NORFACE MIGRATION Discussion Paper No. 2012-30

European immigrants in the UK before and after the 2004 enlargement: Is there a change in immigrant self-selection?

Simonetta Longhi and Magdalena Rokicka

www.norface-migration.org

European immigrants in the UK before and after the 2004 enlargement: Is there a change in immigrant self-selection?*

Simonetta Longhi (email: slonghi@essex.ac.uk)
Magdalena Rokicka (email: mrokic@essex.ac.uk)
Institute for Social and Economic Research, University of Essex

This version: 15 October 2012

Abstract

The 2004 accession of Eastern European countries (EU8) to the European Union has generated concerns about the influx of low-skill immigrants to the Western member states (EU15). Only three countries, namely Ireland, Sweden, and the UK, did not impose restrictions to immigration from Eastern Europe. Did the elimination of barrier to immigration have an impact on the quality of immigrants arriving to the UK? Using EU15 immigrants as a control group, we find systematic differences between EU8 immigrants arrived before and after the enlargement. The elimination of barriers to immigration seems to have changed the quantity and quality of EU8 immigrants to the UK.

Keywords: EU enlargement; East-West migration, UK labour market, self-selection

JEL Classification: F22; J30; J61

* We would like to thank participants to the 58th Annual North American Meetings of the Regional Science Association International, Miami (FLA), November 2011; to the European Society of Population Economic Conference, Bern (Switzerland), June 2012; to the 52nd European Regional Science Association Conference, Bratislava (Slovakia), August 2012; and the other members of the MIDI-REDI project for helpful comments and discussions.
This work is part of the project "Migrant Diversity and Regional Disparity in Europe" (NORFACE-496, MIDI-REDIE) funded by NORFACE; financial support from NORFACE research programme on Migration in Europe - Social, Economic, Cultural and Policy Dynamics is acknowledged. This work also forms part of a programme of research funded by the Economic and Social Research Council (ESRC) through the Research Centre on Micro-Social Change (MiSoC) (award no. RES-518-28-001). The support provided by ESRC and the University of Essex is gratefully acknowledged.
UK LFS data are available from the Data Archive at the University of Essex (www.data–archive.ac.uk); EU LFS are available from Eurostat (http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/lfs).

1. Introduction

The 2004 enlargement of the European Union (EU) to eight Eastern European countries (EU8) has generated fears of large flows of low-skill immigrants from Eastern to Western Europe. For this reason most Western European countries (EU15) imposed temporary restrictions to the free movement of people from Eastern Europe. Only three countries did not impose any restriction to immigration: Ireland, Sweden, and the UK. In this paper we focus on the UK, which is the largest of these three countries.

The 2004 enlargement changed immigration rules for EU8 citizens by removing the main administrative barriers to immigration almost overnight. This can be seen as a natural experiment that we can exploit to analyse the impact of immigration restrictions on the self-selection of immigrants. If changes in immigration policy change the quality of immigrants – for the better or for the worse – such new immigrants may pose different political and economic challenges than 'older' ones.[1] Our main research question focuses on differences in the personal characteristics and labour market outcomes of EU8 immigrants arrived before and after the EU enlargement, compared to immigrants from other EU15 countries, and to those remaining in the country or origin (i.e. migrants vs. non migrants).

Our analysis is partly related to those studies analysing the impact of the European enlargement on the UK labour market. Although the focus there is on the impact on natives, these studies also show descriptive statistics on the characteristics of immigrants. Using data from 2004 to 2007, Blanchflower and Shadforth (2009) find that EU8 immigrants have a high propensity to be in employment, but receive lower wages compared to British workers. Although they compare EU8 immigrants arrived in the UK before to those arrived after the 2004 enlargement, Blanchflower and Shadforth (2009) do not make any comparison with immigrants from the other EU15 countries. The comparison with European immigrants who were not subject to changes in immigration rules (EU15) provides a useful starting point to analyse changes in the quality of EU8 immigrants arrived in the UK before and after the enlargement. Drinkwater et al. (2009) compare EU8 immigrants arrived before and after the enlargement with immigrants from EU15 countries and find significant differences between

[1] A related issue is how EU8 immigrants entering the UK after the 2004 enlargement differ from those migrating to European countries that imposed restrictions to immigration. However, a detailed analysis is out of the scope of this paper.

"new" and "old" immigrants in terms of earnings and employment. However, they only use data from 2001 to 2006, thus including only two years after the enlargement.

We update and extend the previous literature with four new contributions. First, we use data from 1997 to 2010: a much longer dataset compared to the previous studies. We include in our analysis the recent economic downturn, which allows us to analyse to what extent immigration adapts to changing economic conditions. Theories of migration suggest that the role of pull factors diminishes when the conditions of the labour market in the destination country deteriorates and becomes less attractive to the potential immigrants, and this may have an impact on immigrant self-selection.

Second, we describe the main socio-demographic characteristics of EU8 immigrants compared to those of immigrants from EU15, those of British people, and those of people who remained in the sending countries. Although the comparison of different types of European immigrants is not new, to date there is no evidence on how people who migrated to the UK compare to those who remain in the sending country. This will give us further insights on self-selection of immigrants at the source. Third, we analyse how different types of European immigrants (EU15, EU8, arrived to the UK before and after the EU enlargement) perform in the UK labour market compared to British people, not only in terms of employment probability, but also in terms of type of jobs, wages, and job quality: a much larger set of outcomes than the previous studies.

Migration theories suggest that a persistent and relatively large gap between returns to education, work experience and other personal characteristics in the labour markets of sending and receiving countries increases the incentive to migrate, unless the cost of separation are high, or there are some administrative barriers. As there is free movement from European countries (including EU8) into the UK, and communication and transport within Europe is relatively easy, we may expect differences in labour market returns to be among the most relevant factors associated to immigration. Our fourth contribution is the comparison of labour market outcomes of people who migrated to the UK to similar people who remained in their country of origin in terms of their individual characteristics, employment probability and type of jobs, partially taking into account the characteristics of the labour market in the country of origin and destination. To our knowledge this is the first study comparing the labour market performance of immigrants to similar people who did not migrate.

This paper is also related to that part of the literature focusing on immigration policies and on the impact of the introduction of a point-based system for the selection of immigrants

(see e.g. Aydemir 2012 for a review). However, we approach the topic from a different angle as we are interested in self-selection of immigrants (as opposed as selection by the destination country) and on the impact of the elimination of administrative barriers to immigration.

Much of the literature on self-selection of immigrants at the source focuses on selectivity on education and uses aggregated data to relate self-selection to differentials in returns to education across countries (e.g. Belot and Hatton Forthcoming). Here we take a more pragmatic approach; we use individual data and analyse a larger number of socio-economic characteristics of migrants.

We find that compared to EU15 immigrants, EU8 immigrants are more likely to be male, married and to have dependent children. They also seem to be negatively selected in terms of education. Compared to EU8 immigrants arrived before, those arrived after the enlargement seem to be less likely to live in London, less likely to be self-employed, and more likely to be in paid employment. Nevertheless, they receive lower wages on average. Overall, our results indicate that EU8 immigrants arrived after the enlargement may be more negatively selected and more likely to be temporary – than permanent – migrants. If this is the case, new immigrants may pose new challenges to socio-economic integration since, as suggested by Dustmann (1999), they may be less likely to invest resources in the accumulation of human capital (e.g. learning the language) while in the UK.

2. Background and related studies

Citizens of the European Union have the right to live and work in any of the countries belonging to the Union. Although it was already mentioned in the Treaty of Rome in 1957, freedom of movement of goods, services, money and people has been fully implemented among the 15 member countries since the 1990s (e.g. Kahanec 2012). As a result, nowadays most European countries have a dual system imposing restrictions to immigration for non-EU citizens, while having no immigration barriers for EU citizens.

