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The effect of the 2004 and 2007 EU enlargement on the Spanish labour market

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ABSTRACT

The Effect of the 2004 and 2007 EU Enlargement on the Spanish Labour Market^{*}

The 2004 and 2007 EU enlargement has led to a significant increase in the immigration flow to Spain. Individuals from the new-EU-12 countries accounted for no more than 10% of the whole Spanish immigrant population in 2004, but by 2008 they accounted for almost 20% of the total flow of immigrants. As of 2008, immigrants from Bulgaria, Poland and Rumania account for 97 percent of new-EU-12 immigrants. These immigrants are younger, and the vast majority of them are educated to secondary level. Their employment rate is higher than that of natives, but they are hit harder by unemployment than natives. Our results point to two conclusions from a policy perspective: first, the EU enlargement has significantly improved legal immigration from new-EU-12 countries. Second, the lack of employment assimilation in terms of job quality for workers from the new-EU-12 countries may discourage the entrance of highly qualified workers. The Spanish authorities should provide on-the-job training for these qualified workers so that they can find adequate job prospects in Spain and decide to stay.

JEL Classification: J61

Keywords: EU enlargement, immigration, assimilation

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Introduction

Since the mid-1990s, the Spanish economy has been characterized by a continuous growth in immigrant flows from African, Latin American, and Non-EU-15 countries. By January 2008, a total of 5,220,000 foreigners – 11 % percent of the population – resided in Spain (Padrón Municipal, INE 2007). Figure 1 presents the growth of immigration over the last 12 years.

[Insert Figure 1]

As Figure 1 shows, over the 12-year period, the number of foreign-born persons living in Spain grew from less than 1 percent of the population to approximately 10 percent. Various elements drove this trend, such as the country's democratization, rapid economic growth fuelled in part by Spain's incorporation into the European Common Market in 1986, the unrestricted entry of foreigners as tourists combined with lax implementation of immigration laws, and close linguistic and cultural ties maintained with (and preferential treatment dispensed to) Latin Americans due to colonial history (Escrivá 2000, Ribas-Mateos 2000).

At present, in spite of stricter immigration restrictions consisting of limited work and residency permit renewals and immigration quotas implemented during the 1990s,¹ Spain is considered the most popular country of destination for Latino immigrants (Millman and Vitzthum 2003). Spain also receives a significant immigrant flow from Africa, particularly from Morocco, which is close to the Spanish mainland.

Furthermore, the enlargement of the European Union from fifteen to twenty-five countries in 2004 and to twenty seven by 2007 has also contributed to a significant increase in immigrants coming from the so-called New-EU-12 countries. Immigrants

¹ Since 1993 the Spanish government has maintained a quota system for farm labourers and domestic servants. See Escrivá (2000) for greater details.

from the new-EU-12 countries accounted for only 10 percent of the total immigration flow into Spain in 2004, but today, in 2008, they account for 18 percent of the country's total immigrant population.

This chapter seeks to address the impact of the 2004 and 2007 post-enlargement migration flows on the Spanish labour market. In section 2 we offer a broad picture of the main characteristics of this group of immigrants, their observed skills and their labour market situation. Section 3 compares the labour market situation of these new-EU-12 individuals to that of natives. Section 4 is devoted to the study of the labour market assimilation of these new-EU-12 immigrants in the Spanish labour market. By "labour market assimilation" we mean how their labour market situation changes as their stay in Spain lengthens. We compare their assimilation process with that experienced by other immigrants. Finally, Section 5 presents a summary of the main findings, and discusses some aspects of immigration policy in view of the results.

2. Main Characteristics of New-EU-12 Immigrants in Spain

Table 1 presents the number of individuals born in each of the 12 new EU countries who have lived in Spain in the last four years: 2004 - 2008.

[Insert Table 1]

Taking all individuals together, the first point to note is the significant increase in the incidence of this group within the total number of immigrants. In 2004, New-EU-12 immigrants accounted for about 10 percent of the whole immigrant population, whereas by 2008 the figure has increased to 18 percent. The second interesting issue is that Bulgaria, Poland and particularly Rumania have the highest incidence by far of the New-EU-12 countries. Even though Bulgaria and Rumania entered the EU in 2007, the flow of immigrants from these two countries to Spain has been very significant since

2004. Given the importance of these three countries within the New-EU-12 group – 97 percent of the new-EU-12 immigrants coming to Spain are from one of the three - , we pay special attention to them in our descriptions of the location and situation of immigrants.

