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Equal treatment in the single market? Labour market opportunities for migrants with a European and a non-European background

Abstract

This article discusses whether the single market contributes to the Europeanisation of labour markets by comparing the employment and wage conditions of European and non-European migrants. Such a Europeanisation can be expected from the fact that the single market facilitates the free movement of people, that it simplifies the recognition of qualifications, the harmonisation of social rights and the extension of social benefits to persons from other EU member states. By focusing on the distinction between natives, EU migrants, and third-country nationals with and without European citizenship, it can be shown that the labour market participation, unemployment, outsider, overeducation, and wage risks of these groups clearly differ. In particular, the differences between third-country and European migrants can be interpreted as indicators for the positive effects of a European-wide recognition of diplomas and the better legal position of EU migrants, while the higher cumulative employment and wage risks of migrants in contrast to natives may also the result of common, non-legal barriers and challenges. The single market and its rules thus facilitate the non-discriminatory inclusion of European citizens, better preserving their qualifications and reducing the risks of migration decisions.

Keywords: Migration background; European Union; third-country nationals; single market; employment risks; labour market.

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1. Introduction

During the Covid-19 pandemic, exploding infection figures in slaughterhouses and their workers' accommodation highlighted the particularly risky employment situation of Eastern European migrants in Germany. Press reports on meat processing companies in Lower Saxony and North Rhine-Westphalia (e.g. Tönnies) provided shocking insights into the working and living conditions of the often Romanian or Bulgarian migrants (Schmidt & Blauberger, in this issue). Similar insights have been provided by field reports from the construction, accommodation, cleaning, catering, logistics and parcel delivery sectors. Statistics on the low-wage sector not only in Germany point to an extraordinarily high wage risk for migrants (Dingeldey et al., 2017; Grabka & Göbler, 2020). At the same time, workers in

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the European Union (EU) are free to choose where they live and work (Geddes, 2001). Migrants from other EU countries do not have to descend into illegality for fear of deportation and thus do not have to accept correspondingly poor working and wage conditions. In spite of reports on intolerable employment and wage conditions of European migrants, it therefore can be expected that in general migrants from other EU countries will work under similar conditions to nationals and that their employment and wage conditions will clearly differ from those of migrants with a non-European background. This highlights the role of the *Acquis Communautaire*, the accumulated legislation, legal acts and court decisions of the EU, because discrimination against migrants is not only prevented by specific rules (e.g. in Articles 18 and 19 of the Treaty on the Functioning of the European Union), but also by the basic legal equality of natives and persons from other EU countries and by the harmonisation of social rights (Geddes, 2001; Leibfried, 2015). However, this does not imply equal conditions for natives and EU migrants because their qualifications and language skills and other employment-related characteristics still differ. Examples for the related obstacles not only for third-country nationals, but also for EU migrants are "the broad denial of citizenship rights; the necessity of assuring a means of sustenance; linguistic and technical exigencies for diploma recognition; the social attributes of work (…); and the institutional nature of national skilled labour markets." (Peixoto, 2001, 33) This raises the question: *Do employment and wage conditions of Europeans and third-country nationals differ systematically from those of natives and, if so, how? And, are there systematic differences between European migrants and third-country nationals?*

In what follows, the relevant literature on the integration of migrants into European labour markets is briefly discussed (2). Then the methods and data set are explained (3). In the fourth section, the employment and wage conditions of natives and migrants with a European and a non-European background are analysed and compared. The fifth chapter summarises the results and proposes the thesis that the *acquis communautaire* limits the biographical and professional risks of migration decisions and thus may facilitate access to high-skilled migrants in a "battle for brains" (Brücker et al., 2012a, 2012b).

2. Labour market disadvantages of migrants: Individual and structural explanations

The starting point for segmentation theories is the observation that the labour market is divided into good and bad jobs and that some social groups have a much higher probability of being permanently assigned to low-paid, stressful jobs with low skill requirements (Doeringer & Piore, 1971; Kalleberg, 2012). In contrast to human capital theory, the systematic differences in wage and employment conditions of disadvantaged groups, for example migrants, are not explained by a "taste for discrimination" (Becker, 1993), but by cost differentials and institutional

barriers or strategies of social closure. Economic segmentation theories refer to the higher replacement and turnover costs of insiders which are also the result of firm-specific skills, of different work contracts, of (sometimes collective) demarcation strategies facilitating rent-seeking and of internal rules, for example on employment protection and seniority (Lindbeck & Snower, 1988). These higher turnover costs form the basis for the greater bargaining power, better working conditions and higher wages of insiders, while the legal protection of outsiders is weaker. In addition, outsiders can be replaced more easily and with lower costs. Sociological approaches emphasise the importance of strategies of social closure (Parkin, 1974) and the monopoly rents appropriated by privileged workers in closed social positions (Kalleberg & Sørensen, 1979; Sørensen, 1983). But they also highlight the role of institutions in which these strategies of social closure are incorporated – for example trade unions and employment protection regulations which protect insiders from the competition of outsiders (Barbieri & Cutuli, 2016; Bertola et al., 1999; Gebel & Giesecke, 2016). In this perspective, migrants' disadvantages can be explained by institutions which contribute to the protection of insiders at the expense of outsiders. These general analyses of segmentation processes, however, do not answer the question why migrants are so often labour market outsiders and which mechanisms contribute to their exclusion: Is it migrants' lower human capital that weakens their labour market position and increases their replaceability? Are legal barriers at the domestic or European level decisive for the exclusion of migrants? Or is it simply discrimination?

