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# Immigrants at Work

Ethnicity and Nationality in the Irish Labour Market

*Philip J. O'Connell and Frances McGinnity*



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**Immigrants at Work**

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Labour Market**

*Philip J. O'Connell and Frances McGinnity*

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This research has been carried out as part of the Equality Authority/ESRI Research Programme on Equality and Discrimination.

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ISBN: 0 7070 0270 2

Cover design by form

Printed in Ireland by Fodhla Printing

# FOREWORD

'Immigrants at Work' provides an important baseline study of the labour market experience of migrants in Ireland. It should serve as a basis from which to monitor this experience over time and as we move into more turbulent economic circumstances. It will hopefully stimulate and support new responses to cultural diversity in the labour market from employers, labour market programme providers and policymakers.

This is the third report arising from the 'Research Programme on Equality and Discrimination' which is being carried out by The Economic and Social Research Institute on behalf of the Equality Authority. It makes use of the first and, apart from the 2006 Census, only representative Irish data sources to include information on ethnicity – the special module of the Quarterly National Household Survey conducted by the Central Statistics Office in 2004 and the ESRI Survey of Migrant Experiences of Racism and Discrimination in Ireland in 2005.

The key finding of the report is that migrants to Ireland fare less well than Irish nationals in the Irish labour market across a range of dimensions – in terms of unemployment levels, of access to privileged occupations in the occupational structure, and of experiences of discrimination at work and in looking for work. Within this finding the report also highlights specific and higher levels of disadvantage for Black people. English language skills are also identified in the report as an important factor in determining the quality of the migrants' experience.

It will be important to track this experience over time to ensure that labour market policies and programmes contribute to eliminating this disadvantage. The Equality Authority has developed initiatives that should support employers and labour market programme providers to respond more effectively to the labour market experience and situation of migrants and other Black and minority ethnic people.

The Equality Authority is working with the Office of the Minister for Integration to implement a strategy for supporting integrated workplaces. This strategy has the active participation of IBEC, Congress, Chambers Ireland and the Construction Industry Federation in creating new supports for enterprises to manage and respond to the cultural diversity of their workforce. The Equality Authority has also established an Equality Mainstreaming Unit with funding from the European Social Fund. This unit will support labour market programme providers to embed a focus on equality and diversity in their plans, programmes and practices.

We are grateful to Philip O'Connell and Frances McGinnity of the ESRI for their expert and insightful work on this report. They have provided a valuable baseline from which progress is urgently required for migrants and other Black and minority ethnic people in the Irish labour market. Thanks are also due to Laurence Bond, Head of Research with the Equality Authority, for his expert and able support to this research project.

**Niall Crowley**

Chief Executive Officer  
The Equality Authority

## ACKNOWLEDGEMENTS

We are extremely grateful to Pádraig Dalton, Eithne Tiernan and the staff of the Central Statistics Office for providing us with access to the QNHS special module on discrimination and to additional micro-data which enabled us to carry out this research. We also wish to thank Alan Barrett, Emma Quinn, Laurence Bond and Torben Krings for comments on an earlier draft of this study. Finally, sincere thanks are due to Deirdre Whitaker, Regina Moore and Mary Cleary for preparing the report for publication. The authors are solely responsible for the content of the report.

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# EXECUTIVE SUMMARY

## Introduction

In recent years there has been significant immigration into Ireland in a context of rapid growth in the economy and in employment. This has given rise to concerns about potential exploitation and discrimination in the workplace. This study examines the labour market situation of migrants working in Ireland, drawing primarily on a special module of the *Quarterly National Household Survey* (QNHS) conducted by the Central Statistics Office in the fourth quarter of 2004 and the analysis is supplemented by a dedicated *Survey of Migrant Experiences of Racism and Discrimination in Ireland* (SMERDI) collected by The Economic and Social Research Institute in 2005.

These surveys were the first representative Irish data sources to include information on ethnicity, and, apart from the *2006 Census*, they remain the only such sources to date. This, therefore, is the first systematic baseline study that examines labour market experiences among migrants distinguished by ethnicity. We also examine whether immigrants from English speaking countries differ from immigrants from non-English speaking countries. A strength of the study is that we investigate both objective labour market outcomes such as occupational status and wages, and respondents' own subjective assessment of their experiences.

## Differences in Employment, Occupation and Earnings

### Employment and Unemployment

In many other countries immigrants have been found to experience difficulties in the labour market and unemployment rates are higher than among indigenous populations. Notwithstanding the fact that most immigration to Ireland in recent years has been to avail of employment opportunities, our analysis shows that the international pattern prevails also in Ireland: labour force participation and employment rates are slightly higher among Irish nationals than non-Irish nationals. Unemployment (expressed as a percentage of the labour force aged 19-64 years) is considerably higher among non-Irish nationals.

The analysis shows lower employment rates among both Black and Asian respondents. Further analysis reveals that one-third of the Asian group are actually students. For the Black respondents the story is different: here we find that many are not participating in the Irish labour market, and are in home duties or have a principal economic status of 'other'. This latter category may largely include asylum seekers, who are not eligible to be employed in Ireland while their claim is being processed.

Regression analysis of labour market participants reveals a much higher risk of unemployment for Black respondents, and also a higher risk for other immigrants from non-English speaking countries – of 'White', 'Asian' and 'Other' ethnicity – compared to Irish nationals. We detect no difference between migrants from English speaking countries and Irish nationals in the risk of unemployment. The particularly high rate of unemployment among Black respondents that are participating in the labour market – nine times that of Irish nationals – may reflect difficulties encountered by those eligible to seek employment, having been granted refugee status or the right to remain in Ireland on other grounds.

## Occupations

As a measure of job quality, we analyse the most privileged occupations in the occupational structure – managerial, professional and associate professional and technical occupations. In general non-Irish nationals are somewhat less likely than Irish-nationals to secure the more privileged jobs in the occupational structure.

Among non-Irish nationals, we find that language of country of origin is important to occupational attainment: non-Irish nationals from non-English speaking countries suffer an occupational gap, whereas those from English speaking countries do not. Among those from non-English speaking countries respondents of Other ethnicity and of White ethnicity are less likely to secure the more privileged occupations.

While the analysis suggests that neither Black respondents nor Asian respondents from non-English speaking countries differ significantly from Irish nationals in securing the top occupations, this may be due to insufficient cases. Further analysis, combining the smaller groups into a single ethnic minority sample suggests that, on average, all respondents from non-English speaking countries were less likely than Irish nationals to secure the top occupations, and that the magnitude of this occupational gap was roughly equivalent between ethnic groups among those from non-English speaking countries.

## Earnings

Another key indicator of job quality is wages. However, the QNHS does not collect information on earnings. We use data from the SMERDI on a sample of work permit holders to analyse earnings of non-EU migrants from non-English speaking countries, distinguishing between respondents who are of 'White', 'Black', 'Asian' and 'Other' ethnicity. We find no wage differences between these groups, either at a descriptive level or controlling for age; gender; education; duration of time in Ireland; job tenure; work experience and English language skills. We do find a significant gender wage gap among migrants with non-Irish national women earning about 15 per cent less per month than their male counterparts, even when other key influential variables are controlled. The use to which we can put the SMERDI data is limited because the survey included only individuals from Africa, Asia and Eastern Europe, so we cannot compare these migrants to Irish nationals nor to non-Irish nationals from English speaking countries.

We also find that language skills are important. The SMERDI data includes a specific question on the respondents' subjective assessment of their English-language skills. We find that English language skills are positively related to earnings, even controlling for other relevant factors. This is the first analysis in Ireland that examines the impact of self-reported language skills on wages and the results complement previous research on the wages of immigrants in Ireland which found no difference between Irish nationals and immigrants from English speaking countries, but a substantial penalty for immigrants from non-English speaking countries (Barrett and McCarthy, 2007).

## Subjective Experience of Discrimination

### Looking for Work

Taken as a whole, we find that non-Irish nationals are three times more likely to report having experienced discrimination while looking for work than Irish nationals. This is even after controlling for differences in gender, age and education between the groups.

Distinguishing between immigrants, we find that all groups differ significantly from Irish nationals though the effect is smaller for Asian respondents and White respondents from English speaking countries. Compared to Irish nationals, Black respondents are seven times more likely to report experiencing discrimination. When we test some of these findings about differences between ethnic groups using a sample of work permit holders from the *Survey of Migrants' Experience of Racism and Discrimination in Ireland*, the pattern is confirmed. Black respondents report more difficulties looking for work than all other respondents from other ethnic groups.

In fact, the overall pattern in relation to both objective and subjective indicators of discrimination in access to employment is fairly consistent. Compared to Irish nationals, all migrants from non-English speaking countries face a higher risk of unemployment, and report greater difficulties in accessing employment. Those indicating the most experience of disadvantage are the small group of Black immigrants, who face the highest risk of unemployment and report the most discrimination in looking for a job. The only group for whom the indicators differ slightly are White respondents from English speaking countries. They have a similar risk of unemployment to Irish nationals, but report more difficulties in accessing employment.

### Differential Treatment at Work

In the workplace, non-Irish nationals are twice as likely to report experiencing discrimination as Irish nationals. Distinguishing between groups, we find that language of country of origin plays a clear role. White respondents from English speaking countries are no more likely to report discrimination at work than Irish nationals. However, immigrants from non-English speaking countries are more likely to report discrimination. Within this group (of immigrants from non-English speaking countries) there is little difference between White respondents and members of the minority ethnic sample, on average, in their experience in the workplace.

When we test some of our findings about differences between ethnic groups using a sample of Work Permit Holders from the SMERDI, the pattern is supported. Members of the Black immigrant group report more difficulties looking for work, but we find no significant differences between Black, Asian and White respondents from non-English speaking countries in terms of promotion or work harassment.

In summary, in terms of discrimination in the workplace, two conclusions emerge. First, the experiences of immigrants from English speaking countries (most of whom are from the UK) do not differ from those of Irish nationals. Second, immigrants from non-English speaking countries are somewhat more at risk compared to Irish nationals. Asians and members of the 'Other' ethnic group are less likely to secure the top occupations and more likely to report discrimination, while the sample of Black respondents is too small to provide conclusive evidence of differential treatment or outcomes. When we group the ethnic minority sample, we find their average experience similar to non-English speaking White respondents.

It should be noted that the analyses in this report focus on the labour market and we cannot generalise from the labour market to other domains. In fact, additional subjective evidence on discrimination from other studies suggests that minority ethnic groups may experience more disadvantage in other domains. Second, while the overall sample is large, the numbers in the minority ethnic categories are small, reflecting their small share in the overall population. In some cases this limits what we can say about group differences. The models do ensure that where there are differences, these are robust.

## Policy Implications

Our key finding is that, on average, immigrants fare less well than Irish nationals in the Irish labour market across a range of dimensions. The exception here is immigrants of White ethnicity from English speaking countries. Their experience of the Irish labour market is broadly similar to Irish nationals. Other immigrants face higher risks of unemployment and they are less likely to secure higher level occupations. These labour market disparities may be due to a range of factors, including location specific human capital, such as familiarity with local employment conditions and networks, and transferability of qualifications and skills. We also find that immigrants are also more likely than Irish nationals to report having experienced discrimination. Among non-English speaking immigrants, the labour market experience of different ethnic groups in the workplace is broadly similar, though there are marked differences between ethnic groups in seeking work.

What are the implications of our findings for policy? First, our overall findings on the experience of migrants confirm the need for a planned and pro-active public policy approach to integration as well as for systematic approaches to equality and integration by employers.

Second, language is important. We find that immigrants from English language speaking countries do not differ significantly from Irish nationals in either access to employment or while at work. This suggests that language may represent an important policy lever to avoid or reduce labour market disadvantage among immigrants. Some of our findings, for example, that immigrants from English speaking countries find it easier to integrate into the Irish labour market, may be related to cultural similarities, because qualifications may be more easily transferable (particularly in the case of Britain). However, our analysis of wage disparities suggests that migrants with better English language skills earn higher wages than those with poor language skills. There is also every reason to suspect that language skills will affect labour market performance, especially if the majority of jobs carried out by immigrants are in the service sector. All of these considerations suggest the importance of ensuring that new immigrants have access to training in English language skills and the potential utility of state intervention to promote this.

Third, we find that the small group of Black immigrants experience severe disadvantage in terms of their risk of unemployment and also in their subjective assessment of difficulties getting a job. The QNHS does not collect information on visa/residency status of non-Irish nationals, so we cannot assess how many Black labour market participants are refugees, although we do know that refugees experience difficulties in the Irish labour market. This would suggest the need for development of targeted and effective active labour market programmes to assist refugees and others legally resident in Ireland to access employment on the same basis as Irish nationals.

# 1. INTRODUCTION

In recent years there has been significant immigration into Ireland in a context of rapid growth in the economy and in employment. This has given rise to concerns about exploitation and discrimination in the workplace. Measures such as the Equal Status Acts, 2000-2004, and the Employment Equality Acts, 1998-2007, provide important protections for immigrants in the labour market and in accessing goods and services. Equal opportunity to participate fully in employment, and reap the rewards of work is crucial to a fair and well-functioning labour market. Discrimination is incompatible with the values of a democratic society. It generates social cleavages and weakens social solidarity, and it undermines labour market standards. Discrimination is also bad for the economy since it leads to the inefficient employment of skills.

This study draws on a special Equality module from the *Quarterly National Household Survey* (QNHS) collected in 2004, supplemented by a dedicated *Survey of Migrants' Experience of Racism and Discrimination in Ireland* (SMERDI) in 2005, to examine a series of questions relating to the labour market conditions faced by minority ethnic and non-Irish national groups working in Ireland.

We address two related but separate questions. First, do immigrants in Ireland face less favourable prospects in the labour market, as has been found in other countries? Here we look at objective measures of labour market outcomes to examine disparities between migrants and Irish labour market participants. We look at the extent to which migrants participate in the labour market and in employment as well as at their risk of unemployment. Second, do immigrants report discrimination in the labour market? This focuses on subjective interpretations of labour market experiences drawing on a dedicated series of survey questions on experience of discrimination in looking for work and in the workplace, as well as in other areas of social life.

Are the labour market experiences of all migrants similar or do some fare better than others? The two Surveys we draw on here were the first representative Irish data sources to include information on ethnicity. Apart from *Census 2006*, they remain the only such sources to date. This, therefore, is the first systematic baseline study that examines labour market experiences among migrants and across differing national and ethnic groups. We look in particular at immigrants of different ethnic backgrounds and migrants from English speaking as well as non-English speaking countries.

## 1.1 Recent Trends in Migration

Substantial immigration into Ireland is a relatively recent development in response to the economic boom in the past two decades and a resulting dramatic increase in employment. Census data indicate that the number of non-Irish nationals almost doubled to 420,000 between 2002 and 2006. In 2006 non-Irish nationals accounted for about 10 per cent of the total population, up from 6 per cent in 2002. Of these, 276,000 are nationals of other EU countries and 144,000 come from outside the EU25. This compares to 224,000 in 2002 of which 133,000 came from other EU15 countries and 90,000 from outside the EU.

There has been substantial immigration from the new ten EU Member States since 2004, with combined numbers from the EU10 countries accounting for over 120,000 people. Polish nationals account for just over half this group and together Latvians and Lithuanians account for almost one-third. Of the Polish, Latvian and Lithuanian

national groups 92 per cent, 90 per cent and 88 per cent respectively are of working age (15-64 yrs).

**Table 1.1: Total Population in 2002 and 2006 Classified by Nationality (000s)**

	2002		2006	
	Number	%	Number	%
Irish	3,585.0	94.1	3,706.7	89.8
United Kingdom	103.5	2.7	112.5	2.7
Other EU	29.9	0.8	163.3	4.0
Rest of Europe	23.1	0.6	24.4	0.6
Africa	21.0	0.6	35.3	0.9
Asia	21.8	0.6	47.0	1.1
America	15.4	0.4	21.1	0.5
Other	9.5	0.2	16.2	0.4
Not stated	49.2	1.3	45.6	1.1
Total	3,858.5	100.0	4,172.0	100.0
Total Non-Irish	224.3	5.9	419.7	10.2

Source: Census 2002 and Census 2006.