In 1957 the Treaty of Rome, which created the European Economic Community (EEC), included six founding countries: Belgium, the Netherlands, Luxembourg, France, Italy, and (West) Germany. Nine further countries gradually joined the community from 1973 to 1995: Denmark, Ireland, the UK, Greece, Spain, Portugal, Austria, Sweden, and Finland. In May 2004 an unprecedentedly large group of ten new members, representing more than 70 million citizens, joined the EU. These include Malta, Cyprus and eight eastern European countries (EU8): the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia,

and Slovenia. Because of large differences in wages and GDP between EU15 and EU8 countries, most EU15 countries imposed temporary restrictions to free movement of people from the EU8 countries. Three countries did not impose any restriction, thus granting immediate unrestricted access to their labour markets: the UK, Ireland, and Sweden.[2] More countries had opened their labour markets by November 2008: Spain, Finland, France, Greece, Portugal, Italy, the Netherlands and Luxembourg, while Germany and Austria opened their labour markets only seven years after the enlargement, in May 2011.

While before 2004 East-West migration was mostly confined to the Western European countries bordering the EU8 members, mainly Germany and Austria, the opening of labour markets of Sweden, Ireland and the UK changed the overall geographical distribution East-West migrants, with the UK becoming the largest recipient country. Pre-enlargement estimates of the number of potential immigrants from EU8 countries into the UK predicted immigrant flows of around 12,000 people per year (Dustmann et al. 2003); Home Office figures show that around 50,000 immigrants from EU8 countries applied to the Work Registration Scheme (WRS) quarterly between 2005 and 2007, with a sharp decrease from 48,000 to 23,000 quarterly between 2008 and 2009 (Home Office 2009).[3]

The majority of EU8 immigrants to the UK come from Poland (66%), followed by Slovakia (10%) and Lithuania (9%) with less than 1,000 applicants coming from Slovenia (see e.g. Blanchflower and Lawton 2008; Home Office 2009). Home Office data on WRS applications for the period 2004-2009 suggest that these immigrants are young (81% are between 18 and 34 years of age), male (56%) and have no dependants (92%). Most registered in East Anglia and West and East Midlands, and work for temporary employment agencies at relatively low hourly wages (70% earn from £4.50-£5.99 per hour, see also Blanchflower and Lawton 2008). These immigrants take jobs mainly in administration and business (40%), hospitality and catering (19%), agriculture (10%), manufacturing (7%) and food processing industries (5%); see Home Office (2009).

Drinkwater et al. (2009) find that the proportion of male immigrants increases after enlargement as well as the proportion of those with higher levels of education, although with some differences between Polish and other EU8 immigrants. Immigrants arrived after the enlargement are more likely to be self-employed, but earn on average less than their

[2] In 2007 Bulgaria and Romania joined the EU; in this case however, the UK imposed restrictions to free movement. This further EU enlargement is not included in our analysis.

[3] Similarly large figures have been observed for Ireland, where the latest census from 2006 listed around 120,000 immigrants from EU8 countries, which constitute 3% of total population of Ireland (Central Statistics Office Ireland 2007).

counterparts who arrived before. Interestingly, the geographical distribution of immigrants arrived after the enlargement is much more even across UK regions, with a much lower proportion settling in London. The results by Drinkwater et al. (2009) seem to suggest that immigrants from EU8 countries arrived in the UK before the enlargement, when restriction to immigration were still in place, may be more positively self-selected than those arriving after 2004, when free movement is allowed. Although the study by Drinkwater et al. (2009) is related to ours, their focus is on the impact of the enlargement on natives' labour market opportunities rather than on immigrant self-selection. Furthermore, Drinkwater et al. (2009) only use data up to 2006. Qualitative analyses of Polish communities in the UK show large heterogeneity among recent immigrants, for example in their knowledge of the English language, which leads to their different outcomes in the labour market (Fomina 2009). Those with poor or very basic knowledge of English accept less favourable working conditions, basic jobs sometimes below their qualifications, and are in general less optimistic about their future in the UK.

Using data up to 2004 Dustmann and Weiss (2007) report that around 50% of migrants who were still in the UK one year after arrival were not in the country five years later. According to Dustmann and Weiss (2007) return migration seems to be more likely among people from the EU, US, and Australia. It is not clear if this result can be extended to immigrants from EU8 countries since the income gap between the UK and EU8 countries is much larger than the one between the UK and other EU15 countries or the US. However using a special component of the Polish Labour Force Survey for 2008 Iglicka (2010) suggests that the number of Polish migrants returning to Poland (from any country) between 2004 and first quarter of 2008 is around 580,000. It is also possible that EU8 citizens who migrated to the UK in the first place may move to other destinations within the EU.

3. Data and methods

3.1. The UK Labour Force Survey

Studies analysing the number of East-West immigrants into the UK mostly rely on two main sources of data: administrative data from the Worker Registration Scheme (WRS), and survey data such as the Labour Force Survey (LFS).

Up to April 2011, all EU8 immigrants who wanted to work in the UK had to register to the WRS, which had been especially created to monitor the influx of EU8 workers. As pointed out by Blanchflower and Lawton (2008) and by Dobson (2009), WRS data have

some limitations: first of all, they may underestimate the total number of EU8 workers in the UK since self-employed are not required to register. On the other hand, since they only record registrations and do not record workers leaving the UK, WRS data are likely to overestimate the total number of EU8 immigrants currently working in the UK. The lack of information about return migration is a caveat of migration studies using WRS data: Blanchflower and Shadforth (2009) suggest that most of EU8 immigrants are temporary migrants, and that, according to the UN definition, many of those coming from EU8 countries are in fact commuters or temporary workers as their sojourn in the UK is shorter than 12 months (see also Blanchflower and Lawton 2008).

The other main source of data used by researchers (e.g. Gilpin et al. 2006; Blanchflower and Shadforth 2009; Drinkwater et al. 2009) is the LFS; these are the data we use for our analysis. The LFS is a survey of households which collects a large amount of information on demographic characteristics, labour market status, and job characteristics of individuals aged 16 and over living at private addresses in the UK. Since it is a sample of households living in the UK, the LFS is much more likely to offer a more precise picture of immigrants still living in the UK, including those who are self-employed.

Although it is a very comprehensive dataset, the UK LFS does not focus on immigration and immigrants may be underrepresented in the survey if they are less likely than the general population to live at private addresses (e.g. Gilpin et al. 2006; Drinkwater et al. 2009) and more likely to refuse to participate in the survey (e.g. Johnson et al. 2002). Nevertheless, it is likely that, as the proportion of immigrants living in the UK increases, the probability of their inclusion in the survey increases as well. Furthermore, population-corrective weights provided with the survey can be used to correct for differences in non-response rates between natives and immigrants. The LFS has been widely used in the empirical literature to analyse different aspects of immigration and is particularly useful for the comparison of immigrants to British people since it provides rich data on the characteristics of immigrants, their labour market status and their jobs which cannot be found in administrative data such as WRS.

In the UK the LFS is collected quarterly and has a rotating panel structure in which individuals are interviewed for up to five successive quarters. To reduce problems of attrition, which may affect natives and immigrants differently, we focus on men and women in working age (16-59/64) responding to their first interview and use data from 1997, since this is the first year in which questions on wages are asked also in the first interview, and up to 2010. There is another reason to use data from 1997: since we aim to compare EU8 to

EU15 immigrants, we need to start our analysis at a date later than the last European enlargement previous to 2004 (Austria, Sweden and Finland joined the EU in 1995). Finally, since in the dataset the number of immigrants from EU8 countries before 1997 is almost zero, there is no gain in adding earlier years.

We keep in the survey native British people and EU immigrants but exclude immigrants from all other countries.