Some studies explain the labour market situation of migrants mostly by their lower education, their lower qualifications and by insufficient language skills. Some studies even show that after the inclusion of these factors, the remaining wage or status differences disappear nearly completely (for example Kogan, 2011 for earlier generations of migrants). Lower wages or lower occupational prestige can largely be explained by individual characteristics – in particular migrants' lower education level, but also insufficient language skills or by migrants' return orientation (cf. on the American example Kalter & Granato, 2018, 371). The evidence on the second generation of migrants in Germany, i.e. the descendants of migrants, is even clearer: "Controlling for education, there are virtually no significant disadvantages any more (...) In the second generation, the worse position on the labour market is almost exclusively a question of formal qualifications." (Kalter & Granato, 2018, 379; own translation)

Other studies contradict this evidence. For example, Kogan (2011) compares earlier and later immigrants. While the disadvantages of migrants who immigrated to Germany prior to 1989 can largely be explained by their lower education, migrants who immigrated later often have a higher level of education, but are significantly more disadvantaged than native workers in terms of the level of occupational status and employment opportunities: "the higher the level of education, the larger the gaps between natives and immigrants." (Kogan, 2011, 109)

In addition to the immigration period and the educational level, Kogan highlights the role of the European single market as an institutional mechanism which facilitates the social closure of European labour markets towards migrants from non-European countries. "More educated immigrants, and above all those coming from outside the EU, are more likely than comparable natives to be employed in unskilled sectors." (Kogan, 2011, 109) In spite of and in addition to the *differences* between immigrants from non-European countries (such as Americans, Turks or ethnic German immigrants from Russia) in which Kogan (2011) is interested, it is thus also useful to analyse the *similarities of third-country citizens* in contrast to migrants with a European citizenship. Therefore, I will focus on the role of the single market in order to explain differences between European and non-European citizens. Since the free movement of people, the harmonisation of social protection for EU citizens and the easy recognition of educational certificates (van Riemsdijk, 2013) are central goals of the European Union, significant differences between the employment and wage conditions of European and non-European citizens can be expected. These differences can be interpreted as effects of the European single market rules, i.e. the opportunity to work and live without legal barriers in another European country. My first hypothesis thus is that *differences in the labour market and employment risks of EU citizens are much lower than the risks of third-country nationals due to the common legal framework stipulated by the Acquis Communautaire (H1).* This implies that the *Acquis Communautaire* functions as an institutionalised form of social closure because the free movement of people and related rules in the European single market are an effective instrument for improving the working and wage conditions of European citizens in contrast to migrants with a non-European background.

However, the single market rules cannot guarantee a frictionless labour market integration of migrants even if they have an EU citizenship. The remaining differences between native and other European citizens can be interpreted as indicators for national migration, and employment policies and the additional, also non-legal difficulties and barriers for intra-European mobility. Examples are insufficient language skills, a limited knowledge of the institutions and customs and practices in the host country and less tight networks of contacts. Our second hypothesis thus is that *higher labour market and employment risks of EU migrants in contrast to natives reflect also non-legal barriers and challenges each migrant has to face when entering the labour market in another country (H2).*

The comparison of EU citizens born in the EU or in a third country allows us to investigate additional barriers for non-European migrants. Differences between these groups, in particular additional disadvantages of third-country nationals could indicate the impact of discriminatory behaviour towards non-Europeans, for example due to the existence of social, cultural or religious barriers to non-Europeans. Similiarities between these two groups in contrast to natives can be interpreted as indicators of the previously mentioned non-legal, for example linguistic barriers.

Thus, it can it be hypothesised that *the labour market and employment risks of EU migrants born in an EU country or in a third country are similar because both groups have to face the non-legal barriers and challenges previously mentioned (H3).*

Until now, the legal and non-legal barriers for the labour market integration of migrants have been taken into account in a static perspective. However, in addition to a momentary disadvantage in one dimension, different adverse employment and wage conditions of migrants may mutually reinforce each other. A disadvantage in one dimension may have a negative effect in another dimension: Unemployment spells or difficulties in acceding to the labour market for example may increase the likelihood of getting only a low-paid job or the risk of losing a job later on. Longer periods of inactivity or unemployment may reduce the likelihood of finding a job with a suitable skill level or adequate pay (Gangl, 2006). The possibility of cumulative, self-reinforcing disadvantages ("scars") is expressed by the following hypothesis: *The integration of migrants into the labour market of a host country consists of many steps where even a limited initial disadvantage may lead to cumulative disadvantages in the next steps (H4).*