The Census 2006 collected information on ethnicity and cultural background for the first time. People of 'White' ethnicity accounted for almost 95 per cent of the population (3,956,609), those of 'Asian' ethnicity accounted for 1.3 per cent (52,345), and those of 'Black' ethnicity made up just over 1 per cent (44,300). Significant numbers (72,303) did not disclose their ethnicity in the Census see Table 1.2. Men outnumbered women among minority ethnic populations, with the exception of the African and Traveller groups among whom small majorities are female.

**Table 1.2: Population by Ethnic or Cultural Background and Sex, 2006**

	Men	Women	Persons	Persons
	Number	Number	Number	%
White				
Irish	1,804.8	1,840.4	3,645.2	87.4
Traveller	11.0	11.4	22.4	0.5
Other White	156.9	132.2	289.0	6.9
Black or Black Irish				
African	19.8	20.8	40.5	1.0
Other Black	2.0	1.8	3.8	0.1
Asian or Asian Irish				
Chinese	8.7	7.8	16.5	0.4
Other Asian	18.3	17.5	35.8	0.9
Other, including Mixed	24.7	21.8	46.4	1.1
Not Stated	39.0	33.3	72.3	1.7
Total	2,085.2	2,086.8	4,172.0	100.0

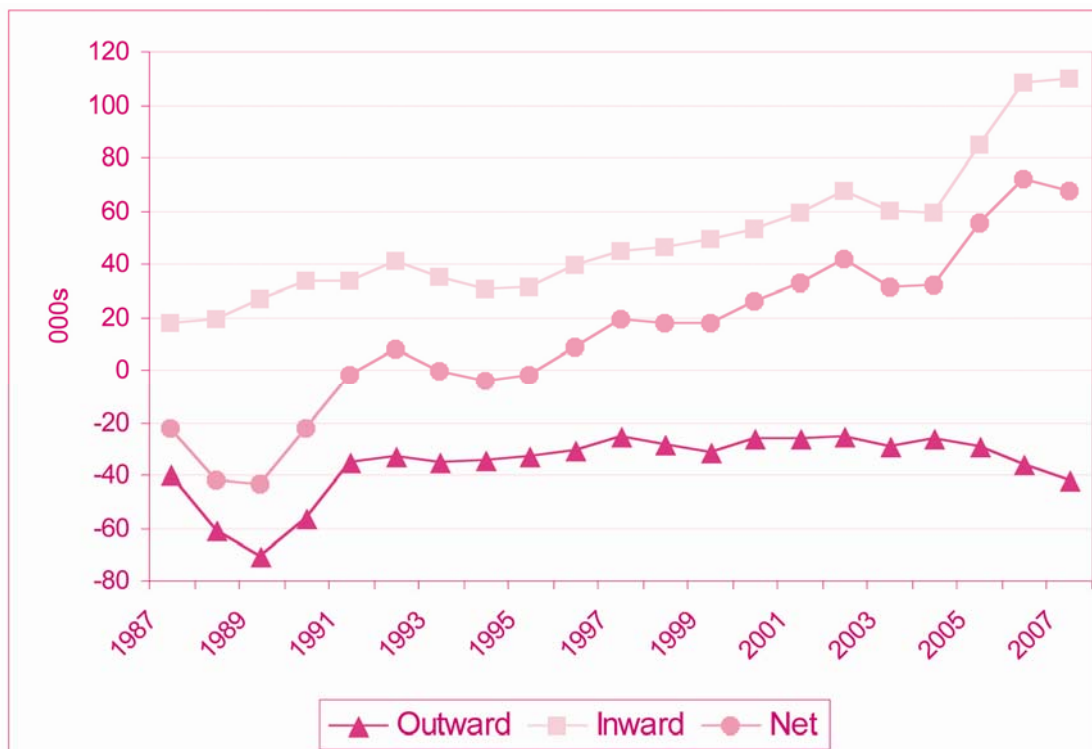
Source: Census 2006.

Figure 1.1 shows how the pattern of migration changed from net emigration in the late 1980s to net immigration from the mid-1990s onwards. In 1987 the gross outflow of Irish people abroad, 40,000, was much greater than the gross inflow, 17,000, with



the consequence that emigration reduced the population by 23,000 during that year. In the early 1990s the gross outflows and gross inflows were almost in balance so that net migration had very little influence on population change in the period 1991-95. However, from 1996 onwards net migration has made a positive contribution to Ireland's population growth. Inward migration has grown steadily since the mid-1990s, to well over 100,000 per annum in the last two years, and peaking at almost 110,000 in the twelve months to April 2007. Migratory outflows have also increased in recent years, as returning migrants have added their numbers to the emigrating Irish nationals. In the twelve months to April 2006, the inflow of almost 108,000 was offset by an estimated outflow of 36,000, resulting in net-migration of over 72,000.

**Figure 1.1: Emigration, Immigration and Net Migration, 1987-2007**



In general, males tend to outnumber females among inward migrants, although in most years the gender difference is quite limited (Table 1.3). In terms of age distribution, those aged 25-44 years currently constitute almost 60 per cent of the total inflow, a proportion that has increased in recent years. About 30 per cent of the gross inflow relates to young people aged 15 to 24 years. Around 12 per cent of inward migrants in 2007 were children aged less than 14 years. This proportion has shown a tendency to increase in recent years, suggesting an increasing proportion of migrants coming with families. Migrants in the age group 45 years and over currently make up less than 8 per cent of the inflow.

In considering labour migration to Ireland, it is useful to distinguish between those coming from other EU Member States, who have open access to the Irish labour market, and those from non-EU states, whose employment is regulated by the employment permits system.

Work permits are the main means by which non-European Economic Area nationals take up employment in Ireland and traditionally covered a wide range of occupations from low to high skilled. Since the accession of the ten new EU Member States in

2004, however, most work permits are now allocated to highly qualified or highly specific personnel. Government labour migration policy is to meet most of Ireland's labour needs from within the enlarged EU.

**Table 1.3: Estimated Immigration Flows Classified by Age and Gender, 1991-2007**

End April	0-14 Years	15-24 Years	25-44 Years	45-64 Years	65+ Years	Total Years
(000)						
Persons						
1991	5.2	9.3	14.6	2.5	1.7	33.3
1996	6.6	10.9	16.9	3.6	1.2	39.2
2001	7.9	16.4	29.5	4.3	0.8	59.0
2006	11.5	31.6	57.2	6.1	1.4	107.8
2007	11.7	30.3	59.8	6.9	0.9	109.5
Males						
1991	2.7	4.5	8.0	1.4	0.9	17.6
1996	3.1	4.2	8.7	2.2	0.6	18.8
2001	4.1	6.6	16.3	2.5	0.5	30.1
2006	5.5	16.4	34.0	3.7	0.7	60.3
2007	5.6	13.4	33.6	4.3	0.6	57.4
Females						
1991	2.6	4.8	6.5	1.1	0.8	15.8
1996	3.6	6.7	8.1	1.3	0.6	20.4
2001	3.8	9.8	13.2	1.8	0.3	29.0
2006	6.0	15.2	23.2	2.4	0.7	47.5
2007	6.1	16.9	26.2	2.7	0.3	52.4

Source: CSO *Population and Migration Estimates*, various years.

Figure 1.2 compares the composition of migration flows to Ireland in 2001, 2004 and 2007 and shows the effect of the accession of the new EU10 Member States in May 2004. In 2007 almost 53,000 nationals from the new EU10 Member States immigrated to Ireland, accounting for 48 per cent of all inward migrants. Ireland was one of just three EU15 countries, along with Sweden and the UK, to allow nationals from the EU10 Member States full access to the labour market immediately following enlargement in 2004. However, it should be noted that the data relating to the EU10 nationals is probably an understatement of the true levels of migratory inflow (and outflow) since many migrants from the EU10 come for a short period only.

Compared to movements from within the EU, immigration from outside the EU is modest. Excluding immigration from the US, 'rest of world' immigration to Ireland in 2006 accounted for less than 18,000 persons, a reduction on previous years. The majority of non-European Economic Area (EEA) nationals who have come to Ireland to take up employment are work permit holders. Data on work permits issued to employers of immigrants show that the total number issued (new permits and renewals) increased more than eight times from less than 6,000 in 1998 to almost 48,000 in 2003. However, there was a substantial fall in the number issued in 2004 as nationals of the new Member States no longer required work permits after 1 May 2004. Government policy now strongly favours employers sourcing their migrant workers from within the enlarged EU. There was a total of 23,604 work permits issued in 2007 of which 13,457 were renewals.

**Figure 1.2: Estimated Immigration Flows by Nationality, 2001, 2004 and 2007**

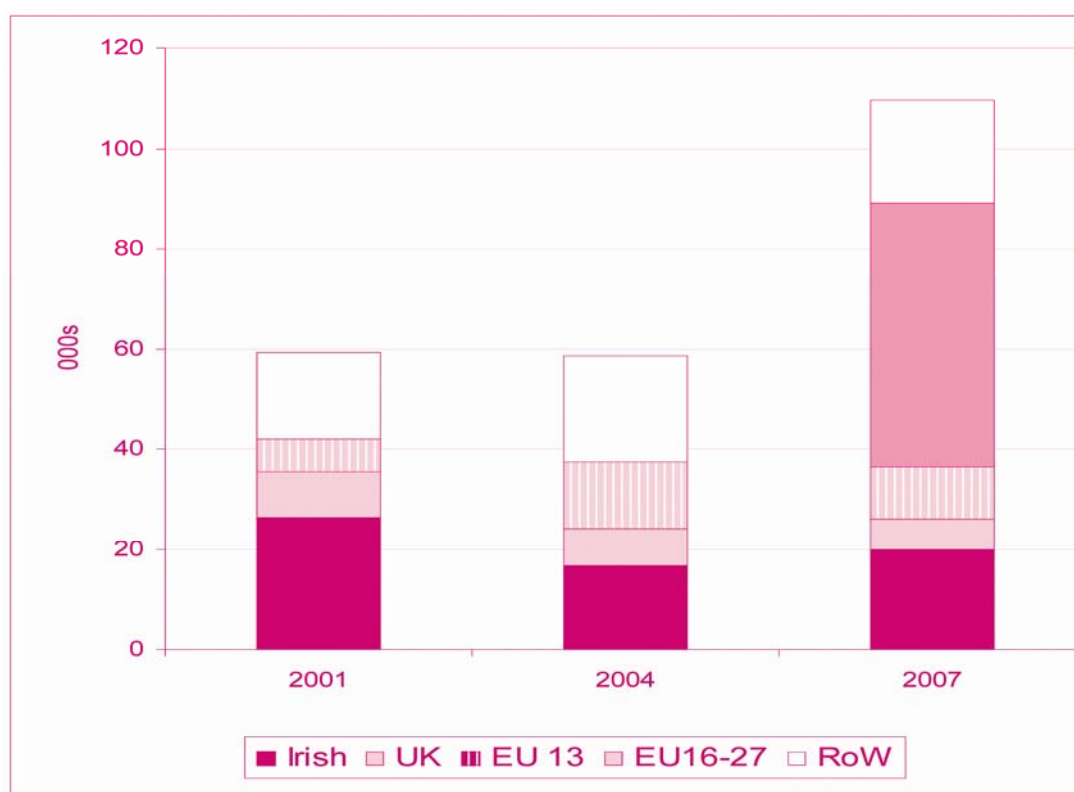


Table 1.4 presents a classification of work permits issued to non-EEA nationals according to sector of activity engaged in. While all sectors recorded significant increases in the period up to 2003, the data show that the most rapid increases occurred in the agricultural sector and in activities associated with the catering and hotel industries. The figures for agriculture are striking, indicating that the inflow of work permit holders (mainly from the Baltic States) into this sector increased from less than 100 in 1998 to over 7,200 in 2003. In 2004, when 10 New Member states joined the EU, the number of work permits issued and renewed for the agricultural sector fell by nearly 50 per cent from 7,200 in 2003 to 3,700 in 2004. The data for 2006 suggest that the downward trend in the issuing of work permits for the agricultural sector is continuing. This reflects the general policy of recruiting low-skilled labour from within the enlarged EU.

**Table 1.4: Work Permits Issued and Renewed by Sector, 1998-2006**

Sector	1998	2003	2004	2005	2006
Agriculture	70	7,242	3,721	2,139	1,952
Industry	705	3,376	2,174	1,680	1,676
Services	4,941	36,933	28,172	23,317	21,179
Medical, Nursing	620	2,709	2,469	2,683	2,852
Catering	607	11,548	8,306	6,976	5,842
Education	298	759	717	726	798
Domestic	59	944	772	684	631
Entertainment/Sport	264	1,172	1,191	1,175	1,261
Other Services	3,093	19,801	14,717	11,073	9,795
<b>Total</b>	<b>5,716</b>	<b>47,551</b>	<b>34,067</b>	<b>27,134</b>	<b>24,854</b>

Source: Department of Enterprise, Trade and Employment website.

## 1.2 Outline of This Report

This study addresses the question of how immigrants fare in the Irish labour market. It is the first systematic study that examines labour market experiences among immigrants and across differing national and ethnic groups. As we have seen from the discussion above, immigration to Ireland is a recent phenomenon. In many countries with a history of immigration the issues surrounding differential treatment of newly arrived migrants versus minority ethnic population groups can be examined separately. In the Irish case, however, with its very recent experience of significant immigration to a society that has been, heretofore, largely ethnically homogenous, migrant groups and ethnic minorities are largely overlapping.<sup>1</sup> This can render it difficult to disentangle the potentially separate effects of migration, nationality and ethnicity. For example, there are as yet insufficient numbers of second-generation immigrant groups in Ireland to allow a systematic examination of their experiences.

The discussion of trends in the migratory inflow also suggests the importance of understanding the legal framework relating to immigration and its implications for labour market behaviour. Asylum seekers are not eligible to work in Ireland, although refugees whose asylum claims have been recognised do have that right. Work permit holders, particularly at the time of the *QNHS Module on Equality* were constrained to work for employers who held the work permit, and, accordingly, generally were not free to compete in the open labour market or change employers. The QNHS Module did not however, collect information on visa or residency status, or on whether an individual was working under the work permit system. Accordingly, we are unable to directly establish the regulations governing individual labour market behaviour, as measured in the survey.

Chapter 2 reviews the Irish and international evidence on labour market inequalities and discrimination among migrants and ethnic minorities. It examines measurement issues in relation to discrimination and identifies a number of general research questions which we examine in subsequent chapters. Chapter 3 outlines the two data sets upon which the analyses are based: the *Quarterly National Household Survey Module on Equality* collected in 2004, and the *Survey of Racism and Discrimination Among Migrants in Ireland*, collected in 2005. Chapter 4 looks at the evidence relating to objective disparities in access to employment and the quality of jobs. Chapter 5 focuses on subjective indicators of discrimination. Chapter 6 presents conclusions and implications of the study.

<sup>1</sup> The principal exception to this is the case of Travellers, whose experiences have been quite distinctive, but who, for lack of data, are not analysed separately here.

## 2. INEQUALITY AND DISCRIMINATION IN THE LABOUR MARKET

### 2.1 Defining and Measuring Discrimination

A simple definition of discrimination might read 'differential treatment on the basis of group membership that unfairly disadvantages members of a group'. It is important to distinguish discrimination (a behaviour) from prejudice (an affect or feeling) and stereotyping (a cognition or belief). How beliefs and feelings about certain groups relate to discriminatory behaviour is not always clear, and has been shown to depend on certain roles or social contexts. The focus in this report is on discrimination.

The approach to discrimination in Irish law has evolved over time. The Employment Equality Acts, 1998-2007 and the Equal Status Acts, 2000-2004 (in areas outside employment) outlaw discrimination in employment; vocational training; advertising; collective agreements; the provision of goods and services; education and accommodation and other opportunities to which the public generally have access on nine distinct grounds. These grounds are: gender; marital status; family status; age; disability; race; sexual orientation; religious belief; and membership of the Traveller Community. The Acts contain a number of exemptions.

Discrimination is defined broadly in this legislation as '...a person treated less favourably than another person is, has been or would be treated in a comparable situation on any of the grounds specified'. Indirect discrimination and discrimination by imputation and association are also prohibited. Casework under this legislation has also informed our understanding of discrimination. The Labour Court (*Rasaq v Campbell Catering*) has indicated that similar treatment of a person can be discriminatory where the circumstances of that person are different. Cultural and linguistic difference creates a context where the circumstances of individual workers can be different and if adjustments are not made to take account of this difference, discrimination can occur.