Before getting into the individual and labour market characteristics of this immigrant flow, it is interesting to see whether they decide to locate in similar areas or whether individuals from different countries make different decisions regarding their geographical situation. We do this by presenting the geographical situation of each of the main three groups – Bulgarians, Poles and Rumanians – with the locations of the remaining New-EU-12 immigrants aggregated into a single category. Table 2 presents the regional distribution for the three most recent years, 2006-2008, which is the period that we analyse when evaluating the labour market situation of this group of immigrants. Interestingly, the decision on where to locate varies significantly depending on country of origin.

[Insert Table 2]

31% of Polish immigrants reside in Madrid, while the first-choice location by far for Bulgarians is Castille-Leon (over 34 %); finally, over 22% of Rumanians choose to live in Valencia. For the rest of the New-EU-12 immigrants taken as a single group, it can be seen that almost 25% choose to live in the Balearic and Canary Islands. The decision on where to locate has to do with two main issues: first, given their lack of fluency in Spanish, these groups of immigrants need to reside at least initially in areas where other immigrants from their country are already located (networks). Second, it is very likely that networks are created in locations where the probability of finding a job is highest for each nationality, given their skills .

Now let us examine the main individual and labour market characteristics of New-EU-12 immigrants compared with those of natives. Table 3 summarizes the main human capital characteristics, as well as their work status. Information is taken from the 2004 and 2008 Spanish Labour Force Surveys. We present data for the most recent pre-enlargement period (2004) and for the most recent post-enlargement period (2008) in order to assess possible differences.

[Insert Table 3]

Starting with demographic characteristics, it can be seen that the incidence of immigrant women from these countries has increased by 4 percentage points over this 4-year period. In 2008 the proportion of females among these immigrants is similar to that of natives. In addition, the immigrants in this group are younger than natives – as expected – and most of them are married, in a proportion similar to natives.

The vast majority of New-EU-12 immigrants are educated to secondary level (60 % in 2004 and 65 % in 2008). The increase in the percentage of individuals with secondary education has coincided with a decrease of university-educated individuals (from 24 % - similar to natives - in 2004 to 20 % - significantly lower than natives - in 2008). Therefore, there seems to be a change in the compositional structure of the New-EU-12 immigrants who decide to come to Spain. Highly educated individuals from the New-EU-12 countries seem to be less eager to come to Spain now than they were some years ago. It would be very interesting to investigate further the potential reasons for this observed change, but unfortunately we have no information on the underlying reasons why these individuals decide not to come to Spain. One potential reason is suggested below in our examination of the labour market situation and labour market assimilation of this group of immigrants as their stay in Spain lengthens.

The third group of variables depicted in Table 3 describes the labour market situation of individuals from the New-EU-12 countries as compared to natives. The percentage of workers is much higher among immigrants than among natives, reflecting at least partially their lower reservation wage. On the other hand, unemployment hits New-EU-12 immigrants harder than it hits natives. Among workers, type of employment is another interesting feature that reveals information about employment quality. Spain is a country where the incidence of fixed-term contracts is particularly high among young workers. Natives tend to associate such contracts with job insecurity, because on-the-job training is normally lower in jobs with fixed-term contracts than in those under indefinite contracts. However, given that the long-term perspectives of immigrants tend to differ from those of natives, among this group having a fixed-term contracts does not necessarily mean holding a low-quality job. The percentage of New-EU-12 immigrant workers with fixed-term contracts has increased significantly over this 4-year period, coinciding with the practical disappearance of non-written contracts. This change represents a great improvement in job quality for workers, given that non-written contracts do not provide workers with any employment protection². In summary, workers from the New-EU-12 countries have greatly improved their work status, since not only has the proportion of workers with an indefinite contract increased but also (and mainly) there are practically no workers with non-written contracts.