3. Methods and data

Data set

In the following, the employment and wage conditions of natives and migrants with a European and a non-European background in 30 European countries will be analysed on the basis of the Europe-wide Survey on Income and Living Conditions (EU-SILC) for 2007–2018 (Eurostat, 2021). It is the only available up-to-date data source for international comparative and supranational analyses of income and living conditions of individuals and households in Europe (Guio et al., 2021). The chosen period includes both some of the boom years before the Great Recession (2007–2008), deep crises – the Great Recession since the end of 2008 and the subsequent Eurozone crisis (2010–2013) – and the subsequent upswing until 2018 when the UK participated for the last time in EU-SILC. The following analysis includes the United Kingdom, Norway, Switzerland and the 27 EU-member states (Croatia since 2010 and Slovenia – due to missing values for the citizen variable – since 2014). The inclusion of at least 30 countries is recommended for logit models in order to properly estimate the impact of contextual factors on the situation of individuals and households (Bryan & Jenkins, 2016). Our data set for some years is thus slightly below the recommended size. The 30 European countries represent five different employment and welfare regimes (Gallie, 2007) – Liberal, Corporatist-conservative, Mediterranean, Post-Socialist, and Nordic countries (cf. Table 1). In the migration literature, related regime concepts have been discussed (Rass & Wolff, 2018; Sciortino, 2004). The sample is restricted to individuals aged 20–64 years.

Variables

We use a set of five dependent binary variables at the microlevel: a) the labour market participation of the working age population, b) the unemployment and c) the outsider risks of the labour force, d) the risks of the better educated employed of being overeducated and the e) low-wage risks of the dependent employed workforce. In addition, the wage gaps of migrants in relation to natives is shown (Table 1). The main independent variable is migration status. It has four values: Natives are persons born in the survey country and have its citizenship, EU mobiles are persons born in another EU country, non-EU migrants are born in a non-EU country and are not EU citizens, while integrated non-EU migrants are born in a non-EU country and are EU citizens. This variable refers both to the legal status of a person by distinguishing between EU and other citizens as well as their socio-cultural background by distinguishing persons born in the survey country, in Europe or in other countries. In addition, it will be controlled for age group, gender, and education (cf. Table 1).

Table 1: The variables used, their operationalisation and their sources

Variable	Operationalisation	Data source
Labour force	Being part of the labour force (employed or unemployed) (as a percentage of the population aged 20 to 64 years).	EU-SILC (pl030, pl031)
Unemployed	Self-defined current socio-economic status: unemployed (1: unemployed, 0: not unemployed).	EU-SILC (pl030, pl031)
Labour market outsider	Risk of being unemployed, being low paid, temporarily employed, involuntarily part-time employed or self-employed without employees.	EU-SILC (pl030, pl031), (py010g, py010n, pl060, pl100, pl030, pl031, pe010)
Overeducation	Educational level of the labour force aged 20–64 years is higher than the most frequent educational level of employees with a comparable job (see McGuinness, Bergin & Whelan, 2018, 997).	EU-SILC (pe040)
Low wage	Employees (excluding apprentices) aged 20–64 whose gross hourly earnings fall below two-thirds of the national median (1: low wage; 0: higher wage).	EU-SILC (py010g, py010n, pl060, pl100, pl030, pl031, pe010)
Wage	Gross hourly earnings of employees (excluding apprentices) aged 20–64.	EU-SILC (py010g, py010n, pl060, pl100, pl030, pl031, pe010)
Gender	1: male, 2: female.	EU-SILC (rb090)
Age group	1: 15–24 years, 2: 25–54 years, 3: 55 years and older.	EU-SILC (rx020)
Educational level	Highest level of education attained according to ISCED (high/3: tertiary education – levels 5–6; medium/2: secondary and post-secondary, non-tertiary education (3–4); low/1: primary and lower secondary (0–2).	EU-SILC (pe040)

Variable	Operationalisation	Data source
Migration status	1: EU mobiles (born in another EU country); 2: Non-EU migrants (born in a non-EU country and having its citizenship); 3: Integrated non-EU migrants (born in a non-EU country and being an EU citizen); 0: born in and citizenship of country of residence).	EU-SILC (pb210; pb220a)
Employment regime	1: "Liberal" (UK, IE); 2: "Corporatist-conservative" (AT, DE, FR, LU, NL), 3: "Mediterranean" (ES, IT, MT, PT, CY, EL); 4: "Post-socialist" (BG, CZ, EE, HU, LT, LV, PL, RO, SI, SK); 5: "Nordic" (DK, FI, NO, SE).	Inspired by Gallie (2007).

Source: Own Representation.