While the relevant ground covered by the Equality legislation is known as 'the race ground', in fact this covers 'race, colour, nationality or ethnic or national origins' (Equality Act, 2004). The focus of the report is on the impact of both nationality and ethnic group membership on labour market outcomes.

As discriminatory behaviour is rarely observed directly, researchers must infer its presence, asking the counterfactual question of whether or not the behaviour would have been different if the person had been a member of another group.

Blank *et al.* (2004) discuss a number of methods for measuring discrimination; though they note that no single approach allows researchers to address all the important measurement issues and each have their strengths and weaknesses. Methods include: laboratory experiments, field experiments, statistical analysis of observational data and indicators of discrimination from surveys. Laboratory experiments come close to replicating the counterfactual question posed above, but are in artificial settings and have limited generalisability. Field experiments include audit studies, where matched pairs of applicants apply for the same job differing only in terms of ethnic group membership. Problems here are that the pair may differ on other characteristics affecting job chances. Darity and Mason (1998) add an analysis of court cases as another method of assessing discrimination. In Ireland legal caseloads by the Equality Tribunal and Labour Court would fall into this category.

The two principal methods of measuring discrimination using representative surveys are subjective indicators of discrimination and the statistical analysis of observational data. These are discussed in greater detail below in Sections 2.2 and 2.3 respectively.

## 2.2 Subjective Discrimination

In this section we discuss the measurement of subjective discrimination, that is, discrimination as reported by the respondent in response to a direct question. Blank *et al.* (2004) note that it is not discrimination that is being directly measured but reports of experiences of discrimination.

Although evidence from survey data can give a useful picture of the extent of subjective discrimination, and surveys are good for comparing between-group differences and changes over time, researchers need to be sensitive to both methodological factors (including sampling, interviewing and question design) and reporting biases (Blank *et al.*, 2004). In terms of sampling, a random sample of the target population is clearly preferable to give an accurate picture of discrimination in the target group. For overviews of subjective discrimination it is also useful to have a wide range of target groups, where possible, to avoid excluding minority groups which may be experiencing discrimination. Third, attention should be paid to the wording of questions (Blank *et al.*, 2004). The most valuable measures of discrimination record discrimination experienced by individuals and groups in specific social contexts. Questions about the overall level of discrimination are too general. Questions work best when they refer to a specific time frame (i.e. the past year) and a specific social context (for example, in interaction with the police, housing, public transportation, banks etc). In general it is good to have a number of questions, not to be too reliant on any one item. It is also useful to be sensitive to the wording of questions when reporting findings or comparing the findings of different studies.

In general, researchers have found direct self-reports of discrimination by minority groups to be accurate and reliable when cross-validated against other data sources (Blank *et al.*, 2004). There are limitations however. Using this method the true incidence of discrimination may be underestimated because it may not be recognised by the respondent as discrimination. On the other hand, the true incidence of discrimination may be overestimated if, in an ambiguous situation, respondents falsely attribute the denial of work to discrimination that is in fact due to some other reason such as qualifications, timing or even chance. As such, evidence on direct reports of subjective discrimination can be used to inform policy but work best when embedded and validated by evidence from other methods to assess discrimination.

In the following sub-sections we discuss and review studies which measure subjective discrimination distinguishing reports of subjective discrimination based on large-scale surveys of the population from those based on in-depth, qualitative studies.

### 2.2.1 Subjective Discrimination Among Migrants: Evidence from Large-scale Surveys

McGinnity, O'Connell, Quinn and Williams (2006) conducted the first large-scale nationally representative study of immigrants' subjective experiences of racism and discrimination in Ireland. The survey measured perceived discrimination in a range of different situations – in the workplace; in public places; in shops/restaurants; in commercial transactions and in contact with institutions – among a sample of work permit holders and asylum seekers. All of the respondents were non-EU adult migrants, representing a broad range of nationalities from North and South/Central

Africa, Asia and Eastern Europe. In general, the report found marked differences between ethnic and regional groups in the experience of discrimination, with Black South/Central Africans experiencing the most discrimination of all the groups studied and non-EU East Europeans the least discrimination.

This survey was part of a wider project assessing discrimination in 12 EU countries funded by the European Union Monitoring Centre on Racism and Xenophobia, and followed a broadly similar methodology to these studies. The findings are summarised in the synthesis report *Migrants' Experiences of Racism and Xenophobia in 12 EU Member States* (October 2006). In general, levels of reported discrimination on the grounds of ethnic/national origin tend to be lower in Ireland than in the other EU member states, particularly Southern European countries. This is particularly true of access to housing and contacts with the police.<sup>2</sup> Turning to work-related discrimination, which includes discrimination in access to employment, in promotion and workplace harassment, 22 per cent of the Irish migrants sampled report this, compared to 34 per cent in Spain and France, and 32 per cent in Portugal and the UK. Harassment in the workplace tends to be higher than the average for work-related discrimination, and here Ireland is also closer to the EU average: 30 per cent in Ireland, 27 per cent in France, 39 per cent in the UK, 42 per cent in the Netherlands. The authors are cautious in their observation that discrimination in Ireland is generally lower than other countries, noting that migration to Ireland is relatively recent compared to most other countries and the picture may change as migrant communities become more established. Also, most migrants have come to Ireland on the wave of an economic boom and in the context of very rapid employment growth. Their experience might be different in an economic downturn.

Amnesty International's (2001) report on racism in Ireland was carried out in Summer 2001. This survey used a considerably different sampling strategy from McGinnity *et al.* (2006), resulting in a different sample composition. The sample – 622 respondents consisting of Irish Travellers, Black Irish, Europeans, Black Africans, North Africans and Asians – was collected using Non Government Organisations' contacts and by snowballing: it does not claim to be a representative sample of these migrant groups in Ireland. This study found racist incidents on the street the most common form of racism, with 44 per cent of respondents experiencing this. Racism/discrimination from employers (20 per cent) is similar to the proportion reporting work-related discrimination in McGinnity *et al.* (2006), although the question in the Amnesty International report differed from McGinnity *et al.* and referred exclusively to employers.

Russell *et al.* (2008) examined the subjective experience of discrimination among a random sample of the population living in Ireland across a range of domains and grounds. Their analysis is based on the special module of the *Quarterly National Household Survey* (QNHS) on equality. They find that both ethnicity and nationality are linked to reports of experience of discrimination in the two years prior to the survey in any domain (i.e. discrimination in any of the following domains: employment; housing; education; health services; financial services; shops/pubs/restaurants and transport services). Some 24 per cent of non-Irish nationals feel they have been discriminated against over the preceding two years, just over twice the rate for Irish nationals. Respondents of Black ethnicity have the

<sup>2</sup> For example, being denied access to housing is much less common among migrants in Ireland than in most other countries. In Ireland this is reported by 15 per cent of migrants, compared to, say, 63 per cent in Italy. Reports of bad treatment by the police is experienced by 1 in 10 migrants in Ireland and 36 per cent of migrants in Italy, 43 per cent of migrants in Greece.

highest “raw” risk of discrimination among the four ethnic categories – White, Black, Asian or ‘Other’ – identified in the survey, with 40 per cent of those surveyed reporting experience of discrimination. This compares to 12 per cent of the White respondents and 25 per cent of the Asian group.

Focusing specifically on work-related discrimination (both in looking for work and discrimination in the workplace<sup>3</sup>), the authors found that both non-Irish nationals and minority ethnic groups have higher rates of discrimination. These differences are significant after accounting for a number of other factors expected to be related to discrimination, such as age, gender, disability status, employment status and family status, in a multivariate model. Russell *et al.* (2008) also examined discrimination in access to employment and discrimination in the workplace separately. They find that the disadvantage associated with ethnicity and nationality is most pronounced in the model of looking for work. These findings indicate that ethnicity and nationality play a role in workplace discrimination, factors we investigate in more depth in this report.

### 2.2.2 Qualitative Research on Discrimination in the Workplace in Ireland

More qualitative studies are useful for understanding the nature of discrimination and to draw out people’s own experiences, allowing people to describe specific incidents. They are generally more limited in scope, focusing on particular ethnic groups or labour market sectors. The main problem with qualitative surveys is that their findings are not readily generalisable. Indeed in some cases the findings may be biased if the sample is not representative, even of the target group.

Conroy and Brennan (2003) found that the experience of migrants working in Ireland varied considerably, depending on their position in the occupational hierarchy, e.g. computer professionals enjoyed equal pay and conditions compared to Irish counterparts but agricultural workers suffered many disadvantages. However, the experience of work varied even within sectors, for example in the health sector, migrant workers in hospitals reported much more support, training and mentoring than those in private nursing homes.

Pillinger (2006), in a recent report on the experience of women migrant workers in the workplace, argues that migrant women share some of the problems of employed Irish women, particularly combining work and caring responsibilities, in jobs that are often not family friendly and a State that offers little support for childcare. Migrant women also share some of the problems of migrant men, particularly over-qualification (i.e. women with third level education working in contract cleaning), and for some, low pay and poor conditions.

Migrant workers may be more vulnerable in particular sectors of the economy. For example, the mushroom workers support group’s report ‘*Harvesting Justice. Mushroom workers call for change*’ draws attention to low rates of payment to mushroom workers (€2.50 per hour in some instances); labourers working for 16 hours per day with no overtime provisions and numerous violations of health and safety regulations. While this is not a systematic study, it does echo studies of Mexican migrant farm workers in the US, which indicate that farm workers may be a particularly vulnerable group of migrants (Martin *et al.*, 2006). Similarly, a 2004 study of twenty migrant women working in private homes in Ireland found most women were paid cash, without overtime provision, with no contract and workloads which

<sup>3</sup> The exact question wording: ‘In the past two years, have you personally felt discriminated against in the workplace? And In the past two years, have you personally felt discriminated against while looking for work?’



varied considerably (Migrant Rights Centre Ireland, 2004). Domestic labour is a classic vulnerable sector of the labour market (Andersen, 2000).

A recent small-scale study of young Polish migrant workers reports generally positive (subjective) experiences of working in Ireland (Kropiwiiec, 2006). Polish migrants who are overqualified for the jobs they work in will tend to earn much less than either migrants or Irish workers who work in jobs commensurate with their qualifications. Some report frustration at what they see as exploitation, however some of them, described in the report as 'global cosmopolitans', were not dissatisfied with their objective working conditions because they see their jobs as 'stop-gap jobs' or Ireland as just a temporary stop on an international journey. Another study, focusing on Chinese students in Ireland, highlights the importance of work for these migrants (Wang, 2006). Relatively little is known about this group, but they are a potentially vulnerable group, particularly those who have permission to work part-time but who actually work longer hours, as well as those whose visas have expired and are now illegal residents in Ireland.

Indeed some of the worst labour market conditions in Western countries have been experienced by immigrants working illegally (Castles and Miller, 2003). These workers are in a particularly precarious situation and are characterised by an absence of rights. '3-D jobs, Dirty, Difficult and Dangerous' is how the work of illegally resident migrants in Ireland is characterised by the Immigrant Council of Ireland (Quinn and Hughes, 2005). Quinn and Hughes (2005) draw attention to niches which are known to employ immigrants illegally – domestic work, agri-food industries and the sex industry. It is important to note that as migrants working illegally will tend to be under-represented by surveys, the survey data used in this report may underestimate the disadvantage of migrants in the Irish labour market.

### **2.3 Inequality and 'Objective' Discrimination in the Labour Market**

Research on the presence of objective discrimination in the labour market has mainly focused on gender and ethnic disparities in employment, earnings and occupational attainment. The general approach is that some proportion of a gender or ethnic gap in employment, earnings or occupations is related to average group differences in productivity-linked differences, and thus due to human capital differences. Another, usually the residual, part of the gap, is related to average group differences in treatment in the labour market. At least part of this unexplained residual difference may be attributed to prejudice or discrimination.

A large number of studies on discrimination have focused on the domain of the labour market. These have focused on access to employment, on occupational attainment and on earnings. In the US, African American men with lower levels of education have been shown to suffer higher rates of long-term joblessness than White men with similar levels of education (Lichter and Oliver, 2000). Ethnic differences in occupational attainment have also been found, with minority ethnic groups less likely to be found in professional and managerial occupations. England (1992) shows that the percentage of women in an occupation reduces wages, even controlling for a variety of other factors. Others have focused on the role of race and ethnicity in the labour market in Australia (Evans and Kelly, 1991), and in the US (Race, Ethnicity and the American Labour Market, 2005). Examples of this type of research in Ireland has looked at the wage penalty among migrants (Barrett and McCarthy, 2006); the gender wage gap (Barrett, Callan, O'Neill, Russell, Sweetman and McBride, 2000; Russell and Gannon, 2002; O'Connell and Russell, 2006); labour market outcomes among older people (Russell and Fahey, 2004).

One widely used approach to detecting or measuring discrimination is to estimate a regression model of employment, earnings or occupational status specifying a series of variables expected to influence the outcome – age, education, experience – as well as binary variables for group characteristics such as gender or ethnicity. Thus, controlling for relevant influential factors, the focus is on the coefficients of the binary variables: if these are negative and significant, then this suggests discrimination according to the particular group characteristic. However, the effect of education and labour market experience may be different for migrants than for the indigenous population, especially if both education and labour market experience were obtained in the country of origin. An alternative approach, often adopted by economists, is to apply the Blinder-Oaxaca decomposition. This entails estimating separate regression models, usually for earnings, for a reference group (e.g. White men) versus any other groups in the labour market with respect to whom discrimination is being investigated. The Blinder-Oaxaca decomposition allows the researcher to assign outcome differences to average group differences in human capital versus discrimination; it also allows the effect of education and labour market experience to differ between groups. In general the two approaches suggest similar conclusions about the presence of discrimination.

Key to both of these approaches is to ensure that all possible influences, net of discrimination, on labour market outcomes are taken account of in order that the residual can be appropriately attributed to discrimination rather than to other unobserved differences between the groups. As this is not often the case, the remaining difference may be partly, but not completely, due to discrimination. Some would argue that the clear distinction in both these approaches made between ‘in-market’ and ‘pre-market’ discrimination is problematic. ‘In-market’ discrimination is simply the last in a number of steps, and need only occur when earlier attempts to restrict access to jobs, credentials and qualifications of minority groups/women has quavered. Thus analysing ‘in-market’ discrimination is giving only a very partial account of discrimination in labour markets (Darity and Mason, 1998).

Research in the US has attempted to take account of variations in educational quality and labour force attachment in order to eliminate the effects of unobserved influential variables (Ruhm, 1989). This approach must also take account of the fact that there may be multiple forms of discrimination. Thus, for example, Darity, Guilky and Winfrey (1996) find that Black men in the US suffer a 12-15 per cent wage penalty relative to White men, but find no differences between Black women and White women, and raise the question as to whether this points to a wage premium for Black women if unobservable variables are taken account of.

In the US also, a substantial literature has developed suggesting that variations in “skin shade” is also important: within the Black and Hispanic populations, those with lighter skin shade have been found to have higher employment rates or higher earnings (Johnson, Bienenstock and Stolof, 1995; Arce, Murguia and Frisbie, 1987).

Heath and Yi Cheung (2006) examine ethnic differences in four labour market outcomes in the UK: labour force participation, unemployment, occupation and earnings. They examine both ‘gross disadvantages’ experienced by different groups – i.e. average differences without taking account of underlying differences, and ‘ethnic penalties’ or ‘net disadvantages’ that remain after controlling statistically for individual characteristics such as age and education.

A major report on ethnic minorities and the labour market in the United Kingdom (Cabinet Office, 2003) concluded that, on average, minority ethnic groups are disadvantaged in the labour market relative to their majority White counterparts. For

example, employment rates among almost all minority ethnic groups are lower than those of the majority White population. However, there are wide variations in the labour market achievements of different minority ethnic groups, with some groups doing well, and other groups doing less well. For example, Pakistanis, Bangladeshis and Black Caribbeans experience significantly higher unemployment and lower earnings than the majority White population. Moreover, the report also finds that even those minority ethnic groups enjoying relative success in the labour market, such as Indians and Chinese, are not faring as well as they might be expected given their human capital – education, skills and labour market experience. The report notes that the failure to make the most of the potential of the available skills of minority ethnic groups has a negative impact on the economic performance of the UK, while labour market disadvantage has social costs.