3. Labour market situation of New-EU-12 immigrants as compared with similarly skilled natives

In Section 2 we saw that natives and the group of New-EU-12 immigrants differ in some observable individual, demographic and human capital characteristics. If the

² In principle, non-written contracts are not legal in Spain. However, compliance with the law has been enforced more successfully in very recent years than it was some years ago.

labour market situation of these immigrants is to be compared with that of natives, it is important to control for these observed differences and study the extent to which they persist when immigrants are compared to similarly skilled natives. In this section we analyse two specific issues regarding the comparison of New-EU-12 immigrants and natives: first, we estimate the adjusted propensity to work for all individuals (natives, New-EU-12 immigrants and other immigrants) once demographic, individual, regional and time indicators are taken into account. In addition, New-EU-12 immigrants and other immigrants are disaggregated into Recent (less than 6 years since arrival) and Non-Recent immigrants (more than 5 years since arrival). The results of this estimation are presented in the first column of Table 4.

Second, for workers, we estimate the propensity of having a blue-collar job relative to a white-collar job³. The rationale behind this distinction is that blue-collar jobs have by definition a greater content of manual tasks compared to white collar jobs. The former are generally low-qualified and less desirable jobs⁴. We want to measure the extent to which New-EU-12 immigrants hold more low-qualified jobs than other immigrants and than natives. The results are displayed in column (2) of Table 4.

[Insert Table 4]

In column (1) of Table 4, the dependent variable is set to one if the respondent to the Spanish Labour Force Survey reports that he/she is in work and to zero if the respondent is either unemployed or out of the labour force. The reference group is

³ Specifically, we classify as blue collar jobs the occupations with the following 2-digit ISCO88 codes: 51 (personal and protection service workers), 61 (Skilled agricultural and fishery workers), 71-74 (Craft and related trade workers), 81-84 (Plant/machine operators and assemblers) and 91-94 (Elementary Occupations). The remaining occupations are grouped into the so-called white collar job group

⁴ The incidence of blue-collar jobs among our sample of native workers is 39.5%, compared with 72% of the sample of new 12-EU workers. If we disaggregate workers by education, the incidence of blue-collar jobs is 71% and 79% respectively among workers with primary education, 48 and 74 percent among workers with secondary education and finally, among highly educated workers, the incidence of blue-collar jobs is 12 percent for natives and 63% among New-EU-12 immigrants.

“Natives”, so the coefficient reported in the table must be understood as the difference in the probability of being in work for each particular group of immigrants with respect to natives, once observable individual, human capital and other (regional and time) controls are included. Looking at these coefficients, it can be seen that there is no difference in the probability of being in work for recent New-EU-12 immigrants and natives. If we refer to non-recent New-EU-12 immigrants, we see that their probability of being in work is smaller than that of natives, i.e. non-recent New-EU-12 immigrants are doing worse in terms of employment than their recent counterparts. When we compare this group of immigrants with the rest, we can see that the other recent immigrants are doing better than natives in terms of the probability of being in work. Thus, they are also doing better than recent New-EU-12 immigrants. However, when comparing the probability of being in work for two groups of workers we must consider both supply and demand factors, so it is not possible to infer from this result whether this observed better performance of other recent immigrants when compared to recent New-EU-12 immigrants is due to their lower reservation wage or to a higher demand for other immigrants from the side of employers. The analysis in the next section enables us to take a step forward in that sense.

What about differences in types of job? Column (2) of Table 4 displays differences in the probability of workers holding a blue-collar job as compared to a white-collar job. The reference group is employed natives. When comparing New-EU-12 immigrants with natives, we can see that, once differences in observed individual and human capital characteristics are controlled for, (i) the probability of New-EU-12 immigrants holding a blue-collar job is much higher than that of similar natives, (ii) that probability diminishes if their stay in Spain is long enough (at least 5 years); (iii) when we compare the New-EU-12 group with other immigrants, it can be seen that the

probability of holding manual jobs is much higher for the former than for the latter. This result is telling us that compared with their counterpart immigrants from elsewhere, the New-EU-12 group seem to be more concentrated in manual and hence, low-qualified jobs.

In the next section we look at this result in greater depth in search of a neater idea of the assimilation process that different immigrant groups experience when getting into the Spanish Labour Market.