4. Results

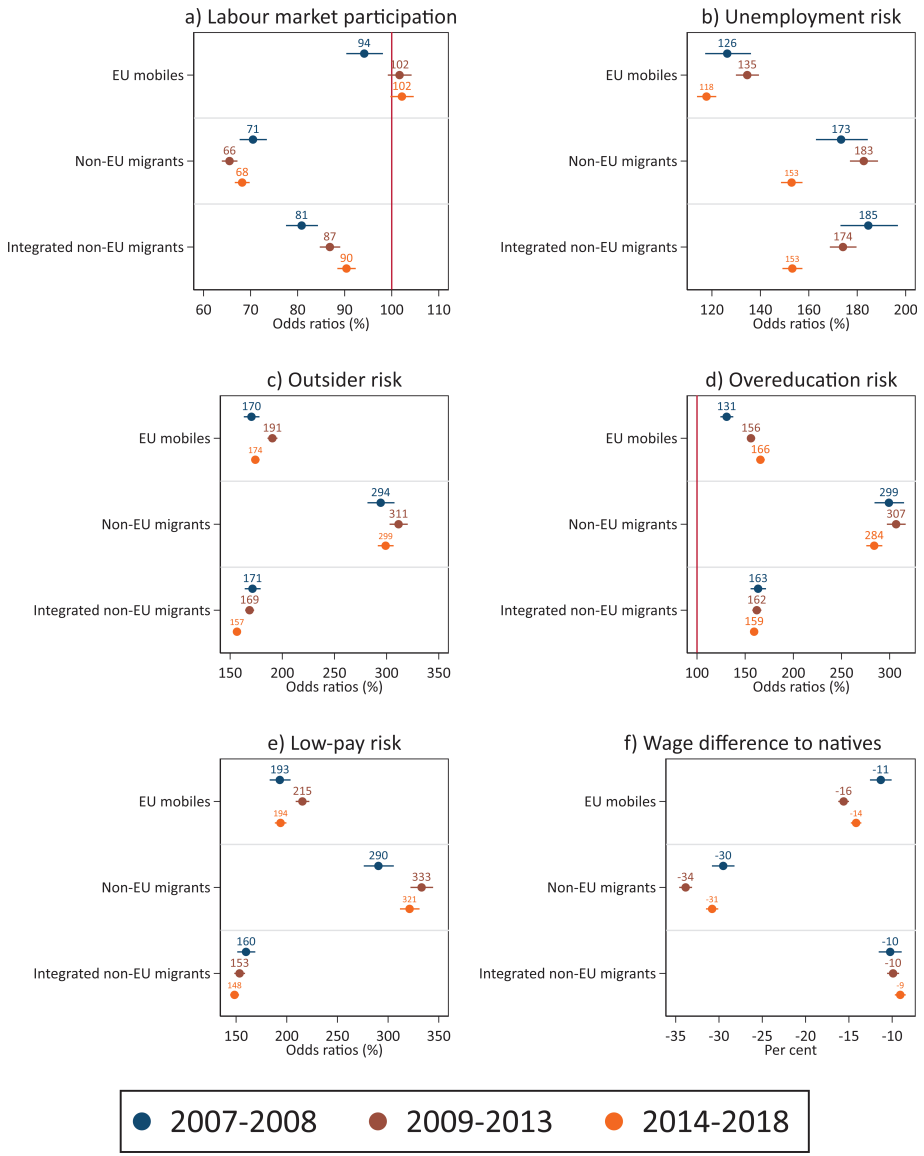
The successful integration of migrants into the labour market is a multi-dimensional challenge and a process which consists of different, successive phases. In this process, a migrant may face various risks, in particular the risk of not entering the labour market, the risk of losing or not getting a job, of becoming an outsider, of being overeducated and of being low paid. Labour market integration thus takes place in at least five different steps: Persons of working age (20–64 years) have to become part of the labour force (instead of being inactive). Next, they have to find a job (instead of being unemployed). Third, successful integration into the labour market implies becoming a labour market insider, this means obtaining a good job rather than a bad job (Kalleberg, 2011). Fourth, this job also has to correspond to the migrant's educational background in order to avoid the risk of being overeducated (McGuinnes et al., 2018). Fifth, an essential part of being an insider is to receive good pay, thus avoiding the risk of being paid below average (Broschinski, 2020; Fernández-Macías & Vacas, 2015). In the following analysis, six partly overlapping indicators for the successful integration of natives and migrants in the labour market will be discussed (Table 2). The aim is to analyse, on the one hand, the differential impact of the single market and of non-legal barriers for the labour market and employment conditions of migrants and, on the other hand, the cumulation of the previously mentioned disadvantages.

Table 2: Labour market and wage risks of natives and migrants in Europe. Six indicators.

		Native	EU mobile	Non-EU migrants	Integrated non-EU migrants	Total
Activity (in % of working age population)	%	78.5 %	80.3 %	74.6 %	76.8 %	78.4 %
	Total no.	3,491,434	111,332	139,352	140,629	3,882,746
Unemployed (in % of labour force)	%	10.3 %	10.7 %	19.0 %	13.5 %	10.7 %
	Total no.	2,731,402	94,757	105,162	108,679	3,040,001
Overeducated (in % of employees)	%	15.8 %	26.7 %	30.6 %	22.1 %	16.8 %
	Total no.	2,581,239	84,775	96,933	101,160	2,864,107
Outsider (in % of labour force)	%	32.4 %	40.6 %	58.8 %	38.9 %	33.8 %
	Total no.	2,296,091	803,88	89,816	93,549	2,559,845
Low wage (in % of employees without apprentices)	%	17.4 %	26.3 %	37.9 %	22.0 %	18.5 %
	Total no.	1,837,575	63,357	63,933	70,621	2,035,486
Real average hourly wage	PPS	13.36	14.21	11.23	14.56	13.36
	Total no.	1,610,666	70,470	44,195	51,884	1,777,215

Source: EU-SILC 2007–2018. The totals in the various rows differ due to different denominators and missing values. All figures refer to persons aged 20–64 years in 30 European countries (2007–2018).

Figure 1: Employment and wage risks of migrants in 30 European countries (2007–2018).



Source: EU-SILC 2007–2018. (With the exception of Fig. 1f binary) logistic regressions based on cross-sectional data for persons aged 20–64 years. Shown are the odds ratios for migrants in relation to natives (and in the case of Figure 1f wage differences to natives in per cent) for the six risks mentioned in Table 2. Controls for year of observation, gender, age group and education included.