3.2. Models for the analysis of Eastern European immigrants in the UK

We start by graphically analysing trends in the number of immigrants from EU15 and EU8 countries as captured in the UK LFS. We then compare descriptive statistics of the individual and job characteristics of these two types of immigrants compared to British people (Sub-section 4.1). To gain insights on the issue of self-selection of immigrants we split both groups of EU15 and EU8 immigrants into two subgroups of those arrived before the EU enlargement (May 2004) and those arrived after. Since the EU enlargement changed immigration rules for EU8 but not for EU15 immigrants, we would expect no differences between EU15 immigrants arrived before and after the enlargement. However, if the opening of the borders has an impact on self-selection, we may see differences in the characteristics of EU8 immigrants arrived before and after the enlargement.

Besides differences in observed characteristics, self-selection may have changed the composition of immigrants also in terms of unobservable characteristics such as ability, or motivation. Although we cannot directly analyse such characteristics, we may get insights on these unobserved traits by analysing differences in location and labour market performance of immigrants arrived before and after the enlargement, to those of British natives. In Sub-section 4.2 we use a multinomial probit model to analyse patterns of location of immigrants across the nine English Government Office Regions, plus Scotland, Wales and Northern Ireland, and whether this differs across types of EU immigrants:

$$y_{it}^{*} = X_i^{'}\beta_{1j} + TI_i^{'}\beta_{2j} + \varepsilon_{ij} \qquad (1)$$

where we model the probability of individual i living in region r at time t via the latent variable y_{it}^{*}. The error terms ε_{ij} are i.i.d. and follow a multivariate normal distribution. The probability of observing individual i in region r is the probability that $y_{itr} > y_{itj}$ for each $j \neq r$. Among the explanatory variables we include individual and household characteristics (X_i)

such as sex, marital status, whether there are dependent children in the household, dummies for qualification levels, and dummies for quarter and year of the interview, to capture the effect of changing economic conditions over the period of analysis (the effect of the recession is therefore picked up by the year dummies). Since immigrants arriving in periods of growth might be more likely to find good quality jobs than those arriving during recessions, we also include three dummies for the period of arrival of the immigrant: on or before 1991, between 1992 and 2007, on or after 2008, with a value of zero (reference group) for British natives.

The models also include four additional variables (TI_i). Two are dummies for the origin of the immigrant: whether born in one of the other EU15 countries, and whether born in one of the EU8 countries, with the group of British people used as reference. We also include two further dummies – which may be interpreted as interaction terms – for whether born in one of the other EU15 countries and arrived in the UK on or after the enlargement; and whether born in one of the EU8 countries and arrived in the UK on or after the enlargement.[4] These last four variables should help us analyse whether immigrants from Eastern Europe behave in a systematically different way than immigrants from Western Europe, and whether those arrived after the enlargement (i.e. after free movement was allowed) differ from those arrived before (and who therefore faced higher barriers to entry in the UK). The comparison of EU8 immigrants arrived before and after the EU enlargement with EU15 immigrants may give us an indication of the effect that the opening of the labour market may have had on self-selection of immigrants from EU8 countries after controlling for different times of arrivals.

While we expect the regression coefficient for those immigrants arrived after the enlargement to be zero for EU15 immigrants, if the opening of the borders had an impact on self-selection, the regression coefficient for EU8 immigrants arrived after the enlargement may be different from zero. This would indicate that the opening of the UK borders may have had an impact on the quality of immigrants arriving from Eastern European countries.

In Sub-section 4.3 we then analyse whether new immigrants are more likely to come to the UK to study rather than work. We compare the activity status of EU immigrants to that of British people by means of a multinomial probit model similar to equation (1). In this

[4] It is worth stressing that this characteristic refers to when the individual entered the country, it does not refer to the year of the interview. Clearly, none of the immigrants arrived after 2004 is observed in the data before that date; however, many immigrants interviewed after the EU enlargement have arrived in the UK before 2004. Hence, it is also not possible to include a separate dummy for years of data after 2004 (i.e. not interacted with immigration status) in the model since this variable has no meaning for British people, who all arrived in the country before the enlargement (those born after 2004 have not yet reached employment age). Hence, although equation (1) may remind of a difference-in-difference framework, it is quite a different setting.

case, however, the latent variable refers to the probability that the main labour market status of the person interviewed is either active, student, or another type of inactivity status. Again, the model only includes people in working age and, because of different incentives and behaviours between the sexes, the models are estimated separately for men and women. Among the explanatory variables in X_i we exclude sex but now include age, number of years spent in the UK (age for UK born) and dummies for region of residence to capture differences in economic conditions across regions which may push people in and out of the labour force. The variables in TI_i remain unchanged.

For those immigrants who are active in the labour market we then analyse the propensity to be in paid employment, self-employed, or unemployed compared to British people. The opening of the UK labour market to EU8 countries have made it easier for EU8 immigrants to take up paid employment, but has not changed rules for self-employment. Hence, EU8 immigrants arriving to the UK after 2004 may show a different propensity to be self-employed than those arrived before the enlargement. If self-employment is the preferred choice for all immigrants (e.g. Sahin et al. 2007) and the EU enlargement has not changed the average entrepreneurial spirit of EU8 immigrants, then we may see no differences between EU8 immigrants arrived before and after the enlargement. On the other hand, we may see relevant differences if either self-employment was a forced choice for immigrants arrived before enlargement, or the ease of immigration now attracts more people wanting to take up paid employment rather than becoming self-employed. Once again we estimate a multinomial probit model separately for men and women, in which the explanatory variables are the same as in the activity status model.

We then go one step further to analyse whether EU8 immigrants tend to concentrate in certain industries. Hence, for those immigrants who are in a paid job we model the probability of working in one of seven main industries. Also in this case we use a multinomial probit model, which we estimate separately for men and women, and in which the explanatory variables are the same as in the activity status model. A similar analysis of the occupational status of EU immigrants compared to British people is not possible since changes in the occupational classification in 2001 reduces significantly the number of observations, especially for EU8 immigrants arrived before the 2004 enlargement.

To get insights on the quality of the jobs taken up by EU immigrants compared to those taken up by British people, we then estimate binary probit models for the probability of holding a temporary job (instead of a permanent one with no fixed end); the probability of holding a part-time job (i.e. working less than 30 hours per week, as opposed to working

more than 30 hours per week); and the probability of having a second job (or not). The models are estimated separately for men and women and use the same explanatory variables as in the activity status model. Finally, we compare wages of EU immigrants and of British people. The dependent variable in this case is the log of hourly wages and the model is estimated by means of OLS separately for men and women. The explanatory variables are the same as in the activity status model, but with the addition of the square of age, years of job tenure, a dummy for those working part-time, and a dummy for temporary jobs.

3.3. The European Labour Force Survey

For the second part of our analysis, in addition to the UK LFS we use the European LFS. The EU LFS is a harmonised dataset which provides data on individual and labour market characteristics of people living in the 25 European countries. Although the structure of the EU LFS is very similar to that of the UK LFS, because of the harmonisation, the data are often less detailed (for example, in the EU LFS it is not possible to identify each country of birth, but only the larger area, e.g. EU non-EU).

We use the EU LFS to analyse the individual characteristics as well as selected labour market and job characteristics of people in their origin country compared to those who migrated to the UK. Hence, when using the EU LFS we do not analyse migrants, but natives of that EU15 or EU8 country. In this paper we use the EU LFS for Ireland, Germany and Poland since these represent the main groups of EU immigrants into the UK. These are likely to be very different types of immigrants: Ireland is a traditional sending country for the UK because of its geographical and cultural proximity. Germany is one of the largest EU15 countries, while Poland is one of the largest EU8 countries. Since economic conditions and wage levels differ greatly between these three countries, we may expect people living in these countries to have different labour market opportunities at home, different incentives to migrate, and to perform differently when they migrate to the UK.