4. Labour Market Assimilation of New-EU-12 immigrants as compared with similarly skilled natives and other immigrants

So far we have looked at the main features of the overall labour market situation of New-EU-12 immigrants as compared to natives and other immigrants. However, given the observed increasing nature of these immigrant flows into Spain we must look not only at the overall situation but also at their their adaptability to the Spanish labor market as their stay in Spain lengthens. A good understanding of the assimilation process of these workers into the Spanish labour market is, indeed, crucial in the development of social policies facilitating the integration of these newcomers into Spanish society. In what follows, we examine changes in the probability of being in work of New-EU-12 immigrants as well as changes in the probability of their holding a blue-collar job as their stay in Spain lengthens.

To do this we estimate (i) the probability of having a job, and (ii) the probability of holding a blue-collar job relative to a white-collar one for natives and immigrants by allowing for differences in the labour market situation of these New-EU-12 individuals as their stay in Spain lengthens. We do this by including dummy variables that indicate whether a migrant has been in the country for 0, 1, 2, 3, 4, 5 or more than 5 years. Thus,

the immigrant dummy simply reveals the difference between the labour market situations of an immigrant who has been in the country for a particular number of years and that of a native. Assimilation takes in place is the differential situation with a native diminishes as their stay in Spain lengthens.

[Insert Table 5]

The first column of Table 5 reports differences in the probability of working between natives (the reference group) and immigrants. The latter are disaggregated by place of origin (New-EU-12 and others) and by length of stay in Spain. When we compare New-EU-12 immigrants with natives, we observe that the probability of being in work is much lower for newcomers from the New-EU-12 countries than for their native counterparts, i.e. once controls for gender, age, education, region and time have been included. However, this differential diminishes to a great extent as their stay in Spain increases and disappears by their second year in the country. Indeed, New—EU-12 immigrants are more likely to be in work than natives once they have been in the country for at least three years. We can also compare the process of assimilation into the labour market of this group of immigrants with that of other immigrants by comparing the differences in the probability of being in work of each group of immigrants with that of natives. We can see that New-EU-12 immigrants do worse than the others at entry and until they have been in Spain for three years as their differential in the probability of being in work in comparison with natives is bigger. However, differences between New-EU-12 immigrants and the rest disappear once they have been in Spain for at least 3 years. This difference in the assimilation process between New-EU-12 immigrants and others is very likely to be related with language fluency. Most immigrants in the “other immigrants” group are Latinos who speak Spanish, so they do not face the language barrier when trying to obtain work in Spain. After three years of living in

Spain, it is very likely that the language barrier has disappeared, and hence we see that differences among different groups of immigrants in the probability of being in work have also disappeared.

However, differences in the probability of being in work account for the labour market assimilation aspect only from a partial view. Assimilation must take into account only an increase in the probability of being in work as immigrants increase their stay in the destination country, but also for the probability of their “getting a better job” as time passes. Most studies that focus on assimilation into the labour market analyse changes in the wages of immigrants as their stay in the destination country increases. Examples can be seen in Chiswick (1978), Borjas (1985) for the US, Longva and Raaum (2001) for Norway, Hartog and Winkelmann (2002) for the Netherlands, Bevelander and Nielsen (2000) for Sweden, Constant and Massey (2003) for Germany, Wheatly Price (1999), Dustmann (1999, 2000) and more recently Clark and Lindley (2005) for the U.K. However, we have no information on wages for workers in the recent period with which we are working. Instead, we can try to address the issue of whether immigrants obtain better jobs as time passes by comparing the type of jobs that they hold in comparison with their native counterparts. In this vein, blue-collar jobs are, in general terms, less qualified, and we could term them “worse jobs” than white-collar jobs. We saw in the descriptive section that the vast majority of new-EU-12 immigrants are educated to secondary level. Footnote 4 reveals that the incidence of blue-collar jobs among natives with secondary education is 48% , whereas the incidence of blue-collar jobs among similarly educated New-EU-12 immigrants is 74%. The question that we seek to answer is: Do New-EU-12 immigrants tend to change to white-collar jobs as their stay in Spain lengthens? This is answered in the second column of Table 5. As before, the coefficient must be understood as the differential in the probability of