4.1 Inclusion and exclusion of migrants in the labour market

Our first question is how and to what extent migrants from European and non-European countries are included in the labour market. Figure 1a shows that the chances of persons of working age being part of the labour force are differently affected by the migration background of the labour force: The activity rates of migrants with a European background do not differ from the chances for natives when the socio-demographic characteristics of the population (gender, age, education) are controlled for. This contradicts H2. The chances of third-country nationals with or without a European citizenship, however, are 10 % and 32 % lower respectively in comparison to natives from 2014 to 2018. During the financial and euro crises, these gaps were even bigger (-13 % and -34 %) indicating that crises often imply the exclusion of outsiders from the labour market. The significantly lower activity rates of third-country nationals in contrast to EU citizens and natives supports H1 and H2. H3, which expected similar disadvantages of EU mobiles and integrated non-EU migrants, is not supported. The reason for this unexpected difference is quite obvious: Looking for a job in the host country is a major migration motive for EU mobiles. Otherwise, they remain in their home countries. This is different for many third-country nationals who will remain in the host country even if they cannot enter the labour market because they often cannot return as easily as EU citizens.

Figure 2a shows that Liberal, Nordic and Corporatist-conservative countries strongly rely on the exclusion of third-country nationals from the labour market, while Southern, Central and Eastern European countries integrate them into the labour market.

Being part of the labour force does not automatically mean finding a job. This is particularly true for migrants, whose unemployment risk is much higher (Figure 1b): The risk of being unemployed was 35 % higher for EU mobiles during the Eurozone crisis and 83 % and 74 % higher for third-country nationals without or with a European citizenship respectively. In the subsequent years, these risks were still 18 % and 53 % higher respectively. This only partly confirms H1 because the risks of EU mobiles (but not the risk of integrated non-EU citizens!) are much lower than the risks of third-country nationals: When EU mobiles lose their job in a European host country, they can simply return home. The higher unemployment risks of migrants also indicate the non-legal barriers and challenges which affects all types of migrants in contrast to natives (H2). During the Eurozone crisis in particular, migrants had a higher chance of losing their jobs than natives. The fact that the unemployment risks of third-country nationals with and without an EU citizenship are similar confirms H3 which highlights the non-legal barriers and challenges these migrants have to face. Once again, however, the lower risk of EU mobiles contradicts H3: persons with a non-European migration background are much more vulnerable than persons born in Europe. Surprisingly, even a European citizenship does

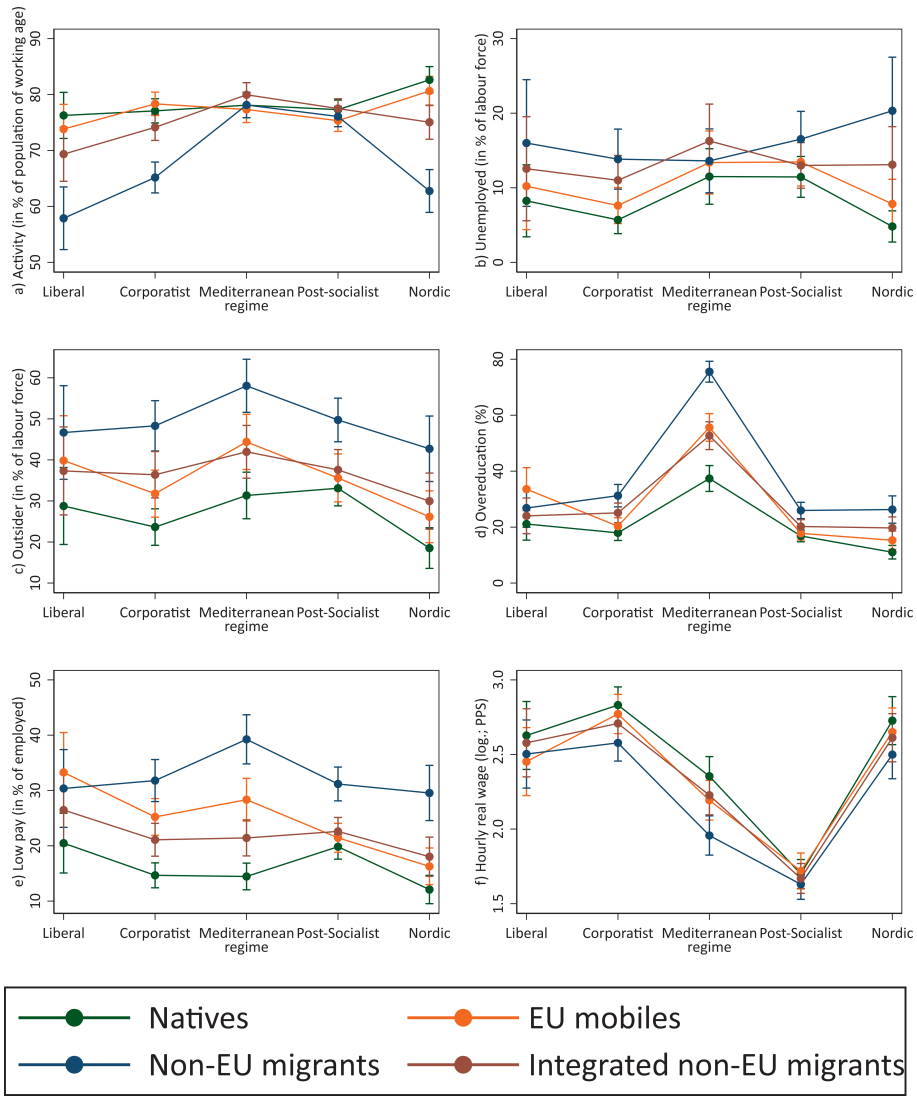
not reduce the higher vulnerability of non-European migrants. The remaining difference between EU citizens born in Europe or in third countries cannot be fully explained by the non-legal barriers mentioned in H3 because the differences between EU citizens born in an EU and a non-EU country are very high: Other factors, for example different occupational skills or discrimination, may play a role. A high rate of labour market participation in combination with higher unemployment rates can be interpreted as a reflection of a *marginal inclusion of migrants into the European labour markets*. This marginal inclusion has no clear territorial dimension: Figure 2b shows that migrants' regime-specific unemployment risks do not differ significantly from the risks of natives. Data on the regime level are probably too aggregated for explaining the unemployment risks of migrants in Europe. A more detailed analysis of national labour market and migration policies and institutions is thus necessary for explaining the migration-specific unemployment risks shown.