Because of data availability on the other variables, we focus or comparison on respondents' labour market status, their probability of holding a temporary job, their probability of working part-time, and of holding a second job. Unfortunately, detailed wage data are not available.

3.4. Models for the comparison with people in their country of origin

To complete the analysis of who migrates to the UK (Section 4.4), we compare descriptive statistics of the individual and job characteristics of Irish, German and Polish immigrants in

the UK with the average individual and job characteristics of native people in Ireland, Germany and Poland. This will give us some indication of how migrants compare to non migrants from the same country in terms of individual characteristics.

We then compare labour market status and job characteristics across the different countries and use the EU LFS to estimate models similar to equation (1) for the dependent variables of interest, separately by country and for men and women. As dependent variables we use labour market status, the probability of holding a temporary job, the probability of working part-time, and of holding a second job. As explanatory variables in X_i we can only include age, a dummy for those who are married, education and year dummies. These models allow us to compute the probabilities of the different outcomes for Irish people in Ireland, German people in Germany, and Polish people in Poland, which we compare with the outcomes of similar Irish, German and Polish people who migrated to the UK.

For the comparison with immigrants to the UK we use the UK LFS to estimate similar models – using the same explanatory variables – separately by gender and for Irish, German, and Polish immigrant in the UK (the analysis of other nationalities is not possible at this stage given the low number of observations for other EU immigrants in the UK LFS). Since the difference between the performance of similar people in the UK and in the country of origin may be related to the characteristics of the local labour market more than to self-selection of migrants, alongside the predicted probabilities (e.g. of having a part-time job) we also compare the average proportions (e.g. the proportions of jobs that are part-time) in the four countries (see Section 4.4).

4. Empirical results

4.1. Who migrated from European countries into the UK?

We start our analysis by looking at trends in the number of EU immigrants into the UK. Figure 1 shows the evolution of the number of EU15 and EU8 immigrants from 1997 to 2010 according to the UK LFS; the left part of the figure shows quarterly data, while the right part aggregates the quarters by calendar year. The number of EU8 citizens is comparatively small before the 2004 enlargement but shows a sharp increase since the third quarter of 2004. This trend persists until 2007, after which it stabilises until 2009. Being this the stock of immigrants, it does not give any clear indication on whether changes in trends are due to an increase in the number of immigrants leaving the UK, a decrease in the number of newcomers, or both. In any case, the 2007 change in trend is most probably the result of the

less favourable macroeconomic conditions in the UK, and relatively good economic prospects in the largest of the EU8 country, Poland, which is the main sending country of EU8 immigrants. In 2010 the number of immigrants from EU8 countries seems to start increasing again.

In contrast, the stock of immigrants from EU15 countries remains almost unchanged until 2010, when it shows a gradual increase. In 2010 the stock of immigrants from EU8 countries is close to the stock of immigrants from the rest of the EU15 countries.

FIGURE 1 ABOUT HERE

In line with previous studies (e.g. Blanchflower and Lawton 2008) our data suggest that most EU8 immigrants in the UK come from Poland (69%), followed by Lithuania (10%) and Slovakia (8%). Among the EU8 countries, Slovenia and Hungary send the smallest number of immigrants. These proportions only partially reflect differences in the size of the population of the sending countries. With a population of almost 39 million, Poland is overrepresented among EU8 immigrants in the UK, while with 10 million citizens each the Czech Republic and Hungary are underrepresented. This can be explained by the macroeconomic situation of the sending countries: Latvia, Lithuania, Poland and Slovakia have the lowest GDP per capita in 2005 and high unemployment rate, which varies from 17% in Poland to 9% in Latvia[5].

When we focus on the number of recent immigrants, who have arrived in the UK at most two years before their first LFS interview we can have an idea of changes in the influx of new immigrants. These are shown in Figure 2. In the LFS the stock of EU8 immigrants recently arrived in the UK increases sharply from the second half of 2004, it peaks at the end of 2006 and then starts decreasing. In the second half of 2009 the number of recently arrived EU8 immigrants starts growing again. For EU15 countries, in contrast, the number of recently arrived immigrants is much more stable. These trends are broadly consistent with what found using WRS data by McCollum and Findlay (2011).

FIGURE 2 ABOUT HERE

[5] EUROSTAT, http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114
Although it has been suggested that the attractiveness of the UK for Polish people may be related to networks of immigrants established as early as right after World War II, studies suggest that there seem to be no direct network links between earlier and new (mainly before and after 1990s) immigrants from Poland (e.g. Garapich 2008; Parutis Forthcoming).

These descriptive statistics show that the 2004 EU enlargement had a significant impact on the number of immigrants from EU8 countries. The data also suggest that EU8 migrants are responsive to the macroeconomic conditions in the UK: the economic downturn has reduced the number of new comers for certain periods, but worsening macroeconomic conditions in the rest of the EU may have made the UK labour market again more attractive than that of the sending countries.

Descriptive statistics for individual characteristics of EU15 and EU8 immigrants compared to British people are shown in Table 1. The table suggests that EU8 immigrants arrived after the enlargement are less likely to be female than those arrived before. Compared to immigrants from EU15 countries who arrived after the enlargement, EU8 immigrants have similar age and average of years of stay in the UK; however, they are also more likely to be married and have dependent children (although less than British and immigrants arrived before the enlargement). Compared to all other immigrants, EU8 immigrants arrived after the enlargement are negatively self-selected in terms of education since only few have high or medium education level, and most of them have 'other' types of education, presumably not recognised in the UK labour market.

TABLE 1 ABOUT HERE

Table 1 also shows that EU8 immigrants arrived after the enlargement are different than all other immigrants in terms of labour market status and economic activity, and in terms of region of residence. Results of multivariate analyses on region of residence, labour market activity and job quality are discussed in the next sections.

4.2. Where do European immigrants locate within the UK?

Table 2 shows the marginal effects of the multinomial probit model estimating the region of residence of EU immigrants compared to British people. The table, which only shows the marginal effects of the dummies referring to the type of immigrant, shows almost all negative marginal effects for EU15 and EU8 immigrants. This suggests that on average EU15 and EU8 immigrants concentrate in London, which is the reference category, and its surrounding area, comprising East Anglia and the Rest of the South East. However, consistent with the descriptive statistics in Drinkwater et al. (2009), there seem to be important differences between EU8 immigrants arriving after the enlargement and all other EU immigrants. With

almost all positive marginal effects, Table 2 suggests that EU8 immigrants arrived after the enlargement are more dispersed across UK regions – and less concentrated in London – than all other immigrants and British people.

TABLE 2 ABOUT HERE

In particular, EU8 immigrants arrived after the enlargement are more likely to locate in the Midlands and in the North West, and much less likely to locate in the Rest of the South East. Immigrants arrived after the enlargement seem also more likely to locate in Scotland and Wales compared to those arrived before. Overall, therefore, immigrants arrived after the enlargement choose to live in different areas than those arrived before. There may be several reasons for these differences. EU8 immigrants arrived after the enlargement may seek different employment opportunities than those arrived earlier. They may have different propensity to become self-employed, different requirements in terms of the economic sector in which they want to work and of the quality of the job they are looking for (for example, some of them may be interested only in temporary seasonal jobs which are typical of the agricultural sector). It is also worth noting the recent availability of cheap flights between Eastern Europe and different parts of the UK, although we have no way to analyse whether this may be a cause or a consequence of immigration to regions other than London. We can, however, analyse whether EU8 immigrants arrived after the enlargement have systematically different labour market outcomes than those arrived before.

4.3. Activity status and type of jobs done by European immigrants into the UK

Table 3 shows the marginal effects for being either a student or in a different inactivity status, compared to being active in the labour market. Column (1) shows the results for men, while Column (2) shows the results for women.