This literature has been very useful in uncovering disparities between groups, and has achieved methodological development over time. Much of that literature has however, been focused on extant ethnic or other groups in societies. In the present study, given that immigration is a recent phenomenon to Ireland, we are particularly interested in possible labour market discrimination experienced by newly arrived migrants. In general, US research has shown that immigrants suffer an earnings penalty on first arrival but that this penalty declines over time (Borjas, 1994). There is substantial evidence that minority ethnic groups suffered disadvantages in the labour market when they first arrived in Britain (Chiswick, 1980, McNabb and Psacharopolus, 1981). Migrants such as Black Caribbeans and Pakistanis tended to be concentrated in manual work and in less desirable jobs. Though once again the penalty has declined over time in Britain, at least for some groups. Bell (1997) uses multiple-cross-sections of the General Household Surveys to distinguish cohort and integration effects separately. He found that Black immigrants are the most disadvantaged group, and while this disadvantage remains throughout their working lives in Britain, its magnitude is diminished over time due to integration effects.

German research on ‘guestworkers’ may be more comparable to the Irish situation. There Cramer (1984) found that foreign ‘guestworkers’ had higher rates of unemployment than German workers but that most of the differences could be explained by the guestworkers’ comparatively poor occupational training as well as their concentration in economic sectors with relatively high unemployment rates. Nevertheless, controlling for education, industry and other socio-demographic characteristics, guest workers are found to have a higher probability of unemployment. Winkelmann and Zimmermann (1993) also show that guest workers are more frequently unemployed than German workers. Dustmann (1993) shows that guest workers suffer a 13-19 per cent wage penalty relative to Germans. A number of other German studies have confirmed the initial wage gap, but also found that this narrows over time (e.g. Schmidt, 1992). Migrant wage penalties may also vary by national or ethnic group. For example, Schmidt (1994) finds that migrants from the former German Democratic Republic experienced a wage penalty of about 9 per cent, relative to West-Germans, compared to a penalty of 16 per cent in respect of migrants from Eastern Europe. However, Bauer and Zimmermann (1997) find no earnings differential between migrants from Eastern Europe and comparable East Germans at the time of immigration.

### **2.3.1 Quantitative Irish Research on Migrants**

In many countries with a history of immigration the issues surrounding differential treatment of newly arrived migrants versus minority ethnic population groups can be examined separately. In the Irish case, however, with its very recent experience of significant immigration to a society that has been, heretofore, largely ethnically

homogenous, migrant groups and minority ethnic groups are largely overlapping. The principal exception to this is the case of Travellers, whose experiences have been quite distinctive, but who, for lack of data, are not analysed separately here.

The total number of immigrants in Ireland was estimated at 420,000 in the *Census of Population 2006* (CSO, 2007). In 2008 non-Irish nationals comprise over 16.5 per cent of the labour force – one of the highest rates in the European Union (EU). Barrett, Bergin and Duffy (2006) show that immigrants have significantly higher levels of education than the native Irish population. However they also find that immigrants were found to be in lower level occupations than natives, even controlling for age and education. Further analysis of this immigrant over-qualification pattern shows that the immigrant occupational gap narrows with time in the labour market (Barrett, Kearney and McCarthy, 2006). This can be interpreted in a number of ways. (1) The closing of the immigrant occupational gap could reflect an integration process, as migrants acquire location-specific skills over time that enhances their labour market position. (2) It could be due to a change in the nature of the migrant inflow over time, with earlier migrants performing better on the labour market than later arrivals. (3) It could be due to a selective return migration process whereby those who did not meet success in the labour market left, resulting in a more successful group of migrants remaining in the country.

Barrett and Bergin (2007) analyse the characteristics of Ireland's immigrant population and their participation in the Irish labour market. Using data from the *Quarterly National Household Survey (QNHS) 2004* (Quarter 2) they show that immigrants have a higher rate of unemployment than the Irish born population: 7.7 per cent and 4.6 per cent respectively. This finding is difficult to interpret; if the unemployment is concentrated among recently arrived migrants the implications are not as serious. However if this is evidence of an immigrant unemployment problem the finding is more worrying.

Analysis of the sector of employment of respondents showed that migrants are most heavily represented in hotels and restaurants and are more heavily represented than Irish born respondents in real estate, renting and business activities. They show also that although immigrants in Ireland tend to be more highly educated than Irish born respondents the occupational breakdowns of the two groups do not reflect this difference. Barrett and Duffy (2007) also show that immigrants are less likely to be in higher-level occupations, controlling for other relevant factors, such as age and education. They also show that this "occupational gap" is highest for migrants from the new EU Member States, and that the gap does not appear to decline over time spent in Ireland.

Barrett and McCarthy (2007) show that immigrants earn 15 per cent less, on average, than comparable native employees. The wage gap increases to 20 per cent in respect of immigrants from non-English speaking countries, and to 32 per cent among those from the new EU Member States. Immigrant women suffer a double disadvantage, with earnings 14 per cent less than those of comparable native Irish women. Quinn and O'Connell (2007) used data from the QNHS to show that the percentage of EU workers in Ireland has increased markedly post accession in skilled and other occupational categories. The percentage of non-EU workers employed in skilled and other occupations fell in the period between 2003 and 2005. Non-EU nationals have more or less maintained their representation among highly-skilled workers. The suggestion is that EU10 nationals are taking up positions in skilled and other occupational categories rather than highly skilled occupations.

In summary, previous research has found a labour market ‘penalty’ for immigrants in a range of outcomes measured. However, this is shown to vary by a number of different factors, with most recent migrants usually facing the largest penalties. At present the evidence is unclear as to whether these penalties decline with time spent in Ireland. Previous international research also highlights how labour market disadvantage varies for different ethnic groups e.g., Blacks are more disadvantaged than Hispanics in the US. In Germany and also in Ireland the role of language is stressed as a predictor of migrants’ labour market success. Finally, skin colour is often highly salient in determining the labour market chances of immigrants, especially in the US.

## 2.4 Research Questions

As discussed in Section 2.1, there are good reasons for adopting a ‘mixed methodology’ when investigating labour market discrimination in Ireland, that is looking at both subjectively reported discrimination and objective conditions. Finding evidence of, for example, an ethnic penalty in terms of labour market outcomes *and* higher levels of self-reported discrimination will provide strong evidence of labour market discrimination.

That said, there are a number of reasons why the findings of ‘objective’ discrimination and ‘subjective reports’ might diverge. For example, immigrants might overestimate discrimination if they falsely attribute not getting a job to discrimination when instead it was due to some other reason like qualifications, timing or even chance. On the other hand, migrants may be comparing wages and other job conditions as comparable to conditions at home, rather than to wages and conditions in Ireland and so not perceive lower wages/worse conditions as discrimination. Or immigrants may be viewing Irish jobs as ‘stop gap jobs’, (there is some evidence of this among Polish migrants, cited above) and not be concerned that they are earning substantially lower wages than their qualifications merit.

So, what would we expect? Here we outline a number of very general questions regarding labour market outcomes among immigrants that are suggested by previous research and that can be examined by the empirical data available to us. In the empirical chapters (4 and 5) we discuss these in more detail.

- (1) First, we examine whether there is a labour market penalty for immigrants compared to the Irish population. Previous research would suggest that migrants will be worse off in terms of objective labour market conditions like occupation and other measures of job quality, even after controlling for key human capital variables like education and experience. We also examine whether migrants report experiencing higher levels of subjective work-related discrimination.
- (2) Second, following evidence from other countries, particularly the US, and the findings from McGinnity *et al.* (2006) for Ireland, we examine whether and to what extent immigrant penalties vary by ethnic group. From research in other countries we might expect a greater disadvantage among minority ethnic immigrants. This is a key focus of this study.
- (3) Third, following the work of Barrett and McCarthy (2006) we also examine whether both the labour market penalty and subjective experience of labour market discrimination is different for migrants from English speaking countries, than for migrants from non-English speaking countries.

## 3. DATA

In this chapter we describe the two surveys used as data sources in this report, and how we define immigrants and various migrant groups. A key advantage of survey data, as noted in Chapter 2, is that it provides a representative sample of the population under investigation, and allows us to draw conclusions about that population, which is not possible using qualitative data. Surveys also tend to provide information on a wide range of additional characteristics of individuals, and in this case, their jobs. That said, migrants are a difficult group to reach and some of the challenges of measuring them using surveys are also discussed.

### 3.1 Quarterly National Household Survey

The main data source for this report is the *Quarterly National Household Survey* (QNHS). The *Quarterly National Household Survey* is undertaken by the Central Statistics Office and its main objective is to provide estimates on short-term indicators of the labour market (employment, unemployment etc.). The survey is continuous and targets all private households in the State. The total sample per 13-week quarter is 39,000; it is achieved by interviewing 3,000 households per week.<sup>4</sup> Households are asked to take part in the survey for five consecutive quarters before being replaced.<sup>5</sup> In each quarter one-fifth of the households surveyed are replaced and the QNHS sample involves an overlap of 80 per cent between consecutive quarters and 20 per cent between the same quarters in consecutive years.

The QNHS is the second largest statistical project undertaken by the Central Statistics Office after the Census. Participation is voluntary, though the response rate is very high (approximately 93 per cent). The survey results are weighted to agree with population estimates broken down by age, sex and region. While the main purpose of the QNHS is the production of quarterly labour force estimates, there is also provision for the collection of data on social topics through the inclusion of special survey modules.

In the fourth quarter of 2004 the *Quarterly National Household Survey* (QNHS) included a module on equality. This meant that a set of extra questions was asked of approximately 24,600 QNHS respondents. This sub-sample was aged 18 years and over and was interviewed directly. Three of the questions focused specifically on work-related discrimination. While these questions did not probe in detail the circumstances of subjective discrimination, they give a broad picture of its incidence among different groups. The question wording is the following:

In the past two years, have you personally felt discriminated against in the workplace?

- Yes
- No
- Not applicable (don't work, haven't been working in the past two years)
- Don't know.

<sup>4</sup> The reference quarters for survey results are: Q1-December to February, Q2-March to May, Q3-June to August and Q4-September to November.

<sup>5</sup> 'Replacement' households are chosen from the same small area or block. Blocks arise from the two-stage sample design used for the QNHS. In the first stage a sample of 2,600 blocks (or small areas) are selected at county level to proportionately represent eight strata reflecting population density. Each block is selected to contain, on average, 75 dwellings and the sample of blocks is fixed for a period of about five years.

If they experienced workplace discrimination, then they were asked:

Which of the following best describes the focus of the discrimination you experienced at work in the last two years?

- Pay
- Promotion
- Work conditions
- Bullying or harassment
- Other.

All respondents were asked

In the past two years, have you personally felt discriminated against while looking for work?

- Yes
- No
- Not applicable (haven't been looking for a job in the last two years)
- Don't know.

While the overall strengths and weaknesses of this type of measure of discrimination is discussed in more detail in Chapter 2, it should be noted that these questions, in that they ask about discrimination in specific domains and in a specific timeframe, follow the guidelines for best practice in this area. The QNHS also provides data on a range of more 'objective' indicators of jobs and working conditions, such as occupation, sector, type of contract (permanent or temporary) and unsocial working hours. Various measures of labour market participation are also available. The main exclusion in terms of job quality is wages, though this data is available in the *Survey of Migrants' Experience of Racism and Discrimination in Ireland*.

### 3.2 Defining Migrants in the QNHS

While based on sound theoretical/conceptual foundations, the operational definition of migrants used in this report, nonetheless, has to be adapted to fit the practical limitations of the datasets. In practice this means that we identify those of any nationality other than Irish as the migrant population.

Barrett *et al.* (2006) define immigrants as those who (1) describe their nationality as being other than Irish, (2) were not born in Ireland and (3) have lived here for less than 10 years. They compare these to people who (1) describe themselves as Irish and (2) who say they were born here. Their analysis excludes Irish nationals who were born outside Ireland, and also excludes non-Irish nationals born in Ireland. Barrett and McCarthy (2006) use a similar definition, defining those born outside Ireland and not Irish citizens as immigrants, and those born in Ireland and Irish citizens as Irish nationals. They exclude Irish citizens not born in Ireland.

The QNHS collects information on nationality and place of birth. Out of a total of 24,610 in the QNHS Equality Module, 1,478 individuals are non-Irish nationals, 6 per cent of the total population; the remaining 23,131 are Irish nationals. This compares to 5.8 per cent in the 2002 Census and 10 per cent in the 2006 Census.<sup>6</sup> Given that the QNHS Equality Module was collected in 2004, we might expect a census-based

<sup>6</sup> This is based on those usually resident and present in the State on Census night, classified by nationality (*Census 2002 – Principal Demographic Results*, Table 25 and *Census 2006 – Principal Demographic Results*, Table 25).

estimate of around 8 per cent non-Irish nationals for 2004. Our data are broadly consistent with the CSO's estimate of a 20 per cent undercount of non-Irish nationals in the QNHS (CSO, 2005).

We speculate that there may be a number of reasons for non-response to social surveys of this nature among migrants: (1) Literacy Problems/Language Problems; (2) Mistrust of institutions perceived as being from the State (CSO); (3) Being concerned about what will be done with the information they give – will it be passed on? (4) Not seeing the value of such a survey resulting in low motivation; (5) Possibly not being used to filling out questionnaires of this nature. While this still means that the data provide the most comprehensive picture of migrants apart from the Census, the possibility remains of the undercount being biased in some way and hence the results presented in this report. In particular, we expect that the QNHS will fail to pick up many illegal migrants, a group we would expect to fare particularly badly in the labour market (see Chapter 2). The questionnaire is just administered in English so non-English speakers are likely to be underestimated.

It should also be noted that the QNHS, as a survey of private households, will not survey asylum seekers living in institutional settings on full-board direct provision from the Reception and Integration Agency (McGinnity *et al.*, 2006). Given that asylum seekers are not legally permitted to work, those who are working are likely to be more vulnerable to exploitation, and the sample used in this report may, therefore, underestimate the degree of disadvantage of certain migrants in the Irish labour market.

A second dimension we could use for defining the migrant sample is place of birth, thus distinguishing Irish nationals and non-Irish nationals born in and outside Ireland. However, when we investigate the data we find that information on place of birth is missing in respect of most non-Irish nationals. As large scale immigration of non-Irish nationals is a relatively recent phenomenon (see Chapter 1), we assume that most non-Irish nationals were born outside Ireland and count as 'immigrants'. Information on place of birth is more complete for Irish nationals. If we look more closely at the foreign-born Irish adults though, we find that many of them returned to Ireland in the 1960s or 1970s: few of them are recent migrants, so for this report we do not distinguish foreign-born Irish.<sup>7</sup>

### 3.3 Distinguishing Groups of Migrants

In Chapter 2 we raised a number of research questions regarding immigrants on the Irish labour market: (a) do immigrants suffer penalties in the labour market? (b) if so, do such penalties vary by ethnicity or by language of country of origin? To investigate these questions we need to further divide the migrant sample.

Barrett and McCarthy (2006) found that the wage penalty for immigrants in Ireland depends on English language ability. As there is no information on language ability in the QNHS, as a proxy we classify nationals of the UK, the US, Canada, Australia, and New Zealand as English language speaking, others are non-English language speaking. This may mean we may be missing some English-speakers from countries like India and South Africa, and we assume that all those from English speaking countries are actually English speakers. While this proxy is not ideal, it is the only information available to us on the data set and it is consistent with Barrett and

<sup>7</sup> We also tested the effect of whether it made a difference to their experience of discrimination whether Irish nationals were born outside Ireland or in Ireland (See Chapter 5).



McCarthy (2006).<sup>8</sup> This classification gives the following breakdown by nationality: (1) 'Irish national' (2) 'English speaking country' (3) 'Non-English speaking country'.

It should be noted that for the 'English speaking country' group, particularly for migrants from the UK, not only is language shared with the native population but there is also low 'cultural distance' and educational qualifications may be relatively easily transferred, so in a sense we may be measuring more than just linguistic competence. Similarly, those from non-English speaking countries of origin are more likely to be more culturally distant, and, as such, more at risk of discrimination.

Previous work (McGinnity *et al.*, 2006) stresses the role of ethnic background in subjective reports of discrimination among migrants in Ireland. Given that we also expect both objective and subjective discrimination to vary by ethnic background, we sub-divide the migrant sample on this dimension.

The 2004 Equality Module included a question on ethnicity – which has not otherwise been collected in the QNHS – and this information is provided on this dataset. The specific ethnicity question in the QNHS is as follows:

What is your ethnic group?