Having a job does not mean that it is a good job (Kalleberg, 2011). The segmentation of European labour markets and the related marginal inclusion of migrants can be discussed in a more comprehensive way on the basis of an outsider index (Schwander & Häusermann, 2013). The index proposed here takes five different risks into account (Heidenreich, 2022, ch. 5): besides to the risk of being unemployed, the risks of being low paid, temporarily employed, involuntarily part-time employed or self-employed without employees. In Figure 1c, the risks of migrants for being labour market outsiders are shown once again for three different periods. EU mobiles and integrated non-EU migrants have a 74 % and 57 % higher risk respectively in 2014–2018, while the outsider risk of third-country nationals is three times as high as that of natives. The gaps between native employees, Europeans and persons with a non-European background are much wider. This highlights the non-legal barriers and disadvantages facing migrants that were mentioned in H2 and H3. The clear gap between third-country nationals and employees with a European citizenship confirm H1. Significant regime-specific differences cannot be observed (Figure 2c).

In sum: Migrants are included in the European labour market, but often only in a marginal position: The unemployment and more broadly outsider risks of persons with a non-European background are much higher than the risks of European migrants, who in turn have a higher outsider risk than the native population. The differences between the native and the migrant population have been interpreted as result of legal and non-legal barriers. As expected by H1, third-country nationals in particular (surprisingly sometimes even with an EU citizenship, which contradicts H3) are negatively affected by both types of barriers. In spite of the better legal position of EU mobiles and integrated non-EU nationals, their employment conditions are worse than those of natives (even after controlling for education, age, and gender). This supports H2. Clear differences between EU mobiles and

third-country nationals with an EU citizenship contradict H3 in the activity and unemployment, but not in the outsider dimension.

Figure 2: Regime-specific patterns of employment and wage risks of migrants in 30 European countries (2007–2018).



Source: EU-SILC 2007–2018. (With the exception of Fig. 2f) binary logistic regressions based on cross-sectional data for persons aged 20–64 years. Shown are the percentages (or the logarithmised values in Fig. 2f) for the six risks mentioned in Table 2. Controls for year of observation, gender, age group and education included.

4.2 The recognition of educational qualifications

The higher unemployment and outsider risks of migrants reflect their often marginal position in the labour market. Their jobs are often less demanding: While the native labour force in the 30 European countries considered here often have complex and problem-solving tasks (2007–2018: 42 %), this is true only for 36 % of the EU mobiles, 39 % of the integrated third-country nationals and a shockingly low 21 % of the other third-country nationals. On the one hand, this is the result of a lower education level: 33 % of the native labour force, but only 29 % of the third-country nationals have a higher education level. Even third-country nationals who have found a job in another country have a lower educational level than natives. However, this is not true for other groups of migrants: 37 % of the EU mobiles and 38 % of the integrated third-country nationals have a higher education level.

On the other hand, therefore, migrants have to face another challenge – the recognition of their qualifications. They face the risk that the qualifications obtained in their home country are not recognised in their host country. Given their educational achievements, their occupational status is always lower than that of natives (Chiswick & Miller, 2009). This "brain waste" (Sommer, 2021) has been intensively discussed as overeducation (Capsada-Munsech, 2019; Davia et al., 2017; McGuinness et al. 2018). In this debate, overeducation has been defined as "the situation whereby individuals are employed in jobs within which the level of education required to either get, or do the job in question, is below the level of schooling held by the worker." (McGuinness et al., 2018, 994) Chiswick and Miller (2009) discuss the transferability of skills and educational certificates of foreign born men in the US and find that overeducation is more likely for more recent labour market entrants with longer pre-immigration job experience – presumably due to "uncertainties on the part of US employers over the value of skills acquired on-the-job in foreign countries." (Chiswick & Miller, 2009, 168) Davia, McGuinness, and O'Connell (2017) have found that overeducation is positively related to the share of migrants – an indicator for the limited transferability of competences acquired in a different national context.