The table suggests that, especially for men, immigrants are slightly more likely than British people to be students. Those immigrants from EU8 countries arrived after the enlargement, however, are comparatively less likely to be inactive than British people: male are 2.8 percentage points less likely to be student and 10.5 percentage points less likely to be in another inactivity status; for female these propensities are 3.9 and 7.1. Hence, it appears that EU8 immigrants come to the UK for work-related rather than study-related reasons.

TABLE 3 ABOUT HERE

The marginal effects for being either self-employed or unemployed as opposed to being in a paid job are shown in Table 4; Column (1) for men, and Column (2) for women. The table suggests that immigrant women are marginally (about 2.5 percentage points) more likely to be unemployed than British people. Immigrants from EU8 countries are much more likely (11.8 percentage points for men and 3 percentage poins for women) to be self-employed than British people, although those arrived after the enlargement are less likely to be self-employed than those arrived before. The combination of these two coefficients suggests that immigrants from EU8 countries arrived after the enlargement are slightly less likely than British people to be self-employed.

Interestingly, EU8 immigrants arrived after the enlargement show systematically different patterns of activity than those arrived before: not only they are 18.5 percentage points less likely to be self-employed; they are also 3.6 percentage points less likely to be unemployed. These results are consistent with what found by Blanchflower and Shadford (2009). These results are conditional on a relatively large number of individual characteristics. The differences between immigrants arrived before and after the enlargement may either be due to self-employment being a forced choice for those arrived before the enlargement, or to differences in individual unobserved characteristics (e.g. lack of entrepreneurial spirit or higher motivation to take paid employment) between the two groups. Alternatively, if recent immigrants are more likely to be temporary – rather than permanent – migrants, they may be less willing to invest in self-employment activities. Furthermore, if EU8 immigrants arrived before the enlargement are more likely to be temporary immigrants than those arrived before the enlargement, they may also be more likely to accept lower quality jobs (i.e. more likely to be temporary and have comparatively lower wages) than all other groups.

TABLE 4 ABOUT HERE

Do EU immigrants take jobs in the same industries as British people? The marginal effects for the propensity of working in the different types of industries are shown in Table 5. The top part of the table shows results for men, while the bottom part shows results for women. Compared to British men, EU15 immigrant men are slightly more likely to work in manufacturing, financial services and transport, and less likely to work in construction. Immigrant men from EU8 countries, however, are significantly more likely than British men

to work in construction (5.9 percentage points). While we see no differences for immigrant men from EU15 countries arrived after the enlargement, differences emerge when we focus on immigrant men from EU8 countries arrived after the enlargement. These are more likely to work in manufacturing and financial services and less likely to work in construction, transport and the public sector.

Among women, immigrants are less likely to work in the public sector, while those from EU8 countries are also more likely to work in construction and in distribution hotels and restaurants compared to British women. Those arrived after the enlargement seem to show a different distribution across industries than their counterpart arriving before: women from EU8 countries who arrived after the enlargement are even more likely to work in construction, financial services, but less likely to work in distribution hotels and restaurants, and in the public sector. Women from EU15 countries arrived after the enlargement show only minor differences compared to those arrived before.

TABLE 5 ABOUT HERE

Overall, these results suggest that immigrants from EU8 countries arrived after the 2004 enlargement work in different types of jobs than those arrived before.

Table 6 focuses on employment characteristics such as whether the job is temporary in Column (1), whether the job is part-time in Column (2), and whether the respondent holds a second job in Column (3). Immigrant men from EU15 countries are slightly more likely to have a temporary job than British people and than all other types of immigrants. On the other hand, all immigrant women are more likely to have a temporary job than British women. EU8 immigrant men arrived after the enlargement are less likely than British men and all other immigrant groups to hold a part-time job, while EU8 immigrant women are more likely to hold a part-time job. There are only minor differences in second job holdings.

TABLE 6 ABOUT HERE

Finally, Table 7 shows wage differentials between British people and the different types of EU immigrants. Immigrants from EU15 countries seem to earn higher hourly wages than British people. There seem to be no difference in average wages between EU8 immigrants arrived before the enlargement and British people; however, those arrived in the UK after the enlargement suffer a wage penalty of almost 19%. This may partly contribute to

their higher probability of having a paid job. EU8 women earn around 23% less per hour than British women, but there does not seem any additional wage penalty for those who arrived to the UK after the enlargement.

Unfortunately we do not have any information on language proficiency. However, if proficiency is not an issue for EU8 immigrants arrived after the enlargement, these results may suggest that such immigrants may see themselves as temporary migrants, accepting low-skill-low pay jobs on which to work for a limited period of time.

TABLE 7 ABOUT HERE

In summary, our results show that there are significant differences not only between EU immigrants and British people, but also between immigrants from EU15 and from EU8 countries. These differences relate to all aspects analysed here: from the activity and employment status to the type of jobs immigrants and British people do. Furthermore, our models show often large differences, especially for EU8 immigrants, between those who arrived in the UK before and those who arrived after the enlargement.

4.4. How do European immigrants in the UK compare to people in the country of origin?

How do Irish, German and Polish people who have migrated to the UK compare to those who remained in the country of origin? Table 8 shows descriptive statistics for the characteristics of Irish, German, and Polish people in their country of origin, compared to those who migrated to the UK. With the exception of Polish people, migrants are comparatively more likely to be female; with the exception of Irish people, migrants are younger and less likely to be married than the average (working age) population in the sending country. Immigrants from Ireland and Germany have on average higher levels of education than those remaining in their country of origin; to some extent this applies also to Polish immigrants, although most Polish immigrants have levels of education which are not easily translated into British qualification ("other qualifications"). For Irish and German people, the distribution across activity levels is similar for immigrants and for those remaining in the country of origin. Polish people who migrated to the UK are comparatively more likely to be in paid employment and less likely to be self-employed, unemployed or inactive, compared to Polish people living in Poland. This may suggest that, despite the differences in education between the two countries, gains from migration, in terms of employment probability, are higher for

Polish than Irish and German people. Unfortunately, the EU LFS does not allow us to compare wages obtained by migrants to those obtained by non migrants.

TABLE 8 ABOUT HERE

Table 9 compares the employment characteristics of a representative person who is 30 years of age, has a medium level of education, is not married and has no dependent children. The representative person who has migrated to the UK lives in London, and the reference year is 2009, i.e. a year characterised by downturn in the UK. These probabilities are estimated on the basis of regression coefficients of models estimated separately by country and sex (see Sub-section 3.4). To have an idea of how the situation of the immigrant in the UK compares to that of a similar person in the country of origin, Table 10 shows how the economic situation differs among each country (the figures in Table 10 are computed using the UK and EU LFS).

Table 10 suggests that in 2009 Ireland and Poland have higher proportions of self-employment than the UK; according to Table 9, in 2009 Irish and Polish people arrived in the UK before the enlargement have a much larger probability of being self-employed than similar people in Ireland and Poland. If arrived after the enlargement, both Irish and Polish immigrants to the UK are less likely to be self-employed than those arrived before and than similar people who remained in the country of origin. For Germans there seems to be no change across arrival cohorts: German men are less likely to be self-employed in the UK than similar men remaining in Germany. The opposite seems to be true for German women: immigrants to the UK seem to be more likely to be self-employed than similar women remaining in Germany.

TABLES 9 AND 10 ABOUT HERE

For all groups, immigrants seem much less likely to be unemployed than similar people who did not migrate, thus suggesting that people may migrate when they have a good chance of securing a job abroad. Table 9 suggests that immigrants are also less likely to have a temporary job than similar people remaining in the country of origin, while Table 10 also suggests that the proportion of temporary jobs is lower in the UK than in the other three countries. Table 9 also confirms that part-time is most common among women – rather than men – and that, with few exceptions, immigrants are less likely to work part-time than similar

people remaining in the country of origin. For Polish women the probability of working part-time is much lower for those arrived after, than those arrived before the enlargement. Finally, there do not seem to be striking differences in terms of second job holding.