A. *White*

- Irish
- Irish Traveller
- Any other White background

B. *Black or Black Irish*

- African
- Any other Black background

C. *Asian or Asian Irish*

- Chinese
- Any other Asian background

D. *Other, including mixed background*

While these are the categories collected in *Census 2006*, in the QNHS dataset, responses to this question are grouped, distinguishing 'White-Irish (including Irish Traveller)', 'White-any other White background', 'Black', 'Asian' and 'Other'. When the data are weighted to population parameters, the ethnic composition of the sample is 92.2 per cent 'White-Irish', 5.3 per cent 'White-any other White background'; 0.7 per cent 'Black'; 0.9 per cent 'Asian'; and 1 per cent 'Other'.<sup>9</sup>

<sup>8</sup> The Survey of Migrants' Experience of Racism and Discrimination in Ireland has detailed information on self-assessed language skills so we should pick up English speakers from, for example, the Philippines, India, Nigeria and South Africa.

<sup>9</sup> Estimates from Census 2006 suggest that this data may somewhat underestimate the proportion of minority ethnic groups. The Census 2006 estimates that in April 2006 there were 89 per cent 'White-Irish'; 7 per cent 'White – any other White background'; 1 per cent 'Black'; 1.25 per cent 'Asian' and 1.1 per cent 'Other', though note this is almost two years later than the QNHS Special Module. There are no estimates of ethnicity from the 2002 Census. In addition, as noted above, the Census includes all asylum seekers while the QNHS excludes many of them. Underestimation of minority ethnic groups is only a problem for the current study if those excluded from the current analysis differ systematically from those included, and in ways that will affect the outcome. Most asylum seekers will be excluded from this study in any case, as they are not in the labour market.

Combining the classifications of ethnicity and language results in six main national-ethnic groups which are large enough to be separately identified in our analysis, shown in Table 3.1. The total number of cases is 24,610. Irish nationals, classified as White on the ethnicity variable, account for about 94 per cent of the sample. Nationals of English speaking countries, also classified as White on the ethnicity variable, account for about 2 per cent of the sample. These are mostly UK nationals (over 80 per cent), and the rest are mainly from North America, Australia and New Zealand. Examining the labour market experience of this group allows us to isolate the effect of immigration, as there are no language or ethnic issues to confound the analysis.

Among nationals of non-English speaking countries, respondents of White ethnicity account for another 2 per cent of the sample. Most are from Europe (France, Germany, Poland, Lithuania). This group do not share the English language background of Irish nationals but are of the same ethnicity. Nationals of non-English speaking countries of Black, Asian and Other ethnicity share neither language nor ethnicity with the Irish ‘control’ group. Each accounts for about 0.5 per cent of the sample. Of the Black respondents, 85 per cent are from Africa, of which 44 per cent are from West Africa. Of the respondents, 86 per cent of Asian ethnicity are from Asia – 27 per cent from China, 12 per cent India and 12 per cent Pakistan. Finally, among respondents of ‘Other’ ethnicity, 8 per cent are from Africa, 14 per cent from South/Central America, 6 per cent Latvia, 9 per cent Lithuania, 6 per cent Romania. Most of the remainder are from European countries.

**Table 3.1: National-Ethnic Groups (Unweighted)**

Nationality	Language	Ethnic Group	Frequency	Valid Per Cent
			Number	%
Irish National	English speaking	1. White	23,075	94.1
Non-Irish National	Non English speaking	2. White	526	2.1
		3. White	544	2.2
		4. Black	112	.5
		5. Asian	125	.5
		6. Other	135	.6
		Total		24,517
Missing and rare cases			93	
Total			24,610	

Given the questions in the QNHS relating to nationality and ethnicity our classification into six main ethnic language groups appears most appropriate to capture differences in the labour market experiences of individuals of differing nationality and ethnicity, as well as language ability and cultural proximity. For some analyses it may also be necessary to collapse the Black, Asian and other sub-groups from non-English speaking countries into one ‘minority ethnicity’ category, as the numbers are small.

Note that 32 Non-Irish, minority ethnic respondents from English speaking countries (e.g. Asian British, Black Americans) and 51 minority ethnic Irish nationals are excluded from this classification because the group numbers are too small to analyse separately (they count as missing in the table above). They can, however, be

included in the multivariate models as they are theoretically interesting and such models take account of the number of cases in assessing statistical significance. An additional 10 cases with missing values on ethnicity or nationality are also excluded.

### **3.4 The Survey of Migrants' Experience of Racism and Discrimination in Ireland**

The second data source we use is the *Survey of Migrants' Experience of Racism and Discrimination (SMERDI) in Ireland*. This survey was the first large-scale nationally representative dedicated survey of immigrants in Ireland. It was funded by the European Monitoring Centre on Racism and Xenophobia (EUMC), was part of a wider EUMC project assessing discrimination in a number of EU countries and follows a broadly similar methodology to these studies (see EUMC, 2006). The primary focus of the study was subjective experiences of racism and discrimination in Ireland.<sup>10</sup>

The survey, conducted in Summer 2005, measures perceived discrimination in a range of different situations – in the workplace, in public places, in shops/restaurants, in commercial transactions and in contact with public institutions. The sampling was based on anonymised administrative records of work permit holders and asylum seekers, two important groups of recent migrants to Ireland, though for this report we will just use the work permits sub-sample as asylum seekers are not legally permitted to work in Ireland, and very few responded to the employment-related questions. The survey was administered as a postal questionnaire, and questions were translated into five other languages besides English. All of the respondents were non-EU adult migrants, representing a broad range of nationalities from North and South/Central Africa, from Asia and from Eastern Europe. The sample excludes EU nationals and nationals from English speaking countries like the US, Canada and Australia. The final sample used in this report is based on 679 work permit holders, and these can be reweighted to provide a representative sample of work permit holders. Of these 679, 15 Work Permit Holders are missing data on ethnicity. Of the remaining sample 204 cases, or 31 per cent are classified as of White ethnicity; 67 (10 per cent) of Black ethnicity; 356 (53 per cent) of Asian ethnicity and 37 (5.5 per cent) of 'Other' ethnicity (including 7 Roma).

The questions relating to subjective discrimination were initially developed in Sweden to measure discrimination, and then adapted for the Irish case. The questions measure discrimination on the basis of national/ethnic origin as perceived by the respondent. So, for example, the question on work harassment is: 'Have you been subjected to insults or other forms of harassment at work because of your ethnic/national origin since you came to Ireland?'.<sup>11</sup> The question wording is broadly similar to the QNHS special module.

A number of additional questions on 'objective' labour market situation were collected as part of the Irish survey. Key for this report is detailed information on wages. This allows us to analyse wage differences between non-EU migrants. Other variables expected to influence wages were also included: length of time in Ireland; labour market experience, both at home and abroad; educational qualifications and where they were obtained, and self-assessed oral and written English language skills.

<sup>10</sup> For a detailed description of this survey see McGinnity *et al.* (2006), Chapter 3.

<sup>11</sup> Full details of the questions are available in McGinnity *et al.* (2006).

While there are clearly differences in the migrant samples in that the employment related questions in the SMERDI survey only relate to work permit holders, there is common ground in terms of subjective discrimination and objective labour market outcomes to validate the findings from each survey. The surveys also complement each other as sources of information – the QNHS includes Irish nationals, which can be used as a comparison group and also a much wider sample of migrants than just work-permit holders and asylum seekers. The SMERDI survey provides detailed information on the wages of migrants, and also their self-assessed language skills, key information not available on the QNHS. The period in which the fieldwork for both surveys was conducted is relatively similar – the fourth quarter of 2004 and Summer 2005.

## 4. DIFFERENCES IN EMPLOYMENT, OCCUPATION AND EARNINGS

This chapter focuses on objective indicators of discrimination in relation to employment and work. It may be useful at the outset to set out three different types of differential treatment of recent immigrants or members of minority ethnic populations in the labour market. First, there is eligibility to participate in the labour market. In Ireland nationals of non-EU countries are not permitted automatic access to the labour market. Such third-country nationals require work permits which are granted under specified labour market demand conditions. Asylum seekers typically are not accorded the right to work, although refugees are, following acceptance of their claim for asylum. In the QNHS we have no information on migration status, although all of these groups are likely to be represented in the sample.<sup>12</sup>

Second, there is differential treatment in access to employment among those participating in the labour market. Discrimination in access to employment is more overt and easier to observe. In this chapter we assess differences in access to employment by comparing unemployment rates among Irish nationals, non-Irish nationals, and minority ethnic groups.

Third, there is differential treatment at work. Discrimination under this heading can take the form of disparities in occupational attainment or lower earnings. We assess the extent of both forms of differential outcomes at work using the available data sources.

### 4.1 Demographics

Table 4.1 shows the age structure of the sample population, comparing Irish nationals with non-Irish nationals. Non-Irish nationals are disproportionately concentrated in the prime working age group between 20 and 40 years: about 70 per

**Table 4.1: Nationality by Age Group**

	<b>Irish National</b>	<b>Non-Irish National</b>	<b>All</b>
	%	%	%
15-19	3.6	5.5	3.8
20-24	10.4	21.7	11.3
25-29	10.3	20.6	11.1
30-34	10.1	16.6	10.6
35-39	9.8	11.3	9.9
40-44	9.5	8.3	9.4
45-49	8.9	4.0	8.5
50-54	8.2	3.0	7.8
55-59	7.4	3.3	7.1
60-64	5.8	1.9	5.5
65+	15.8	3.7	14.9
	100.0	100.0	100.0
N of Cases	22,735	1,870	24,605

Source: QNHS, *Special Module on Equality*, 2004, Quarter 4.

<sup>12</sup> However, as we noted in Chapter 3, many asylum seekers, housed in institutional settings under the “Direct Provision” arrangement, would not have been included in the QNHS since it is a sample of private households.

cent of Non-Irish nationals are in this age group, compared to just 40 per cent of Irish nationals.

**Table 4.2: Nationality by Gender**

	<b>Irish National</b>	<b>Non-Irish National</b>	<b>All</b>
	%	%	%
Male	48.5	57.9	49.3
Female	51.5	42.1	50.7
Total	100.0	100.0	100.0
N of Cases	22,735	1,871	24,606

Table 4.2 shows nationality by gender. While there are slightly more women in the Irish-national sample population, men are predominant among non-Irish nationals: 58 per cent of non-Irish nationals are male.

## 4.2 Employment and Unemployment

In this section we consider labour force participation, employment and unemployment. We look first at employment and economic activity measured according to the International Labour Office (ILO) definition, which regards an individual as employed if he or she worked for at least one hour during the reference period, and which requires active search for work to record economic inactivity as unemployment.

**Table 4.3: Labour Force Participation, Employment and Unemployment (ILO) by Nationality (20-64 Years of Age)**

	<b>Irish National</b>	<b>Non-Irish National</b>	<b>All</b>
	%	%	%
Labour Force Participation	73.1	70.4	72.9
Employment rate	69.9	65.4	69.5
Unemployment rate	4.5	7.1	4.7
Total N	1,360	17,926	19,286

Table 4.3 shows labour force participation, employment and unemployment rates separately for Irish nationals and non-Irish nationals. We might expect that most migrants, particularly those from outside the EU, would be economically active, given that the residence of work-permit holders depends upon their employment. Labour force participation and employment rates are expressed as percentages of the population aged 20-64 years. Unemployment is expressed as a percentage of the labour force (aged 20-64 years). Labour force participation and employment rates are higher among Irish nationals. Unemployment is considerably higher among non-Irish nationals.

Table 4.4 shows labour force participation, employment and unemployment rates separately for Irish nationals, and non-Irish national comparison groups using the classification described in Chapter 3, which distinguishes between migrants from English speaking counties, categorised as of White ethnicity, and migrants from non-English speaking countries grouped by the four ethnic categories available, namely

'White', 'Black', 'Asian' and 'Other'.<sup>13</sup> Note that this definition uses country of origin as a rough proxy for English language ability (see Chapter 3 for further details).

**Table 4.4: Labour Force Participation, Employment and Unemployment (ILO) By National-Ethnic Group (20-64 Years of Age)**

		Labour Force Participation Rate	Employment Rate	Unemployment Rate	N of Cases
<b>Irish National</b>	White	73.1	69.9	3.3	18,252
<b>Non-Irish National</b>					
<b>English Speaking</b>	White	73.2	69.3	3.9	459
<b>Non-English Speaking</b>					
	White	74.6	69.5	5.1	721
	Black	39.5	30.2	9.3	129
	Asian	66.3	61.5	4.7	169
	Other	71.6	66.5	5.1	176
All		72.9	69.5	3.4	19,906

There is little to distinguish between Irish nationals, and migrants from the English speaking country group. However, White respondents from non-English speaking countries show higher rates of unemployment suggesting that there is a language effect. Among minority ethnic migrants from non-English speaking countries, Black respondents have substantially lower labour force participation rates, (less than 40 per cent) and employment rates, and much higher unemployment rates than any other group. Part of the low participation rate may be due to legal barriers to labour force participation among asylum seekers and to other obstacles facing refugees, although by 2004, when the data were collected, many asylum seekers were being accommodated under the 'direct provision' system, and as such, were resident in institutions and were accordingly excluded from the sample for the QNHS. However, even within the much smaller proportion that does participate in the labour market, the unemployment rate is very high. Asian respondents also show lower labour force participation and employment rates relative to Irish nationals and other white non-Irish nationals.

We next move to an alternative concept of economic activity, Principal Economic Status (PES), which is based on usual situation with regard to work. This is based on respondents' reporting of their principal activity and provides a set of mutually exclusive categories. Thus, for example, a full-time student with a part-time job would be recorded as working under the ILO definition, but as a student under the PES approach. This approach helps to interpret the ILO based data presented above.

Under the PES approach, a smaller proportion of non-Irish nationals are at work than under the ILO definition, and substantially more are students. Irish nationals, on the other hand show higher rates of participation in home duties, retirement and inability to work due to sickness and disability.

<sup>13</sup> Among Irish nationals and nationals of English speaking countries, the Black, Asian and Other subgroups are excluded from these tables as the number of cases in each group is too small to permit separate identification. These groups are, however, included in the models.

**Table 4.5: Nationality by Principal Economic Status (20-64 Years of Age)**

	<b>Irish National %</b>	<b>Non-Irish National %</b>	<b>All %</b>
At Work	68.4	62.8	68.0
Unemployed	4.2	4.7	4.2
Student	3.8	10.0	4.3
Home Duties	16.9	15.7	16.8
Retired	2.7	1.2	2.6
Sick	3.5	1.1	3.3
Other	0.4	4.7	0.7
Total	100.0	100.0	100.0
N of Cases	18,310	1,698	20,008

**Table 4.6: National-Ethnic Group by Principal Economic Status (20-64 Years of Age)**

	<b>Irish National</b>	<b>Non-Irish National</b>				
		<b>English Speaking</b>	<b>Non-English Speaking Country</b>			
	<b>White</b>	<b>White</b>	<b>White</b>	<b>Black</b>	<b>Asian</b>	<b>Other</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
At Work	68.4	67.5	69.3	29.5	45.8	65.0
Unemployed	4.2	3.9	4.4	8.5	3.0	5.6
Student	3.8	4.6	7.5	9.3	33.3	10.2
Home Duties	16.9	18.1	11.8	34.1	14.3	14.1
Retired	2.7	3.7	0.3	0.0	0.0	0.0
Sick	3.6	2.0	1.1	0.8	0.0	0.0
Other	0.4	0.2	5.6	17.8	3.6	5.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
Unemployment rate (as % of labour force)	5.8	5.5	6.0	22.4	6.1	7.9

Table 4.6 again disaggregates Irish nationals and non-Irish national comparison groups as described above. The employment rates among Black and Asian respondents – 30 per cent and 46 per cent respectively – are much lower than among Irish nationals (68 per cent) and other migrant groups which all exceed 65 per cent. Unemployment is very high among Black respondents, 8.5 per cent of the total population. This represents an effective unemployment rate of 22 per cent of those participating in the labour market. The Black group also stands out with very high rates of engagement in home duties (34 per cent) and in the ‘other’ PES category (18 per cent). While the QNHS does not provide information on migration or residence status, it is likely that the high proportion in the ‘other’ category relates to asylum seekers who are not eligible to work in Ireland while pursuing their asylum claim. When we disaggregate by gender, we find that some 60 per cent of Black women are engaged in home duties. About 40 per cent of Black men are at work, another 15 per cent are unemployed and 30 per cent are in the other principal economic status.