Empirically, 31 % of the third-country nationals in the labour force have a higher education level than the most common educational background in the respective occupation, while only 16 % of the native employees were overeducated between 2007 and 2018. The share of overeducated persons is 27 % for EU mobiles and 22 % for integrated non-EU migrants (Table 2). After controlling for the socio-demographic composition of the employees (Figure 1d), the overeducation risks of third-country nationals is three times higher than that of natives, while the overeducation risk of EU mobiles and integrated non-EU migrants is about 60 % higher. The gap between integrated and other third-country nationals refers to the legal barriers persons without an EU citizenship have to face (H1), while the difference

between natives and employees with an EU citizenship refer to the non-legal barriers each migrant faces in another country: often difficulties in communicating, lack of contacts, limited knowledge of the domestic institutions, customs and practices. This confirms H2. Also H3 can be confirmed because the situation of EU mobiles and integrated non-EU migrants is broadly similar.

The share of overeducated migrants is particularly high in Southern Europe (Figure 2d). At first sight, this is extremely surprising because the educational level of the Southern European labour force is much lower than in the other European regions (Heidenreich, 2022, 251). Given the low education level of the workforce, it could have been expected that higher educated migrants would be welcomed by the labour market and that their competences would be intensely used by employers. Instead, the share of overeducated migrants from European and third countries is higher than in all the other employment regimes: On average, 21 % of the employees (excluding the undereducated and the low-educated who cannot by definition be overeducated) are overeducated. The respective shares for third-country nationals (73 %), EU mobiles (51 %) and integrated non-EU migrants (52 %) indicate that the Southern European countries have chosen an economic trajectory which strongly relies on internal demand, on agriculture, handicraft and personal services, for example tourism and trade, which are characterised by a limited skill intensity of the jobs (Heidenreich, 2022, 61). Even if highly educated migrants migrate to Southern Europe, their competences are not used in the host countries.

In sum, as expected by H1 the overeducation shares of third-country nationals are much higher than those of EU mobiles and integrated non-EU migrants. At the same time, there are clear differences between the lower overeducation risks of natives and the higher risks of EU migrants which confirms H2. H3 is confirmed by the similar overeducation risks shown in Figure 1d.

4.3 Migrants' wage levels

After analysing the employment risks of European and non-European migrants, I will focus now on their wages. Given the previously described marginal integration of migrants into the European labour markets, it can be expected that their wages will be lower. The respective differences are shown in Figure 1f. The pattern in this figure is similar to the patterns observed for the outsider and overeducation risks. On the one hand, the groups with an EU citizenship are in a similar situation, on the other hand, the risks of third-country nationals are much higher: EU mobiles and integrated non-EU migrants have 14 % and 9 % lower wages respectively in 2014–2018, while the wages of third-country nationals are 31 % lower. The clear gap between third-country nationals and employees with an EU citizenship confirms H1, while the higher risks of employees with a European citizenship in contrast to natives are an indicator for the non-legal barriers and disadvantages of migrants expected in H2 and H3. The single market is thus a clear, if only partial pro-

tection against lower wages – at least in comparison to non-European migrants. Significant regime-specific differences between the four migration groups cannot be observed (Figure 2f).

Similar results arise when the risk of being low paid is considered. Figure 1e shows that migrants have much higher chances of having a low-wage job, which is paid only two third and less of the national median hourly wage. The patterns in this figure are similar to the previously observed patterns: EU mobiles and integrated non-EU migrants have a 94 % and 48 % higher low-wage risk respectively in 2014–2018, while the risk of third-country nationals is three times as high. The clear gap between third-country nationals and employees with a European citizenship once again confirms H1, while the higher risks of employees with a European citizenship in contrast to natives is an indicator for the non-legal barriers and disadvantages of migrants addressed in H2 and H3. This once again shows that the better legal position of EU migrants in contrast to third-country nationals reduces the risk of being low paid. In this case, significant regime-specific differences between third-country nationals and the other groups can be observed in Southern, Central and Eastern, and Northern Europe (Figure 2e). In particular, the higher low-wage risks of third-country nationals in the Scandinavian countries are surprising given the universalistic welfare approach and the egalitarian wage structures in these countries. Brochmann and Hagelund (2011, 17), however, state at least for the Danish case, that "the government's chosen strategy was to offer migrants equal opportunities within the existing system, without recognising any need for targeted measures to satisfy culturally based special needs." The result is "large inequalities between migrants and the native population."

In sum: the earnings risks of EU citizens are much lower than the risks of third-country nationals which confirms the impact of the single market. As predicted by H2, the wages of native employees are clearly higher than the wages of persons with a European and non-European background, while their share of low-wage earners is much lower. The similar low-wage risks of EU citizens born in the EU or in a third country supports H3.