5. Summary and conclusions

In this paper we describe changes in immigration from European countries into the UK following the 2004 EU enlargement. We show that the 2004 enlargement represents a turning point for the UK, characterised by a fast increase in immigration from EU8 countries, and that the increasing trend seems to stop during the recent recession. The number of immigrants from EU15 countries, instead, remains relatively stable over the whole period.

Immigrants from EU8 countries are significantly different than immigrants from EU15 countries, and those who arrived after the 2004 enlargement differ significantly from those arrived before. In contrast to EU15 and earlier EU8 immigrants, new EU8 immigrants are less likely to locate to London and more evenly spread across regions in the UK. They are comparatively more likely to be active in the labour market – as opposed to students or inactive – and to be in paid employment and less likely to be self-employed or inactive. Their distribution across industries is also different from that of British people and other types of immigrants; they are less likely to work part-time but earn substantially lower wages. We also find substantial differences between people who migrate to the UK and those who remain in the country of origin.

Overall our results suggest that the elimination of barriers to immigration for EU8 countries has changed not only the number, but also the characteristics of immigrants. Immigrants arriving after the elimination of immigration barriers locate in different regions and in different segments of the UK labour market. One of the possible reasons for such differences, which we cannot explore in this paper, is that these new types of immigrants are more likely to be temporary, to accept relatively unfavourable working conditions in the UK but also to remain for a limited period. If this is the case, a new type of immigration may pose new challenges to socio-economic integration.

References

Aydemir, A. (2012) Skill Based Immigrant Selection and Labor Market Outcomes by Visa Category, IZA Discussion Paper No. 6433.

Belot, M.V.K. and Hatton, T.J. (Forthcoming) Immigrant Selection in the OECD. *Scandinavian Journal of Economics*.

Blanchflower, D.G. and Lawton, H. (2008) The Impact of the Recent Expansion of the EU on the UK Labour Market, IZA Discussion Paper No. 3695.

Blanchflower, D.G. and Shadforth, C. (2009) Fear, Unemployment and Migration. *The Economic Journal* 119(February): F136-F182.

Central Statistics Office Ireland (2007) Population Statistics, http://www.cso.ie/en/statistics/population.

Dobson, J.R. (2009) Labour Mobility and Migration within the EU Following the 2004 Central and East European Enlargement. *Employee Relations* 31(2): 121-138.

Drinkwater, S., Eade, J. and Garapich, M. (2009) Poles Apart? EU Enlargement and the Labour Market Outcomes of Immigrants in the United Kingdom. *International Migration* 47(1): 161-190.

Dustmann, C. (1999) Temporary Migration, Human Capital, and Language Fluency of Migrants. *Scandinavian Journal of Economics* 101(2): 297-314.

Dustmann, C., Casanova, M., Fertig, M., Preston, I.P. and Schmidt, C.M. (2003) The Impact of EU Enlargement on Migration Flows. London, Home Office Report 25/03.

Dustmann, C. and Weiss, Y. (2007) Return Migration: Theory and Empirical Evidence from the UK. *British Journal of Industrial Relations* 45(2): 236-256.

Fomina, J. (2009) Światy Równoległe – Wizerunek Własny Polaków W Wielkiej Brytanii (Eng. Parallel Worlds, Self Image of Poles in the Uk and Ireland), Polish Academy of Sciences Institute of Philosophy and Sociology, European Studies Unit, Working Paper no. 4/2009.

Garapich, M.P. (2008) Odyssean Refugees, Migrants and Power - Construction of 'Other' within the Polish Community in the UK. *Citizenship, Political Engagement, and Belonging: Immigrants in Europe and the United States*. Ed. by Reed-Danahay, D. and Brettell, C. London, Rutgers University Press: 124-143.

Gilpin, N., Henty, M., Lemos, S., Portes, J. and Bullen, C. (2006) The Impact of Free Movement of Workers from Central and Eastern Europe on the Uk Labour Market. London, Department of Work and Pensions Working Paper No. 29.

Home Office (2009) Accession Monitoring Report May 2004 - March 2009. London, Home Office.

Iglicka, K. (2010) Powroty Polaków W Okresie Kryzysu Gospodarczego. W Pętli Pułapki Migracyjnej (Eng. Return Migration of Poles Turing Economic Crisis. In the Migration Trap), Centrum Stosunków Międzynarodowych, Raporty i Analizy No.1/09

Johnson, T.P., O'Rourke, D., Burris, J. and Owens, L. (2002) Culture and Survey Nonresponse. *Survey Nonresponse*. Ed. by Groves, R., Dillman, D., Eltinge, J. and Little, R. New York, John Wiley and Sons.

Kahanec, M. (2012) Labor Mobility in an Enlarged European Union, IZA Discussion Paper No. 6485.

McCollum, D. and Findlay, A. (2011) Trends in A8 Migration to the UK During the Recession. *Population Trends* 145(Autumn): 1-13.

Parutis, V. (Forthcoming) "Economic Migrants" Or "Middling Transnationals"? East European Migrants' Experiences of Work in the UK. *International Migration*.

Sahin, M., Nijkamp, P. and Baycant-Levent, T. (2007) Migrant Entrepreneurship from the Perspective of Cultural Diversity. *Handbook of Research on Ethnic Minority Entrepreneurship*. Ed. by Dana, L.-P. Cheltenham (UK), Edward Elgar: 99-113.

Tables and Figures

Table 1: Sample descriptive statistics

	British	EU15 before enlargement	EU15 after enlargement	EU8 before enlargement	EU8 after enlargement
Female	0.492	0.534	0.529	0.613	0.484
Age	39	40	30	36	30
Years in the UK	39	23	2	12	2
Arrived after enlargement		no	yes	no	yes
Arrived on or before 1991		0.695		0.265	
Arrived 1992-2007		0.305	0.822	0.735	0.906
Arrived on or after 2008			0.178		0.094
Married	0.524	0.531	0.293	0.561	0.384
Dependent children	0.457	0.414	0.289	0.465	0.389
High education	0.335	0.336	0.429	0.263	0.142
Medium education	0.312	0.191	0.052	0.083	0.062
Low education	0.273	0.218	0.101	0.168	0.221
Other types of education	0.084	0.257	0.418	0.487	0.576
Years of schooling*	12	13	16	15	15
In paid employment	0.640	0.608	0.608	0.554	0.767
Self-employed	0.091	0.105	0.049	0.157	0.049
Gov. training programmes	0.005	0.005	0.002	0.004	0.001
Unemployed	0.043	0.042	0.062	0.045	0.052
Inactive	0.221	0.241	0.280	0.240	0.131
North East	0.058	0.023	0.017	0.017	0.025
Yorkshire and the Humber	0.093	0.055	0.044	0.050	0.102
East Midlands	0.075	0.050	0.055	0.040	0.110
East Anglia	0.039	0.036	0.059	0.038	0.062
London	0.077	0.273	0.356	0.498	0.148
Rest of South East	0.187	0.227	0.183	0.189	0.143
South West	0.083	0.073	0.035	0.039	0.063
West Midlands	0.088	0.063	0.035	0.034	0.079
North West	0.114	0.074	0.068	0.034	0.086
Wales	0.053	0.029	0.028	0.013	0.036
Scotland	0.096	0.055	0.076	0.044	0.088
Northern Ireland	0.039	0.044	0.043	0.005	0.057
Observations	767,067	16,120	1,127	1,600	3,409

Entries proportions for all variables except age, years of education and years in the UK, which are averages
* Missing for a large part of respondents