Asian respondents are distinctive in that one-third list their principal economic status as students. However, as we see from the ILO-based employment data in Table 4.4 the proportion of Asian respondents working at least one-hour per week is 62 per cent. This reflects the combination of work and study that is typical of many Asian migrants in Ireland.

**Table 4.7: Logistic Regression of Unemployment (ILO basis): The Effect of Nationality**

	<b>Odds</b>	<b>Significance</b>
Female	0.87	0.11
Age	0.97	0.00
Higher Secondary	0.46	0.00
Post-secondary	0.31	0.00
Non-Irish National	2.15	0.00
Constant	0.36	0.00
N of Cases	12,885	
Nakelkerke R <sup>2</sup>	0.05	

Tables 4.7 and 4.8 present logistic regression models of unemployment, confining the analysis to those participating in the labour market, as defined in ILO terms: i.e., those working at least one hour per week plus those actively seeking work. Table 4.7 simply distinguishes non-Irish nationals from Irish nationals, controlling for sex, age and education. The results confirm that non-Irish nationals are significantly more likely to be unemployed than Irish nationals: their odds of being unemployed are more than twice those of Irish nationals.

Table 4.8 shows that Black immigrants are more than nine times more likely than Irish nationals to be unemployed when sex, age and education are controlled for. The Asian and Other groups from non-English speaking countries are twice as likely as Irish nationals to be unemployed.

This analysis shows that non-Irish nationals are more likely to be unemployed than Irish nationals, and that this immigrant penalty remains even when we control for skills and age, which can be taken as a proxy for experience. The analysis also shows that there are important differences between groups. On average, those from English speaking countries do not have a higher risk of unemployment than Irish nationals, suggesting that English language skills are part of the explanation for higher unemployment. However, there is also variation among those from non-English speaking countries, with Black migrants from such countries facing a particularly high risk. This may partly reflect the labour market difficulties of refugees, once they are admitted to that status and become eligible to seek employment.

**Table 4.8: Logistic Regression of Unemployment (ILO basis): The Effects of Nationality and Ethnicity**

	Odds	Significance
Female	0.87	0.11
Age	0.97	0.00
Education (ref. Lower Secondary)		
Higher Secondary	0.45	0.00
Post-secondary	0.31	0.00
National-ethnic group (ref. Irish, White)		
<b><i>Non-Irish, English Speaking</i></b>		
<b>Country:</b>		
White	1.45	0.17
Minority Ethnicity	1.81	0.57
<b><i>Non-Irish, Non-English Speaking</i></b>		
<b>Country:</b>		
White	2.07	0.00
Black	9.54	0.00
Asian	2.44	0.04
Other	2.34	0.04
Irish National, Minority Ethnicity	3.29	0.57
Constant	0.35	0.00
N of Cases	12,875	
Nakelkerke R <sup>2</sup>	0.05	

### 4.3 Occupation

Up to this point we have considered access to work and exposure to unemployment. We now turn to the question of the quality of jobs. Table 4.9 shows the distribution of national groups by occupation. Irish nationals are substantially more likely than non-Irish nationals to be employed in managerial occupations. Non-Irish nationals are more likely to be found in personal and protective services, craft and related occupations, sales, and 'other' unspecified occupations.

When we distinguish within the non-Irish national population, migrants from English speaking countries are more likely than Irish nationals to be in professional as well as associate professional and technical occupations. Language of country of origin is important in occupational attainment: migrants from English speaking countries show a more advantageous distribution of occupations than all migrant categories from non-English speaking countries. In contrast, those from non-English speaking countries are more likely to be found in personal and protective services, and in 'other' unspecified occupations. Minority ethnic migrants from non-English speaking countries are particularly concentrated in personal and protective service occupations.

The findings on occupational attainment suggest that disparities exist between the occupational attainment of Irish nationals versus immigrants, particularly those from non-English speaking countries, and particularly minority ethnic groups. It would, however, be premature to attribute these observed disparities to discrimination, since they could arise from other factors, such as human capital, including education and experience. In order to get a better sense of whether the disparities reflect discrimination, we need to move to multivariate analysis in order to control for other

influential factors. To do so, we combine the top two occupational groups, managers and administrators, and professionals, into a single group and estimate logistic regression of membership of this group of professional and managerial occupations, controlling for gender, age, and educational attainment and then examining the effects of membership of national-language or national ethnic groups.

**Table 4.9: National-Ethnic Group by Occupation (20-64 Years of Age)**

	Irish	Non-Irish			All Non-Irish
		English Speaking Country	Non-English Speaking Country		
	White	White	White	Minority Ethnicity	
	%	%	%	%	%
Managers and administrators	17.3	14.2	8.2	5.0	9.2
Professionals	12.7	17.0	10.2	11.2	12.4
Associate professional and technical	10.0	13.2	6.6	8.8	9.1
Clerical and secretarial	12.8	8.2	8.6	6.9	8.1
Craft and related	11.7	14.8	15.2	14.6	14.9
Personal and protective service	10.4	10.1	17.0	21.9	16.1
Sales	7.7	7.9	12.0	8.5	9.9
Plant and machine operatives	8.6	6.9	6.8	9.6	7.5
Other (includes not stated)	8.7	7.9	15.4	13.5	12.7
Total	100.0	100.0	100.0	100.0	100.0
N of Cases	12,750	318.0	500.0	260.0	1,078

Table 4.10 confirms that, in general, non-Irish nationals suffer an occupational penalty: holding age, sex and education constant, they are less likely than Irish nationals to secure the more privileged jobs in the occupational structure. The model shows that women are 30 per cent less likely than men to occupy privileged positions and, of course, that education also matters.

**Table 4.10: Logistic Regression of Membership of Professional and Managerial Occupations: The Effect of Nationality**

	Odds	Significance
Female	0.72	0.00
Age	1.04	0.00
Education (ref. Lower Secondary)		
Higher Secondary	1.86	0.00
Post-secondary	8.02	0.00
Non-Irish National	0.78	0.00
Constant	0.08	0.00
N of Cases	12,348	
Nakelkerke R <sup>2</sup>	0.21	

This analysis shows the importance of educational qualifications: those with post-secondary education are eight times more likely to be in the privileged positions in the occupational structure. Non-Irish nationals are less likely to secure these positions, but again, there are important differences between migrant groups. Table 4.11 shows that those from English speaking countries have about the same chances as Irish nationals of being in the top occupations. Among those from non-English speaking countries respondents of Other ethnicity and of White ethnicity are significantly less likely than Irish nationals to secure the privileged positions in the occupational structure. The occupational gap experienced by the latter group may reflect difficulties encountered by migrants from the new EU member states integrating into the Irish labour market immediately after EU enlargement in 2004, when the data were collected. However, Barrett and Duffy (2007) using data from 2005 show that migrants from the new EU member states are less likely to be in the privileged occupations, and they also show that this occupational gap had not declined over time.

**Table 4.11: Logistic Regression of Membership of Professional and Managerial Occupations: The Effects of Nationality and Ethnicity**

	Odds	Significance
Female	0.72	0.00
Age	1.03	0.00
Education (re. Lower Secondary)		
Higher Secondary	1.86	0.00
Post-secondary	8.01	0.00
National Ethnic Group (ref. Irish , White)		
<b>Non-Irish, English Speaking Country</b>		
- White	1.14	0.34
- Minority Ethnicity	0.95	0.92
<b>Non-Irish, Non-English Speaking Country:</b>		
- White	0.62	0.00
- Black	0.52	0.14
- Asian	0.67	0.15
- Other	0.52	0.02
Irish, Minority Ethnicity	1.46	0.34
Constant	0.09	0.00
N of Cases	12,341	
Nakelkerke R <sup>2</sup>	0.21	

The analysis also suggests that neither Black respondents nor Asian respondents from non-English speaking countries differ significantly from Irish nationals in securing the higher level occupations consistent with their educational qualifications. The coefficients in respect of both of these groups are negative, as expected, but they are not statistically significant. This may be due to the small number of cases in each of these groups. Both of these relatively small groups show lower rates of employment (Table 4.4). To overcome this potential problem with insufficient cases we combined non-Irish national Black, Asian and Other groups into a single minority ethnic sample. With this specification the coefficient is statistically significant and of about the same order of magnitude as that relating to White respondents from non-English speaking countries (results not tabulated). This suggests that, on average, all respondents from non-English speaking countries were less likely than Irish nationals to secure the top occupations, and that the magnitude of this occupational gap was roughly equivalent for each ethnic group among those from non-English speaking countries.

#### 4.4 Earnings

There is considerable interest in the impact of immigration and ethnicity on earnings. Evidence on this for Ireland is limited by scarcity of data. However, the 2005 *Survey of Migrants' Experience of Racism and Discrimination in Ireland* (SMERDI), which covers two samples, work permit holders and asylum seekers, does collect earnings data on work permit holders as well as a range of other variables that are potentially influential covariates. The survey does not include Irish nationals, so we cannot assess the impact of immigration per se, nor can we examine differences between immigrants and Irish nationals. However, the earnings data relating to work permit holders provides a unique opportunity to examine wage patterns among this group of immigrants. In the sample of 679 work permit holders we have earnings data relating to about 600. This provides an adequate basis for estimation of wage equations to examine the influence of ethnicity on wages among the population of migrant work permit holders.

**Table 4.12: Gross Hourly and Monthly Wages by Ethnicity Among Work Permit Holders**

	<b>Gross Wages Per Hour</b>	<b>Gross Monthly Wages</b>	<b>No of Cases</b>
	€	€	
White	10.70	1,981	227
Black	11.04	2,015	27
Asian	10.90	1,821	317
Other	10.96	1,952	22
Total	10.83	1,897	593

Source: *Survey of Migrants' Experience of Racism and Discrimination in Ireland*, 2005.

Table 4.12 shows gross hourly and monthly earnings among the sample of work permit holders in the SMERDI. Overall, average earnings among these migrants were €10.83 per hour and €1,897 per month. Variation by ethnicity is limited, from a low of €1,821 per month among the Asian group to €2,015 among the Black group.

**Table 4.13: Regression Model of Gross Earnings Among Work Permit Holders, 2005**

	Hourly		Monthly	
	Coefficient	Significance	Coefficient	Significance
(Constant)	1.69	0.00	6.49	0.00
Age	0.01	0.03	0.01	0.01
Female	-0.11	0.01	-0.15	0.00
Upper Secondary Education	0.06	0.38	0.06	0.35
Post-Secondary Education	0.13	0.04	0.13	0.02
Black	0.11	0.14	0.08	0.22
Asian	0.02	0.69	-0.03	0.49
Other ethnicity	0.05	0.56	0.04	0.57
Months in Ireland	0.00	0.05	0.00	0.13
Months in present job	0.00	0.74	0.00	0.04
Total years spent at work	0.01	0.03	0.01	0.01
English language skills	0.03	0.00	0.03	0.00
Hours			0.01	0.00
N of cases	522		522	
Adjusted R <sup>2</sup>	0.09		0.21	

The regression analyses suggest no significant differences in earnings by ethnicity when other influential variables are controlled. The models do show that human capital has significant impact on earnings: education increases earnings, so does age, total number of years work experience, and in the case of monthly earnings, number of months in the present job. Two migration variables are influential. Number of months spent in Ireland increases hourly wages. This is highly correlated with number of months in the present job, and when the latter is not included in the monthly equation, number of months also has a positive effect on monthly earnings. Better language skills, measured here as a combined scale of spoken and written English language skills has a positive effect on earnings. This is consistent with our other findings relating to the impact of being from a non-English speaking country in this report, and with previous Irish research (Barrett and McCarthy, 2006).

The analysis also shows a significant gender wage gap: immigrant women in this sample of work permit holders earn about 11 per cent less per hour and 15 per cent less per month than immigrant males, even when other influential variables are controlled for. This is consistent with Barrett and McCarthy (2007) who find a “double disadvantage” for immigrant women: they earn 14 per cent less than Irish women and 12 per cent less than migrant men.

## 4.5 Summary and Conclusions

This chapter has focused on objective indicators of labour market disadvantage among immigrants focusing in particular on access to employment and on the quality of jobs.

With regard to access to employment, we find that labour force participation and employment rates are slightly higher among Irish nationals than non-Irish nationals. Unemployment is considerably higher among non-Irish nationals.

We find substantially lower employment rates in the Black group and also the Asian group. However, further analysis reveals that one-third of the Asian group are actually students. For Black respondents our findings suggest that many do not have access to the Irish labour market, and are in home duties or have a principal

economic status 'other'. Nevertheless, even among Black immigrants participating in the labour market, unemployment is high.

Regression analysis of labour market participants confirms that non-Irish nationals are significantly more likely to be unemployed than Irish nationals. However this disparity is confined to migrants from non-English speaking countries. Within this group Black non-Irish nationals face a particularly high risk of unemployment being nine times more likely than Irish nationals to be unemployed when sex, age and education are controlled for. We did not find substantial differences in unemployment among other groups from non-English speaking countries, as respondents of White, Asian and Other ethnicity are all somewhat more than twice as likely to be unemployed as are Irish nationals, when sex, age and education are controlled for.

With regard to the quality of employment, we find that, in general, non-Irish nationals are less likely to secure the more privileged positions in the occupational structure, including the professional and managerial occupations. Among non-Irish nationals, we find that language of country of origin is important to occupational attainment: non-Irish nationals from non-English speaking countries suffer an occupational gap, whereas those from English speaking countries do not. Among those from non-English speaking countries respondents of Other ethnicity and of White ethnicity are less likely to secure the more privileged occupations.

While the analysis suggests that neither Black respondents nor Asian respondents from non-English speaking countries differ significantly from Irish nationals in accessing the more privileged occupational positions, this may be due to insufficient cases. Further analysis, combining the smaller groups into a single minority ethnic sample suggests that, on average, all respondents from non-English speaking countries were less likely than Irish nationals to secure the top occupations, and that the magnitude of this occupational gap was roughly equivalent between ethnic groups among those from non-English speaking countries.

We also draw on a sample of work-permit holders in the *Survey of Migrants' Experience of Racism and Discrimination* to examine ethnic differences in earnings among immigrants. We find no evidence of wage differences between respondents of different ethnicities from non-English speaking countries, either at a descriptive level or when we control for the effects of age, gender, education, duration of time in Ireland, job tenure, work experience and English language skills. However, given that the survey covers only immigrant work permit holders, we are unable to compare these migrants to Irish nationals or to other migrants from English speaking countries. Nevertheless, our findings are consistent with previous Irish research pointing to the importance of English language skills for migrants' earnings (Barrett and McCarthy, 2006). We also find a significant gender wage gap, with non-Irish national women earning about 15 per cent less per month than their male counterparts, even when other influential variables are taken account of.

## 5. SUBJECTIVE DISCRIMINATION IN THE WORKPLACE

### 5.1 Introduction

This chapter examines the extent to which immigrants report discrimination in the workplace. In Chapter 2, drawing on previous Irish and international research we developed the following hypotheses: that we would expect an (a) immigrant penalty in the labour market and, among immigrants, (b) that this penalty would vary by ethnicity and (c) that language might play a role. Is this also true of the subjective experience of work-related discrimination? This chapter presents reported discrimination by nationality, and by ethnicity, as described in Chapter 3.<sup>14</sup> First we present descriptive findings, then multivariate models.

The tables in this chapter are based on the following 3 questions in the Equality Module of the QNHS.

- A. In the past two years, have you personally felt discriminated against in the workplace?  
If they reported experiencing workplace discrimination, they were then asked:
- B. Which of the following best describes the focus of the discrimination you experienced at work in the last two years?  
All respondents were asked:
- C. In the past two years, have you personally felt discriminated against while looking for work? (See Chapter 3 for details on responses).

The analysis of subjective experience of discrimination in the workplace is conducted for those who responded to the relevant questions. It excludes those who responded that the question 'does not apply' to them. All analysis is based on those aged between 20-64 years (inclusive). The number of cases is presented for each analysis.

### 5.2 Subjective Discrimination When Looking for Work

Table 5.1 shows that, compared to 5.3 per cent of the Irish nationals, 13.4 per cent of non-Irish nationals report discrimination when looking for work.

