by main origin countries and macro-areas. Logistic regression models

Areas	% Over-skilled employment		% Underemployment	
	observed	predicted	observed	predicted
Italy	19.6	21.2	4.1	4.1
Western countries	22.8	24.6	5.0	4.3
Albania	39.2	42.1	13.2	13.0
Romania	53.5	55.7	10.4	9.8
Ukraine	61.4	64.3	7.0	7.0
Other Central-east Europe countries	45.2	48.4	9.5	9.1
Morocco	26.9	37.7	13.6	13.3
Other Northern Africa countries	34.2	35.2	11.9	12.1
Other African countries	26.8	36.5	11.9	11.6
East Asia	36.8	42.4	11.6	10.9
Other Asian countries	28.0	33.7	11.3	10.6
Central-south America	42.8	43.1	11.3	9.8

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