Table 2: Region of residence

Reference: London	(1) North East	(2) Yorkshire and the Humber	(3) East Midlands	(4) East Anglia	(5) Rest of South East	(6) South West
EU15	-0.041*	-0.035*	-0.021*	0.002	0.059*	0.001
	(0.002)	(0.003)	(0.002)	(0.002)	(0.003)	(0.002)
EU8	-0.039*	-0.019+	-0.017+	0.016*	0.078*	-0.026*
	(0.009)	(0.009)	(0.008)	(0.005)	(0.010)	(0.009)
EU15 arriving on or after 2004	-0.011	-0.015	0.011	0.024*	-0.015	-0.051*
	(0.011)	(0.011)	(0.009)	(0.005)	(0.012)	(0.011)
EU8 arriving on or after 2004	-0.009	0.021+	0.042*	0.002	-0.105*	0.006
	(0.010)	(0.010)	(0.009)	(0.006)	(0.013)	(0.010)

	(7) West Midlands	(8) North West	(9) Wales	(10) Scotland	(11) Northern Ireland
EU15	-0.018*	-0.029*	-0.022*	-0.037*	0.017*
	(0.002)	(0.003)	(0.002)	(0.003)	(0.001)
EU8	-0.040*	-0.070*	-0.044*	-0.026*	-0.041*
	(0.010)	(0.012)	(0.009)	(0.010)	(0.010)
EU15 arriving on or after 2004	-0.040*	0.005	0.007	0.040*	0.008
	(0.012)	(0.012)	(0.008)	(0.010)	(0.006)
EU8 arriving on or after 2004	0.028*	0.049*	0.027*	0.029*	0.067*
	(0.011)	(0.013)	(0.010)	(0.011)	(0.010)
Observations	789,916		Log likelihood	-1,875,153	

Marginal effects of a multinomial probit model; standard errors in parenthesis; + Significant at 5%, * Significant at 1%. Other explanatory variables: dummies for women; married; whether dependent children; dummies for medium, low, other qualification; dummies for period of arrival (before 1992; after 2007); quarters and year of the survey

Table 3: Activity status

Reference: Active	(1) Men		(2) Women	
	Student	Other inactive	Student	Other inactive
EU15	0.034*	0.023	0.018*	0.017
	(0.006)	(0.012)	(0.006)	(0.012)
EU8	0.016+	0.048*	0.001	0.032
	(0.008)	(0.016)	(0.008)	(0.016)
EU15 arriving on or after 2004	0.005	-0.030	0.006	0.027
	(0.005)	(0.021)	(0.006)	(0.019)
EU8 arriving on or after 2004	-0.028*	-0.105*	-0.039*	-0.071*
	(0.007)	(0.017)	(0.007)	(0.016)
Observations	397,468		387,151	
Log likelihood	-165873		-231752	

Marginal effects of a multinomial probit model; standard errors in parenthesis; + Significant at 5%, * Significant at 1%. Other explanatory variables: age; years in the UK (age for natives); dummies for women; married; whether dependent children; dummies for medium, low, other qualification; dummies for period of arrival (before 1992; after 2007); dummies for regions, quarters and year of the survey

Table 4: Employment status

Reference: In paid employment	(1) Men		(2) Women	
	Self-employed	Unemployed	Self-employed	Unemployed
EU15	-0.010	0.000	0.005	-0.022*
	(0.014)	(0.009)	(0.009)	(0.007)
EU8	0.118*	0.008	0.030*	-0.025*
	(0.018)	(0.012)	(0.011)	(0.010)
EU15 arriving on or after 2004	-0.061+	0.010	-0.007	0.000
	(0.024)	(0.012)	(0.014)	(0.010)
EU8 arriving on or after 2004	-0.185*	-0.036*	-0.054*	-0.011
	(0.018)	(0.012)	(0.012)	(0.009)
Observations	328,017		282,285	
Log likelihood	-203548		-116769	

Marginal effects of a multinomial probit model; standard errors in parenthesis; + Significant at 5%, * Significant at 1%. Other explanatory variables: age; years in the UK (age for natives); dummies for women; married; whether dependent children; dummies for medium, low, other qualification; dummies for period of arrival (before 1992; after 2007); dummies for regions, quarters and year of the survey

Table 5: Industry

Men	(1)	(2)	(3)	(4)	(5)	(6)
Ref: Agriculture, energy	Manufacturing	Construction	Distribution hotels restaurants	Financial services	Transport	Public sector
EU15	0.046+	-0.112*	-0.006	0.035*	0.040*	0.026
	(0.018)	(0.015)	(0.015)	(0.013)	(0.014)	(0.015)
EU8	0.048	0.059*	-0.040	-0.009	-0.032	-0.022
	(0.027)	(0.019)	(0.022)	(0.019)	(0.022)	(0.023)
EU15 arriving on or after 2004	0.031	-0.052	0.003	-0.001	0.027	-0.013
	(0.027)	(0.027)	(0.021)	(0.019)	(0.019)	(0.021)
EU8 arriving on or after 2004	0.140*	-0.131*	0.016	0.069*	-0.022*	-0.069*
	(0.024)	(0.017)	(0.020)	(0.017)	(0.021)	(0.023)
Observations	293,949		Log likelihood	-522109		

Women	(1)	(2)	(3)	(4)	(5)
Ref: Agriculture energy manufacturing	Construction	Distribution hotels restaurants	Financial services	Transport	Public sector
EU15	0.019	0.014	0.006	0.007	-0.049+
	(0.012)	(0.016)	(0.007)	(0.014)	(0.019)
EU8	0.035+	0.105*	-0.008	-0.007	-0.128*
	(0.017)	(0.021)	(0.010)	(0.019)	(0.027)
EU15 arriving on or after 2004	0.032	0.056+	-0.007	-0.030	-0.031
	(0.018)	(0.024)	(0.011)	(0.021)	(0.030)
EU8 arriving on or after 2004	0.103*	-0.045+	0.030*	-0.028	-0.070+
	(0.015)	(0.020)	(0.010)	(0.018)	(0.027)
Observations	252,045		Log likelihood	-336479	

Marginal effects of a multinomial probit model; standard errors in parenthesis; + Significant at 5%, * Significant at 1%. Other explanatory variables: age; years in the UK (age for natives); dummies for women; married; whether dependent children; dummies for medium, low, other qualification; dummies for period of arrival (before 1992; after 2007); dummies for regions, quarters and year of the survey

Table 6: Job characteristics

	(1) Temporary job		(2) Part-time job		(3) Second job	
	Men	Women	Men	Women	Men	Women
EU15	0.017+	-0.020*	-0.005	0.003	-0.001	0.001
	(0.008)	(0.008)	(0.010)	(0.016)	(0.007)	(0.009)
EU8	0.022	-0.032*	0.002	-0.009	-0.008	-0.007
	(0.012)	(0.011)	(0.015)	(0.022)	(0.012)	(0.012)
EU15 arriving on or after 2004	0.001	-0.028*	0.003	-0.015	-0.033+	0.039+
	(0.010)	(0.010)	(0.015)	(0.026)	(0.016)	(0.018)
EU8 arriving on or after 2004	0.012	-0.004	-0.041*	0.152*	-0.011	0.018
	(0.011)	(0.010)	(0.015)	(0.022)	(0.012)	(0.012)
Observations	255,124	249,312	355,891	327,835	308,629	268,948
Log likelihood	-46590	-53734	-98793	-203836	-42449	-56392

Marginal effects of a multinomial probit model; standard errors in parenthesis; + Significant at 5%, * Significant at 1%. Other explanatory variables: age; years in the UK (age for natives); dummies for women; married; whether dependent children; dummies for medium, low, other qualification; dummies for period of arrival (before 1992; after 2007); dummies for regions, quarters and year of the survey