**Table 5.1: Reported Experience of Discrimination When Looking for Work**

	Irish National	Non-Irish National	All
	%	%	
No	94.7	86.6	93.8
Yes	5.3	13.4	6.2
Total	100.0	100.0	100.0
N of cases	7,226	803	8,029

Source: QNHS, *Special Module on Equality*, 2004, Quarter 4.

<sup>14</sup> We also tested the effect of whether it made a difference to their experience of discrimination whether Irish nationals were born outside Ireland or in Ireland. It did not, so we analyse Irish, foreign born and Irish, born in Ireland together in this chapter. Many foreign-born Irish adults returned to Ireland in the 1960s and 1970s.



Does the experience of work-related discrimination depend on the ethnic background and language ability of migrants? In Table 5.2 we present figures distinguishing non-Irish nationals by their nationality and ethnicity, using the classification described in Chapter 3, which distinguishes between migrants from English speaking countries, categorised as of White ethnicity, and migrants from non English speaking countries grouped by the four ethnic categories available, namely 'White', 'Black', 'Asian' and 'Other'.<sup>15</sup> Note that this classification uses country of origin as a rough proxy for English language ability (see Chapter 3 for further details).

**Table 5.2: Reported Experience of Discrimination When Looking for Work by National-Ethnic Group**

	Irish National	Non-Irish National				
	White %	English Speaking	Non-English Speaking Country			
		White %	White %	Black %	Asian %	Other %
No	94.7	90.8	86.3	77.5	90.6	87.0
Yes	5.3	9.2	13.7	22.5	9.4	13.0
Total	100	100	100	100	100	100
N of cases	7,202	223	348	64	62	86

Source: QNHS, *Special Module on Equality*, 2004, Quarter 4.

Of those who looked for work in the past two years, there are clear differences between Irish nationals and most non-Irish nationals in discrimination while looking for work. Both migrants from English speaking countries and migrants from non-English speaking countries are more likely to report discrimination while looking for work than Irish nationals, with the latter group most disadvantaged. In particular, non-Irish nationals of Black ethnicity are affected: 22.5 per cent reporting discrimination. Asian respondents report less discrimination while looking for work than non-English speaking White respondents.

### 5.3 Subjective Discrimination in the Workplace

The questionnaire also asked respondents if they had personally been discriminated against in the workplace in the past two years. From Table 5.3 we see that, compared to Irish nationals, non-Irish nationals are more than twice as likely to report discrimination in the workplace.

Turning to the form of discrimination reported in the workplace, non-Irish nationals differ from Irish nationals, with a smaller proportion of the former reporting discrimination regarding promotion, and a much greater proportion citing 'other reasons' as the focus of discrimination (Table 5.4).

<sup>15</sup> As discussed in Chapter 3, among Irish nationals and nationals of English speaking countries, the Black, Asian and Other subgroups are excluded from these tables as the number of cases in each group is too small to permit separate identification. These groups are included in the models.

**Table 5.3: Reported Experience of Discrimination in the Workplace**

	Irish National	Non-Irish National	All
	%	%	
No	95.4	89.9	94.9
Yes	4.6	10.1	5.1
Total	100	100	100
N of cases	13,001	971	13,972

Source: QNHS, Special Module on Equality, 2004, Quarter 4.

**Table 5.4: Focus of Discrimination, Among Those Who Have Experienced Discrimination in the Workplace**

	Irish National	Non-Irish National	All
	%	%	%
Pay	12.7	14.8	13.0
Promotion	18.9	7.0	16.9
Work conditions	21.0	14.1	19.9
Bullying or harassment	24.7	24.2	24.6
Other	22.7	39.8	25.5
Total	100	100	100
N of cases	623	99	722

Source: QNHS, Special Module on Equality, 2004, Quarter 4.

**Table 5.5: Reported Experience of Discrimination in the Workplace by National-Ethnic Group**

	Irish National	Non-Irish National				
	White %	English Speaking	Non-English Speaking Country			
		White %	White %	Black %	Asian %	Other %
No	95.4	93.1	89.0	87.7	85.2	88.4
Yes	4.6	6.9	11.0	12.3	14.8	11.6
Total	100	100	100	100	100	100
N of cases	12,961	318	403	53	81	92

Source: QNHS, Special Module on Equality, 2004, Quarter 4.

Distinguishing national-ethnic groups in Table 5.5 we find that while less than 7 per cent of non-Irish nationals of White ethnicity from English speaking countries report discrimination in the workplace, this figure rises to 11 per cent for White respondents from non-English speaking countries. In fact the proportion reporting discrimination is rather similar for all migrants from non-English speaking countries, with the exception of Asian respondents, nearly 15 per cent of whom report discrimination in the workplace. Fewer than 5 per cent of Irish nationals report such discrimination.

#### 5.4 Multivariate Modelling of Discrimination Among Immigrants

In this section we investigate whether the pattern of discrimination found earlier in this chapter is maintained when we account for other differences between the groups in terms of age, education and gender. The modelling strategy is similar for the

analysis of discrimination in the workplace and in looking for work.<sup>16</sup> These dependent variables are coded 1 if the respondent experienced difficulty in the last 2 years, 0 if not, and are modelled using logistic regression. First we estimate the difference between Irish nationals and non-Irish nationals, asking the questions: are non-Irish nationals more likely to report discrimination? Then we disaggregate the non-Irish national sample by nationality and ethnicity as set out above, and as discussed in detail in Chapter 3. We also include covariates for age, educational level and gender as controls. Note that, as for the descriptive findings, the sample in all the models is limited to those aged 20-64 years (inclusive). Respondents for whom the question did not apply, or who have missing values on any of the covariates are also excluded from the models. We do not present models with occupational controls, though we do test the effect of adding occupation for the models of discrimination at work, and report on the findings where the effects differ from the models shown. We do not include occupational controls for the seeking work models.<sup>17</sup>

#### 5.4.1 Discrimination When Looking for Work

Do we find similar differences between the groups in looking for work? Table 5.6 presents the results of models examining the odds of experiencing discrimination in looking for work in the past two years. From Table 5.6 we see that non-Irish nationals are more than three times more likely to report discrimination while looking for work than Irish nationals. Overall women are less likely than men to report discrimination in looking for work. Additional analyses reveal this is only true among Irish nationals. Among non-Irish nationals there is no gender difference in the experience of discrimination while looking for work.

**Table 5.6: Logistic Regression of Discrimination When Looking for Work: The Effect of Nationality**

	Odds	Significance
Age	1.02	0.35
Female	0.72	0.00
Education	0.92	0.00
Non-Irish National	3.53	0.00
Constant	0.10	0.00
N of cases	7,85	
D of Freedom	4	
Chi Square	108.78	

Source: QNHS, *Special Module on Equality*, 2004, Quarter 4.

In Table 5.7 we see that once again White respondents from non-English speaking countries report more discrimination than those from English speaking countries, though the difference is not great, and both groups differ significantly from Irish nationals. This was not the case in regard to the 'objective' measures of discrimination in access to work discussed in the previous chapter: in that case White respondents from English speaking countries did not differ from Irish nationals (see Chapter 4, Table 4.8). Minority ethnic respondents from English speaking countries

<sup>16</sup> We do not estimate models of the focus of discrimination as the number of cases is too small for the non-Irish national groups.

<sup>17</sup> This is because occupation refers to the current job held, and it is not clear that any difficulties reported would refer to current job or a job in a different occupational category.

(i.e. British Asian, Black Americans) are particularly disadvantaged (9 times more likely to report discrimination) though this result should be interpreted with caution: this is a small group. Among non-Irish nationals from non-English speaking countries, Black respondents also stand out as particularly likely to report discrimination looking for work.

**Table 5.7: Discrimination When Looking for Work (Odds) the Effects of Nationality and Ethnicity**

	Odds	Significance
Female	0.72	0.00
Age	1.03	0.23
Education		
National Ethnic Group (ref. Irish, White)		
<b>Non-Irish, English Speaking Country</b>		
- White	2.25	0.00
- Minority ethnicity	9.07	0.00
<b>Non-Irish, Non-English Speaking Country</b>		
- White	3.94	0.00
- Black	6.97	0.00
- Asian	2.48	0.04
- Other	3.79	0.00
Irish National, Minority ethnicity	0.99	0.99
Constant	0.10	0.00
N of Cases	7,850	
Chi Square	119.20	

Source: QNHS, Special Module on Equality, 2004, Quarter 4.

In summary, all immigrant groups report that they have experienced discrimination when looking for work. The effect is much stronger for the Black group and the small minority ethnic group from English speaking countries, followed by the Other group and White respondents from non-English speaking countries. Finally, Asian respondents and White non-Irish nationals from English speaking countries have a similar risk of discrimination.

Why do Black respondents report more discrimination than other groups while looking for work – is this related to their low employment rate reported in Chapter 4? When we look at the reported experience of discrimination in looking for work for different groups (employed, unemployed, students, home duties etc.) we find that non-employed Black people who classify themselves as either unemployed, in home duties or as having an “Other” principal economic status are indeed much more likely to report problems in looking for work. As discussed in Chapter 4, some of these in the “Other” PES category may be asylum seekers who are excluded from the labour market. Others may be refugees who may have spent considerable time in the asylum process before being granted refugee status and whose current labour market status reflects the negative impact of that period of exclusion from the labour market, as well as other labour market disadvantages faced by refugees. Qualitative research in the area suggests that refugees experience severe difficulties gaining a

foothold in the Irish labour market (e.g. Department of Justice, Equality and Law Reform, 2001; O'Brien, 2004).<sup>18</sup>

### 5.4.2 Discrimination at Work

Table 5.8 presents the findings of logistic regression models of subjective discrimination in the workplace. The key finding from Table 5.8 is that non-Irish nationals are almost twice as likely as Irish nationals to report experiencing discrimination in the workplace, even after controlling for age, sex and education. The models also show that women are more likely than men to report discrimination in the workplace. Once again, additional analyses reveal this gender difference is only true among Irish nationals. Among non-Irish nationals there is no gender difference in the experience of discrimination in the workplace.

**Table 5.8: Discrimination at Work (Odds): The Effects of Nationality**

	Odds	Significance
Age	0.98	0.23
Female	1.44	0.00
Education	1.14	0.00
Non-Irish National	1.96	0.00
Constant	0.02	0.00
N.	13,720	
D of F	4	
Chi Square	93.30	

Source: QNHS, *Special Module on Equality*, 2004, Quarter 4.

When we distinguish among White respondents by whether they come from an English speaking country or not in Table 5.9, we find that those from English speaking countries do not differ from Irish nationals in their experience of discrimination. It is White respondents from non-English speaking countries who are more likely to report discrimination. This suggests that language of country of origin plays a key role in the subjective experience of discrimination in the workplace. Results from Table 5.9 also indicate that Asian respondents and those who classify their ethnicity as 'Other' are significantly more likely to experience discrimination in the workplace, while the coefficient in respect of Black respondents is not statistically significant. Again, as in the case of the analysis of occupational attainment in Chapter 4, this may be due to the small number of Black respondents in the sample who are at work, so we interpret the finding with caution. When we combine the smaller minority ethnic groups from non-English speaking countries, we find that, on average, members of the minority ethnic sample are more likely to report discrimination at work than non-Irish nationals and that the net discrimination rate among this combined minority ethnic group is roughly equivalent to that reported by White respondents from non-English speaking countries.

<sup>18</sup> The data does not allow us to identify what proportion of Black respondents in the sample are refugees/asylum seekers.

**Table 5.9: Discrimination at Work (Odds): The Effects of Nationality and Ethnicity**

	Odds	Significance
Female	1.45	0.00
Age	0.98	0.37
Education		
National Ethnic Group (ref Irish, White)		
<b>Non-Irish, English Speaking Country</b>		
- White	1.36	0.19
- Minority ethnicity	---	---
<b>Non-Irish, Non-English Speaking Country:</b>		
- White	2.31	0.00
- Black	1.80	0.27
- Asian	3.31	0.00
- Other	2.38	0.02
Irish National, Minority ethnicity	1.70	0.38
Constant	0.02	0.00
N of Cases	13,715	
Chi Square	104.19	

Source: QNHS, Special Module on Equality, 2004, Quarter 4.

Note: Results unstable and not presented.

When we introduce covariates to control for broad occupational group (managers and administrators; professional occupations; associate professional and technical occupations; clerical and secretarial occupations; craft and related occupations; personal and protective services; sales; plant and machine operatives; other occupations, unspecified) we find that, in general, reporting of discrimination in the workplace does not differ across occupations (model not shown). The only exception is machine operatives, who are slightly more likely to report discrimination than other groups.

#### **5.4.3 Discrimination Among Ethnic Groups: Evidence from the Survey of Migrants' Experience of Racism and Discrimination**

Are these findings replicated using a different data source? This is indeed a similar pattern of results to those found by McGinnity *et al.* (2006), that is that South/Central Africans, most of whom are of Black ethnicity and all of whom are work permit holders, report difficulties seeking work, and differ significantly from East Europeans and migrants from Asia in this regard. However, as noted in Chapter 2, when they consider workplace harassment (i.e. a form of discrimination at work), McGinnity *et al.* (2006) find no significant differences between East Europeans and migrants from Asia and those from South/Central Africa.

**Table 5.10: Logistic Regression of the Experience of Work-related Discrimination Among Work Permit Holders\***

	Seeking Work		Promotion		Harassment at Work	
	Odds	Sig.	Odds	Sig.	Odds	Sig.
Education	1.29	0.01	1.41	0.00	1.10	0.24
Ref: Male						
Female	1.08	0.72	1.36	0.20	0.98	0.93
Age	0.98	0.17	0.96	0.02	0.97	0.02
Ref: White						
Black	4.06	0.00	0.47	0.15	0.79	0.48
Asian	1.64	0.06	1.08	0.78	0.73	0.14
Other	1.73	0.24	1.29	0.62	0.79	0.57
Constant	0.11	0.00	0.15	0.02	1.02	0.97
N of cases	597		592		595	
Chi Sq.	24.55		24.13		24.55	

Source: Survey of Migrants' Experience of Racism and Discrimination in Ireland 2005, Sample of Work Permit Holders.

Notes: \*Response categories for each question combined to give no discrimination/any discrimination. The exact wording of the questions was the following. Model 1 Have you been turned down for a job you applied for, and for which you were qualified, because of your ethnic/national origin since you came to Ireland?; Model 2 Have you missed a promotion or been made redundant because of your ethnic/national origin since you came to Ireland? Model 3 Have you been subjected to insults or other forms of harassment at work because of your ethnic/national origin since you came to Ireland?. Education is measured in 5 categories, namely, primary, lower secondary, upper secondary, other post secondary and university degree. Female is compared to the reference category, male. Age is measured in years.

As a further test of the robustness of these findings, we apply the same ethnic categories to this data from the *Survey of Migrants' Experience of Racism and Discrimination in Ireland*, described in Chapter 3.<sup>19</sup> The findings are supported (see Table 5.10). The small number of Black work permit holders are four times more likely to report having experienced discrimination in access to employment than White migrants from non-English speaking countries (in Eastern Europe). This suggests that not just refugees but also Black work permit holders find it difficult to secure employment in Ireland. Work permit holders of Asian and Other/mixed ethnicity are somewhat more likely than East Europeans of White ethnicity to report discrimination looking for work, but the difference is only marginally significant. This is where the findings differ slightly from the QNHS data. There are no differences between migrants from different ethnic groups in terms of promotion, and insults and harassment at work.

## 5.5 Summary and Conclusion

The purpose of this chapter was to examine how subjective discrimination, that is discrimination as reported by the respondent in answer to a direct question, differs between Irish nationals and non-Irish nationals, and between different ethnic and national-language groups of non-Irish nationals.

<sup>19</sup> Note, however, that the SMERDI sample does not include White migrants from English speaking countries.

Taken as a whole, we find that, compared to Irish nationals, non-Irish nationals are twice as likely to report having experienced discrimination in the workplace, and three times more likely to report discrimination while looking for work. This is even after controlling for differences in gender, age and education between the groups.

In the workplace, White respondents from English speaking countries are no more likely to report discrimination than Irish nationals. Among non-English speaking immigrants, there is little difference between White non-nationals and ethnic minorities in their experience in the workplace, although Asian immigrants report somewhat higher levels of discrimination. In looking for work, all groups differ significantly from Irish nationals, though the effect is smaller for Asian respondents and White respondents from English speaking countries. Black respondents from non-English speaking countries and the small group of minority ethnic migrants from English speaking countries are the most likely to report experience of discrimination while looking for work.