holding a blue-collar job (as opposed to a white-collar one) with respect to a native. The first thing to note is that the probability of newcomers from New-EU-12 countries having a blue-collar job as opposed to a white-collar job is much higher than for their native counterparts. In addition, there does not seem to be any significant assimilation in terms of a change to white-collar jobs as their time in Spain lengthens (except for those who have been in Spain for more than 5 years, but that is a very heterogeneous group). If we indirectly compare the assimilation process with other immigrants in terms of job qualification, we see that although newcomers from different origins seem to behave very similarly, the differential in job qualification between non New-EU-12 immigrants and natives diminishes to a great extent as their stay in Spain lengthens. There is some evidence of “job quality” assimilation for other immigrants, but not for New-EU-12 immigrants. This lack of job quality assimilation might go at least some way towards explaining the fact that the education level of New-EU-12 immigrants is decreasing over time. We saw in Table 3 that the incidence of individuals from New-EU-12 countries with university studies had decreased by 4 percentage points over the last 5 years. If highly educated workers do not see prospects for job quality improvement, they may tend either to stay in their country or choose another EU country where the job prospects are better.

5. What have we learnt? Summary and Policy Conclusions

The 2004 and 2007 EU enlargement has led to a significant increase in the immigration flow into Spain. In 2004 individuals from the New-EU-12 countries accounted for no more than 10% of the whole Spanish immigrant population, but by 2008 they accounted for almost 20 percent of the whole immigrant flow. In 2008, immigrants from Bulgaria, Poland and Rumania account for 97 percent of the New-EU-

12 immigrants. They do not all decide to settle in the same areas of Spain: Bulgarians tend to locate in Castille-Leon, Poles in Madrid and Rumanians in Valencia. The geographical concentration of immigrants by place of origin reveals the importance of networks that can help newcomers on entry into the destination country.

These New-EU-12 immigrants are younger, and the vast majority of them are educated to secondary level. From 2004 to 2008, a decrease is observed in the incidence of highly educated immigrants. Their employment rate is higher than that of natives – partly because their reservation wage is probably lower, but unemployment hits them harder than natives. Another interesting feature of the labour market situation of these workers is that the percentage of workers with non-written contracts has fallen to practically zero. The fact that workers from the New-EU-12 countries have enjoyed job mobility throughout the EU since the EU enlargement seems to be a very important determinant for having a written contract – and hence contributing to Social Security and obtaining job security.

They are less likely to be in work than their native counterparts, and than other immigrants (most of whom are Latinos who speak Spanish), but after a two-year stay in Spain that differential disappears. However, there is no evidence of an improvement in job qualification of New-EU-12 immigrants as compared with other immigrants. This lack of prospects may discourage highly educated workers from these countries from coming to Spain, and encourage them rather to look for other European countries that provide them with better future prospects in terms of job quality.

Our results point to two conclusions from a policy perspective: first, EU enlargement has significantly improved legal immigration from New-EU-12 countries. This is very positive from the workers' viewpoint – they can enjoy the same job security as any native worker – and also from the Spanish perspective – these workers contribute

to Social Security. Second, the lack of employment assimilation in terms of job quality for workers from the New-EU-12 countries may discourage highly qualified workers from entering. Spanish employers are repeatedly pointing to the need for a highly qualified workforce from abroad, but if they do not see good job prospects they may decide to try other European countries that provide them with better qualified jobs. The Spanish authorities should provide on-the-job training for these skilled workers so that they can find adequate job prospects in Spain and decide to stay.

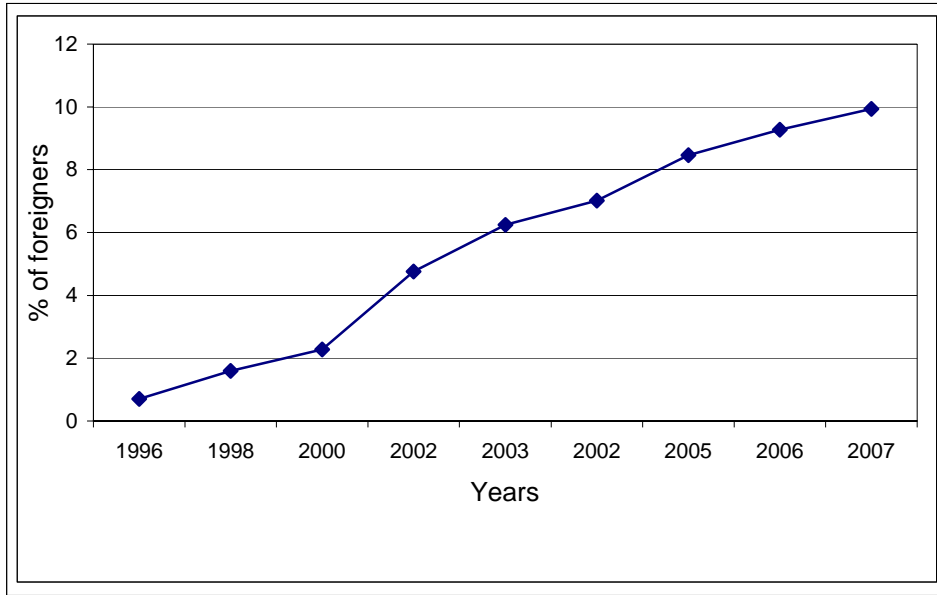
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Figure 1