Table 7: Wages

	(1) Men	(2) Women
EU15	0.134***	0.016
	(0.024)	(0.020)
EU8	0.021	-0.233***
	(0.038)	(0.028)
EU15 arriving on or after 2004	-0.001	-0.035
	(0.034)	(0.030)
EU8 arriving on or after 2004	-0.186***	0.034
	(0.035)	(0.026)
R2	0.412	0.416
Observations	179,166	186,867

Standard errors in parenthesis; + Significant at 5%, * Significant at 1%. Other explanatory variables: age; years in the UK (age for natives); years of tenure in the job; dummies for women; married; whether dependent children; part-time; temporary job; dummies for medium, low, other qualification; dummies for period of arrival (before 1992; after 2007); dummies for regions, quarters and year of the survey

Table 8: Descriptive statistics (EU LFS)

	Irish in		Germans in		Polish in	
	Ireland	UK	Germany	UK	Poland	UK
Female	0.479	0.506	0.474	0.546	0.494	0.488
Age	37	45	39	36	38	30
Married	0.494	0.569	0.524	0.442	0.597	0.429
High education	0.238	0.346	0.216	0.425	0.137	0.174
Medium education	0.378	0.160	0.583	0.212	0.637	0.057
Low education	0.384	0.303	0.201	0.217	0.226	0.187
Other education		0.194		0.146		0.581
Years of education	13	12	16	14	14	15
In paid employment	0.568	0.573	0.627	0.653	0.437	0.749
Self-employed	0.117	0.113	0.072	0.079	0.114	0.083
Unemployed	0.038	0.036	0.070	0.049	0.078	0.039
Inactive	0.277	0.278	0.231	0.219	0.372	0.128
Observations	588,041	4,044	846,087	2,425	738,462	2,363
Years	2000-2009		2002-2009		2004-2009	

Table 9: Comparison between immigrants to the UK and similar people remaining in the country of origin

Individual Probability		(1) Men			(2) Women	
Irish in:	Ireland	UK Arrived 1992-2004	UK Arrived 2004-2007	Ireland	UK Arrived 1992-2004	UK Arrived 2004-2007
Probability self-empl.	0.096	0.179	0.087	0.005	0.004	0.002
Probability unemployed	0.161	0.067	0.074	0.045	0.040	0.027
Probability temporary job	0.119	0.019	0.046	0.128	0.096	0.201
Probability part-time job	0.149	0.044	0.025	0.310	0.245	0.213
Probability second job	0.024	0.051	0.051	0.010	0.008	0.008
Germans in:	Germany	UK Arrived 1992-2004	UK Arrived 2004-2007	Germany	UK Arrived 1992-2004	UK Arrived 2004-2007
Probability self-empl.	0.021	0.017	0.011	0.007	0.016	0.020
Probability unemployed	0.034	0.068	0.012	0.020	0.018	0.029
Probability temporary job	0.207	0.054	0.088	0.214	0.096	0.096
Probability part-time job	0.111	0.159	0.152	0.283	0.250	0.086
Probability second job	0.027	0.030	0.036	0.040	0.044	0.044
Polish in:	Poland	UK Arrived 1992-2004	UK Arrived 2004-2007	Poland	UK Arrived 1992-2004	UK Arrived 2004-2007
Probability self-empl.	0.088	0.301	0.020	0.033	0.022	0.002
Probability unemployed	0.119	0.028	0.020	0.116	0.007	0.009
Probability temporary job	0.448	0.027	0.082	0.501	0.020	0.067
Probability part-time job	0.077	0.018	0.017	0.134	0.282	0.168
Probability second job	0.057	0.018	0.016	0.036	0.057	0.033

Probabilities referring to a representative person who is 30 years of age, has a medium level of education, is not married and has no dependent children. The representative person who has migrated to the UK lives in London, and the reference year is 2009, i.e. a year characterised by downturn in the UK.

Table 10: Comparison country averages in 2009

	UK	Ireland	Germany	Poland
Percentage self-employed (over active population)	9.3	15.8	9.7	18.0
Unemployment rate	7.3	11.1	6.5	8.7
Percentage employees with temporary jobs	5.0	8.1	14.1	26.5
Percentage employees with part-time jobs	25.3	22.9	25.7	7.5
Percentage employees with two jobs	3.8	1.9	3.3	8.3

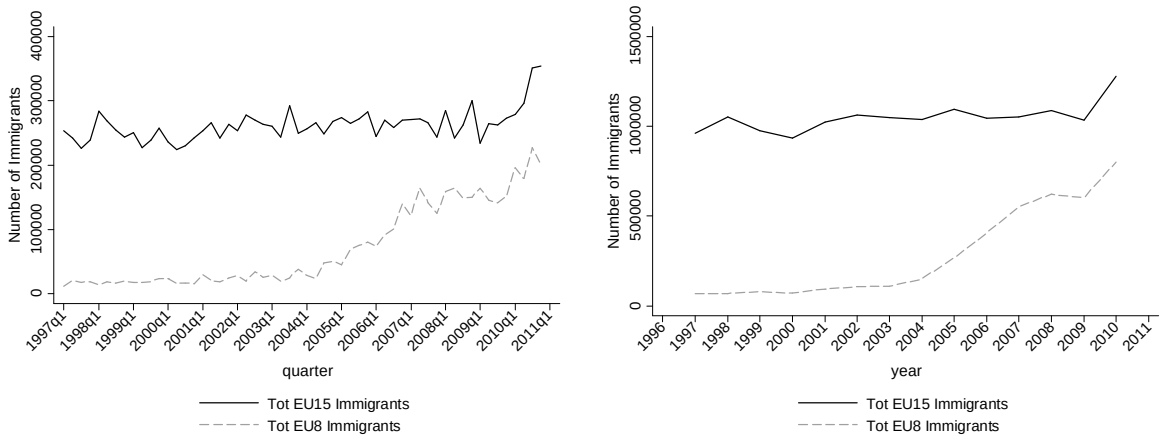

Figure 1: Number of immigrants in the UK LFS (weighted quarterly and yearly data)

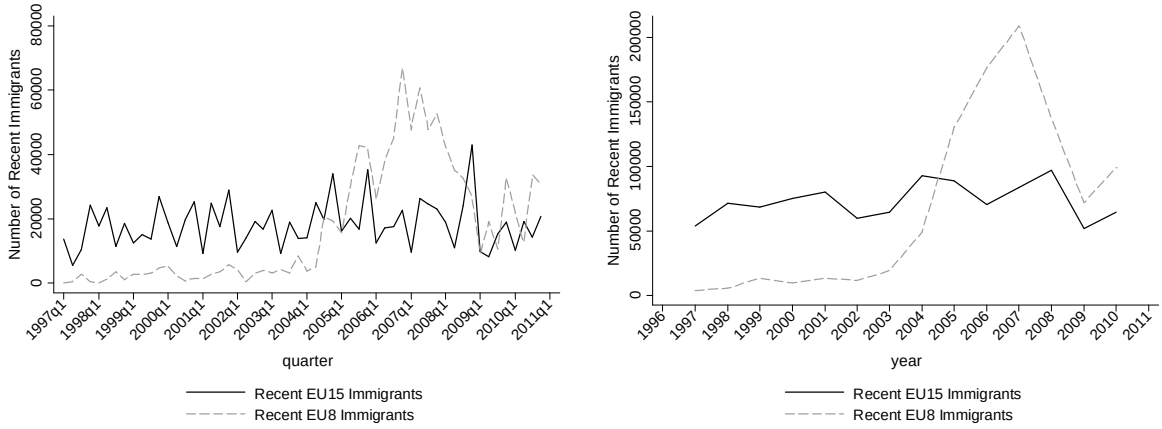

Figure 2: Number of recent immigrants (1-2 years) in the UK LFS (weighted quarterly and yearly data)