So we find that ethnicity plays a role in the subjective experience of work-related discrimination. In particular Black respondents are most likely to report discrimination in looking for work. When we test some of our findings about differences between ethnic groups using a sample of Work Permit Holders from the *Survey of Racism and Discrimination in Ireland*, the pattern is confirmed. The Black group reports more difficulties looking for work, but we find no differences between Black, Asian and White respondents from non-English speaking countries in terms of promotion or work harassment.

Language of country of origin plays a clear role among White non-Irish nationals – this is particularly true of workplace discrimination. Here White respondents from English speaking countries do not differ from Irish nationals whereas those from non-English speaking countries do. In fact, if we just compare White respondents with minority ethnic respondents from non-English speaking countries, both groups show similar levels of reported discrimination in the workplace. A key issue here is that language skills can be acquired, ethnicity is more fixed, and it will be interesting to see how the subjective experience of migrants in the Irish labour market develops over time.



## 6. CONCLUSIONS

### 6.1 Introduction

Over the last decade, significant immigration into Ireland has transformed the country, and its labour market, from a largely ethnically homogenous one into one somewhat more ethnically diverse. This study addresses the question of how immigrants and minority ethnic groups fare in the Irish labour market. We investigate both objective labour market outcomes such as occupational status and wages, and respondents' own assessment of their experiences. We use complementary data from a special module of the *Quarterly Labour Force Survey* (QNHS) collected in the fourth quarter of 2004 and data from the *Survey of Migrants' Experience of Racism and Discrimination in Ireland* (SMERDI) collected in 2005. These two Surveys were the first representative Irish data sources to include information on ethnicity. Apart from *Census 2006*, they remain the only such sources to date. This, therefore, is the first systematic baseline study which distinguishes immigrants in the Irish labour market by ethnicity and examines their labour market outcomes.

Having reviewed Irish and international evidence on labour market discrimination among immigrants and ethnic minorities in Chapter 2 we outline a number of very general questions regarding discrimination among migrants that are suggested by previous research and that can be examined by the empirical data available to us.

First, we examine whether there is a labour market penalty for immigrants compared to the Irish population. Previous research would suggest that migrants will be worse off in terms of objective labour market conditions such as occupation and other measures of job quality, even after controlling for key human capital variables such as education and experience. We also examine whether migrants report experiencing higher levels of subjective work-related discrimination. Second, following evidence from other countries, particularly the US, and the findings from McGinnity *et al.* (2006) for Ireland, we examine whether and to what extent immigrant penalties vary by ethnic group. We expect a greater disadvantage among minority ethnic groups. Third, following the work of Barrett and McCarthy (2006) we also examine whether both the labour market penalty and subjective experience of labour market discrimination is lower for immigrants from English speaking countries, and higher for migrants from non-English speaking countries.

In Chapter 2 we review a number of methods of measuring discrimination, including: laboratory experiments, field experiments, analysis of complaints or court cases, and the statistical analysis of observational data and indicators of discrimination from surveys. Experimental studies provide direct evidence of discrimination but may be in artificial settings and have limited generalisability. Court cases and complaints to the Labour Court and the Equality Tribunal are limited in that only a small proportion of incidents of discrimination are actually reported. The two most comprehensive methods of measuring discrimination across populations are the statistical analysis of observational data (comparing labour market outcomes between two or more populations of interest) and subjective indicators of discrimination (reports of personal experience of discrimination in the labour market), both using representative surveys. In this report we use both methods. It should be acknowledged, as we noted in Chapter 2, that statistical analysis of observational data can uncover disparities between social groups, but that this does not necessarily mean that these disparities are due to discrimination, even where other influential variables are taken into account. For example, immigrants may fare relatively poorly in the labour market because of lack of location specific human capital, such as language skills or

knowledge of recruitment practices or local hiring networks. Equally, survey data on subjective experiences of discrimination may lead to either over- or under-estimation of the extent of discrimination, precisely because they depend on the subjective interpretation of respondents of complex social interactions that may have material consequences for the respondents themselves.

While both approaches have their limitations, we find substantial consistency between the patterns of objective labour market disparities found in Chapter 4, and the subjective experiences of discrimination as reported by respondents found in Chapter 5. While neither set of findings provides irrefutable evidence of discrimination in the Irish labour market, both are informative. Blank *et al.* (2004, page 165) note that "...direct measures of experiences and perceptions of discrimination are probably best used to support valid findings from other kinds of studies to estimate the contribution of discrimination to observed disparities in outcomes among racial groups." At a minimum, our findings both point to objective disparities between groups in the labour market, and suggest that those experiencing such disparities perceive them to be discriminatory.

## 6.2 Main Findings

In this report we distinguish differential treatment in *access to employment* (i.e. difficulties getting a job) and differential treatment *at work* (occupational attainment, earnings, harassment). Here we combine the findings on 'objective' labour market outcomes from Chapter 4 with 'subjective' reports of discrimination from Chapter 5 to summarise the findings on 'access to employment' and 'workplace discrimination'.

### 6.2.1 Differential Treatment in Access to Employment

#### *Employment/Unemployment*

In many other countries the employment rate among migrants is lower than the indigenous population, and unemployment rates are higher. However, given that most immigration to Ireland in recent years has been to avail of employment opportunities, and that the residence of those from outside the EU, particularly holders of work permits, depended upon their employment, we might expect that immigrants would have high rates of economic activity. However, our analysis shows that labour force participation and employment rates are actually slightly higher among Irish nationals while unemployment is considerably higher among non-Irish nationals.

Within groups, we find lower employment rates among Black respondents and also among Asian respondents. However, further analysis reveals that one-third of the Asian group are actually students. For the Black respondents the story is different: here we find many who may not have access to the Irish labour market, and are in home duties or have a principal economic status of 'other'. This latter category may largely include asylum seekers, who are not eligible to be employed in Ireland while their claim is being processed. Indeed, the high rate of unemployment among the Black respondents that are participating in the labour market may also reflect the labour market difficulties encountered by refugees, once they are admitted to refugee status and become eligible to seek employment.

Regression analysis of labour market participants reveals a higher risk of unemployment for all migrants from non-English speaking countries compared to Irish nationals. This is particularly marked among those of Black ethnicity who are nine times more likely than Irish nationals to be unemployed when sex, age and

education are controlled for. We detect no difference between migrants from English speaking countries and Irish nationals in the risk of unemployment.

#### *Looking for Work: Subjective Experience*

Taken as a whole, we find that non-Irish nationals are three times more likely to report having experienced discrimination while looking for work than Irish nationals. This is so even after controlling for differences in gender, age and education between the groups.

Distinguishing between national-ethnic groups, we find that all groups differ significantly from Irish nationals, though the effect is smaller for Asian respondents and White respondents from English speaking countries. Compared to Irish nationals, Black respondents from non-English speaking countries are seven times more likely to report experiencing discrimination and the small group of minority ethnic migrants from English speaking countries are nine times more likely to report experiencing discrimination while looking for work. When we test some of our findings about differences between ethnic groups using a sample of work permit holders from the *Survey of Migrants' Experience of Racism and Discrimination in Ireland*, the pattern is confirmed. Black respondents report more difficulties looking for work than other ethnic groups from non-English speaking countries.

In fact, the overall story from both 'objective' and 'subjective' indicators of discrimination in access to employment is fairly consistent. Compared to Irish nationals, all migrants from non-English speaking countries face a higher risk of unemployment, and report greater difficulties in accessing employment. The most disadvantaged are the small group of Black respondents, who face the highest risk of unemployment and report the most discrimination in looking for a job. The indicators differ somewhat for White respondents from English speaking countries. They have a similar risk of unemployment to Irish nationals, but report more difficulties in accessing employment.

### **6.2.2 Differential Treatment at Work**

#### *The Jobs They Get: Occupation*

As a measure of job quality, we analyse the most privileged occupations in the occupational structure – managerial, professional and associate professional and technical occupations. In general non-Irish nationals are somewhat less likely than Irish-nationals to secure the more privileged jobs in the occupational structure.

When we disaggregate by nationality, language and ethnic group, we find respondents of Other ethnicity and of White ethnicity from non-English speaking countries are less likely than Irish nationals to secure the privileged positions. We also find that, on average, all respondents from non-English speaking countries were less likely than Irish nationals to secure the top occupations, and that the magnitude of this occupational gap was roughly equivalent across the ethnic groups from non-English speaking countries.

#### *The Jobs They Get: Wages*

Another key indicator of job quality is wages. Using data from the SMERDI on a sample of work permit holders from non-English speaking countries we distinguish respondents of 'White', 'Black', 'Asian' and 'Other' ethnicity. We find no wage differences between these groups, either at a descriptive level or controlling for age, gender, education, duration of time in Ireland, job tenure, work experience and

English language skills. We do find a significant gender wage gap among migrants, with non-Irish national women earning about 15 per cent less per month than their male counterparts, even when other influential variables are taken account of. The use to which we can put the SMERDI data is limited because the survey included only individuals from Africa, Asia and Eastern Europe, so we cannot compare these migrants to Irish nationals nor to non-Irish nationals from English speaking countries.

However, we can use the wage findings to complement previous research on the wages of immigrants in Ireland. Barrett and McCarthy (2006) find no difference between Irish nationals and migrants from English speaking countries, but a substantial penalty for migrants from non-English speaking countries. We find when we further disaggregate the non-English speaking group by ethnicity, we find no difference between ethnic groups. We do find that English-language skills measured in the survey are positively related to earnings. This is the first analysis in Ireland that examines the impact of self-reported language skills on wages.

### *Subjective Discrimination in the Workplace*

In workplace discrimination, non-Irish nationals are twice as likely to report experiencing discrimination in the workplace as Irish nationals. Distinguishing between groups, we find that language of country of origin plays a clear role: immigrants from English speaking countries do not differ in their reported experience of discrimination from Irish nationals, while those from non-English speaking countries do. White respondents from non-English speaking countries are more likely to report discrimination than those from English speaking countries, and in this they are more like minority ethnic groups from non English speaking countries in their experience of discrimination at work.

When we test some of our findings about differences between ethnic groups using a sample of Work Permit Holders from the SMERDI, the pattern is supported. Members of the Black group report more difficulties looking for work, but we find no differences between Black, Asian and White respondents from non-English speaking countries in terms of promotion or work harassment.

In summary, in terms of discrimination in the workplace, two conclusions emerge. First, immigrants from English speaking countries (most of them from the UK) do not differ from Irish nationals. Second, immigrants from non English speaking countries are somewhat more at risk compared to Irish nationals. Asian respondents and members of the 'Other' ethnic group are less likely to secure the top occupations and somewhat more likely to report discrimination, while the sample of Black respondents is too small to provide conclusive evidence of differential treatment or outcomes. When we group the minority ethnic sample, we find their average experience to be similar to non-English speaking White respondents.

## **6.3 Policy Implications**

The key findings of this study are that immigrants, considered as an overall group, fare less well than Irish nationals in the Irish labour market: they face higher risks of unemployment and they are less likely to secure higher level occupations. These labour market disparities may be due to a range of factors, including location specific human capital, such as familiarity with local employment conditions and networks, and transferability of qualifications and skills. We also find however, that non-Irish nationals are much more likely than Irish nationals to report having experienced discrimination.

What are the implications of our findings for policy? First, our overall findings on the experience of migrants confirm the need for a planned and pro-active public policy approach to integration as well as for planned and systematic approaches to equality and to integration by employers. Second, the fact that immigrants from English language speaking countries do not differ significantly from Irish nationals in either access to employment or while at work, suggests that language is a key issue for future policy development if the aim of policy is to avoid labour market disadvantage among immigrants. Some of our findings, for example, that migrants from English speaking countries find it easier to integrate into the Irish labour market, may be related to cultural similarities, because qualifications may be more easily transferable (particularly in the case of Britain). However, evidence from the analysis of wages from the *Survey of Migrants' Experience of Racism and Discrimination* suggests that migrants from non-English speaking countries with better English language skills earn higher wages than those with poor language skills. There is also every reason to suspect that language skills will affect labour market performance, especially if the majority of jobs carried out by immigrants are in the service sector.<sup>20</sup> All of these considerations suggest the importance of ensuring that new migrants have access to training in English language skills. As employer-provided training is low in Ireland in comparative perspective (see for example, OECD (2006) *Education at a Glance, 2006*, Table C5.1a), and many immigrants have limited financial resources, it may be appropriate for the State to provide language training.

Third, we find the small group of Black immigrants experience severe disadvantage in terms of their risk of unemployment and also in their subjective assessment of difficulties getting a job. The QNHS does not collect information on visa/residency status of non-Irish nationals, so we cannot assess how many Black respondents participating in the labour market are refugees, although we do know that refugees experience difficulties in the Irish labour market. This would suggest the need for development of targeted and effective active labour market programmes to assist refugees, and others legally resident in Ireland, to access employment on the same basis as Irish nationals.

It should be noted that the analyses in this report focus on the labour market and we cannot generalise from the labour market to other domains. In fact, additional subjective evidence on discrimination from other studies suggest that minority ethnic groups may experience more disadvantage in other domains. For example, McGinnity *et al.* (2006) finds that Black South/Central Africans have a relatively high risk of harassment in the street/on public transport compared to White East Europeans, whereas differences in workplace harassment are not so marked. Russell *et al.* (2007) also find that being a member of a minority ethnic group is more strongly associated with discrimination in services than in work. Second, the minority ethnic groups are small, as we saw in Chapter 3, and they make up a small proportion of the Irish labour market, particularly the Black group. Statistical modelling imposes limits on how much one can say about group differences, if the groups are small.

<sup>20</sup> It should also be noted that those with the poorest language skills are likely to be under-represented in a survey carried out in English, so we may even underestimate the effect of language.

## 6.4 Implications for Future Data Collection and Future Research

### 6.4.1 Implications for Future Data Collection

The QNHS module on discrimination provides a rich source of information on the experience of discrimination, and records ethnicity to allow us to distinguish between the experience of different ethnic groups, both in terms of recorded subjective experience and objective labour market indicators. We suggest that in order to continually reassess the role of ethnicity in the Irish labour market and how it develops over time; ethnicity should be recorded continuously as part of the Quarterly National Household Survey. The same consideration applies to nationality, immigration, and among migrants, duration of residence in Ireland.

In addition, it would be beneficial to collect wage data in the QNHS, even on an occasional basis, as in the British labour force survey. This would allow a comparison of the wages of immigrants and ethnic minorities with those of the majority Irish population. The EU-SILC data provides useful data on wages but the migrant sample is very small. Given the importance of language ability in labour market outcomes, it would also be very useful to collect data on language ability of immigrants from such an ongoing large sample as the QNHS.

Periodic repetition of the module on subjective indicators of discrimination would allow researchers to repeat the strategy adopted in this report of comparing objective and subjective indicators of discrimination. The QNHS module on discrimination provides invaluable information on the subjective experience of discrimination in Ireland. Given the changing nature of Irish society it is extremely important that this information, last collected in 2004, is collected on a regular basis so the level and distribution of discrimination can be tracked and changes monitored.

Finally, the provision of translated forms for the *Quarterly National Household Survey*, similar to the practice in *Census 2006*, would help increase participation of non-Irish communities, helping to boost sample size and to provide more accurate information on their experience. Whatever about one-off detailed surveys of migrants, ensuring their inclusion and identification in ongoing surveys is crucial.

### 6.4.2 International Findings and Future Research

There are essentially two veins of international literature relevant for this study, and our analysis straddles both: the analysis of an ethnic penalty – differential outcomes for minority ethnic groups – and the analysis of how immigrants fare in labour markets.

Consistent with international findings on the labour market performance of immigrants, we find that overall, non-Irish nationals suffer a disadvantage compared to Irish nationals in the Irish labour market. Also consistent with findings from other countries, we find that this penalty varies with language ability. In fact we find no penalty for migrants from English speaking countries.

However, we find little evidence of systematic differences between ethnic groups among non-Irish nationals from non-English speaking countries in the workplace, though we do find a marked disadvantage among Black respondents in looking for work. It should be acknowledged that the Irish experience is one of a large increase of immigrants. As such, ethnic differences, particularly those relating to second-generation immigrants, have yet to emerge. This suggests the need for continuing research to monitor the impact of immigration and ethnicity at work as well as in the wider society.

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