5. Conclusion and outlook

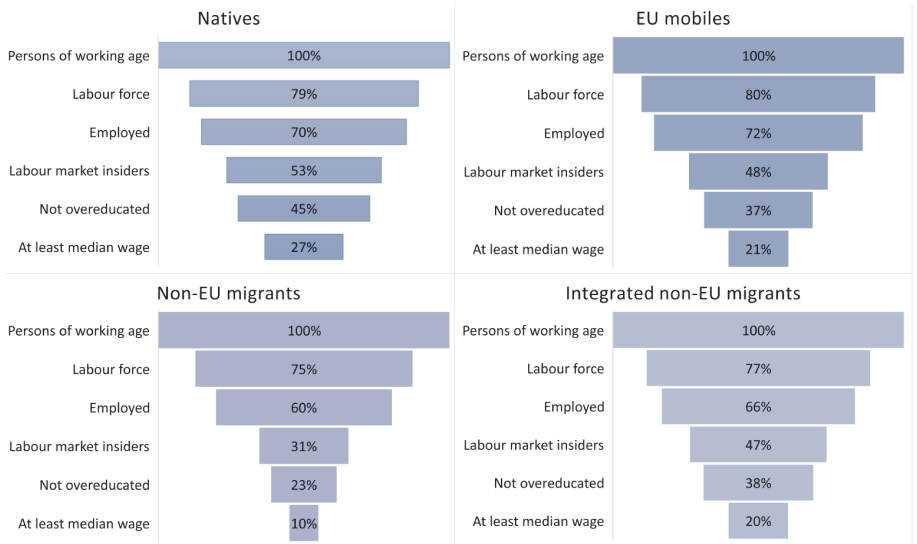
This article discusses whether the single market has an impact on the employment and wage conditions of migrants. Such an impact can be expected from the fact that the single market facilitates the free movement of people, that it simplifies the recognition of qualifications, the harmonisation of social rights and the extension of social benefits to persons from other EU member states (Leibfried, 2015). In order to analyse this effect, migrants with and without a European citizenship and with and without a European background have been distinguished. Thus, legal and non-legal barriers in the labour market could be analysed separately. It has been shown that the single market and more broadly the *Acquis Communautaire*,

the rules of the EU, have facilitated the labour market integration of migrants in their European host countries. The following indicators for such an integration have been discussed: The activity and employment status of the working age population, their insider or outsider status on the labour market, their overeducation risk and employees' wage and low-wage risks. Most indicators support the first three hypotheses: First, the risks of EU citizens are much lower than the risks of third-country nationals. For example, overeducation risks of Europeans in contrast to third-country nationals are lower – a clear indicator for the positive effects of a European-wide recognition of diplomas and certificates. In a similar vein, the unemployment, outsider, and wage risks of Europeans in contrast to third-country nationals are lower. This has been interpreted as an outcome of the better legal position of European migrants. In contrast to studies which focus mostly on the negative facets of European-wide migration (Schmidt & Blauberger, in this issue), a first conclusion is that the single market and its rules tend to encourage a more "strategic" mobility of European migrants to other, often more affluent countries. The *Acquis Communautaire*, in particular the free movement of people and the EU- and European-wide recognition of diplomas, facilitates a more strategic migration which preserves migrants' qualifications and which reduces the risks of migration decisions – in particular in contrast to migration from third countries.

Second, it has been shown that the risks of EU migrants in comparison to natives are higher: The relatively high and increasing labour market participation of migrants with an EU citizenship in combination with higher unemployment, outsider, overeducation and wage risks has been interpreted as an indicator for a marginal inclusion in the labour market. Native citizens are still in a better situation due to their cultural and linguistic competences, their tacit knowledge on the customs and practices and their social networks in their native country. In contrast to migration studies that explain the different occupational situations of migrants and natives mostly by their qualifications and language skills (Kalter & Granato, 2018), the previous results show clear differences between the outsider, overeducation, and wage risks of natives and migrants. On the one hand, this reflects a lack of additional control variables (for example language skills, return orientation …) – a clear limitation of this study. On the other hand, it may also reflect different choices concerning the dependent variables. Other studies (Kalter & Granato, 2018; Kogan, 2011) have often used occupational classes and prestige, which according to DiPrete (2007, 604) reflect "the relative lack of interest in sociology on wages, earnings, and income." It can be established that the single market reduces legal forms of discrimination. But the still much higher unemployment, outsider, and low-wage risks of EU citizens show that other factors are still important. Third, it has been shown that the risks of EU migrants born in an EU country or in a third

country are similar in some dimensions (with the exception of the higher labour market participation and unemployment risks of third-country nationals).

Figure 3: Cumulative disadvantages of migrants in Europe (2007–2018).



Source: Own calculations on the basis of EU-SILC (2007–2018).

The fourth hypothesis referred to the cumulative nature of labour market risks. This hypothesis can be confirmed with Figure 3, which, on the basis of five previously discussed risks and the related transition probabilities, shows the cumulation of risks for the four groups distinguished in this article. In the four funnel diagrams displayed in Figure 3, it can be seen that only 23 % of the third-country nationals have the opportunity of entering the labour market, finding a job, becoming a labour market insider and having a job which corresponds to their educational background. In contrast, the corresponding chances for natives are 45 %, for EU mobiles 37 % and 38 % for integrated non-EU migrants. This means that the likelihood of natives having such a good job are nearly three times higher (with an odds ratio of 2.74). The chances of the four groups earning at least the national median wage are even lower. Therefore, the single market and other facets of the European ruleset play a decisive role in attracting and integrating skilled EU migrants, but a similar framework which facilitates the integration of skilled migrants from third countries is still missing (Brücker et al., 2012b).

The limitations of this paper and the need for further research are obvious: The paper argues on the extremely highly aggregated level of 30 European countries. A more fine-grained approach has to consider the particular migration patterns and the national labour market and migration policies and the particular countries of

origin and its characteristics in particular for non-European migrants (Aleksynska & Tritah, 2013). In addition to the indicators chosen here, it could also be useful to consider indicators for occupational prestige and social classes.

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