Trend in Foreigners as a Percentage of the Population of Spain (1996-2007)



* Source: Spanish Padrón Municipal (Spanish Institute of Statistics)

Table 1
Number of individuals born in the New-EU-12 countries living in Spain

| New 12-EU Countries | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Bulgary | 68,795 | 91,265 | 99,083 | 118,478 | 148,822 |
| Cyprus | 146 | 154 | 192 | 211 | 237 |
| Slovenia | 344 | 461 | 572 | 729 | 942 |
| Estonia | 461 | 626 | 750 | 939 | 1,108 |
| Hungary | 2,039 | 2,676 | 3,447 | 4,634 | 6,522 |
| Latvia | 1,113 | 1,377 | 1,680 | 2,021 | 2,380 |
| Lithuania | 9,040 | 12,128 | 15,116 | 17,615 | 19,963 |
| Malta | 137 | 154 | 157 | 182 | 217 |
| Poland | 26,526 | 34,636 | 43,291 | 58,296 | 74,436 |
| Czech Republic | 3,408 | 4,310 | 5,305 | 6,558 | 8,018 |
| Slovakia | 2,387 | 3,405 | 4,342 | 5,673 | 7,078 |
| Rumania | 203,173 | 308,856 | 394,078 | 507,736 | 701,065 |
| All New-EU-12 | 317,569 | 460,048 | 568,013 | 723,072 | 952,788 |
| All Foreign-Born | 3,034,326 | 3,730,610 | 4,144,166 | 4,519,554 | 5,220,000 |

* Source: Spanish Padrón Municipal (Spanish Institute of Statistics)

Table 2
Regional Distribution of New-EU-12 individuals living in Spain (%)

| | Poland | Bulgaria | Romania | Rest of New-EU-12 |
|-----------------------------|--------|----------|---------|-------------------|
| Andalusia | 6.7 | 4.88 | 11.5 | 10.24 |
| Aragón | 3.8 | 2.09 | 10.9 | 3.60 |
| Balearic and Canary Islands | 10.6 | 4.89 | 2.59 | 23.4 |
| Castilla-León | 7.25 | 34.6 | 6.22 | 4.14 |
| Castilla-La Mancha | 10.63 | 8.37 | 14.5 | 2.27 |
| Catalonia | 7.25 | 4.9 | 9.5 | 11.02 |
| Valencia | 9.66 | 18.1 | 22.13 | 18.53 |
| Madrid | 31.4 | 8.4 | 10.9 | 6.10 |
| Other regions | 30.6 | 16.7 | 11.76 | 20.7 |

* Source: Spanish Current Labour Force Survey (2006-2008) - Spanish Institute of Statistics

Table 3
Main characteristics of individuals born in the New-EU-12 countries
as compared with natives

| | Natives | | New-EU-12 countries | |
|---|-----------------|-----------------|---------------------|-----------------|
| | 2004 | 2008 | 2004 | 2008 |
| Female | 0.50 (0.49) | 0.51 (0.49) | 0.48 (0.50) | 0.52 (0.49) |
| Age | 39.7 (13.8) | 41.09 (13.8) | 32.54 (9.37) | 33.16 (10.1) |
| Married | 0.48 (0.50) | 0.56 (0.49) | 0.55 (0.49) | 0.57 (0.49) |
| <i>Education</i> | | | | |
| Primary or less | 0.26 (0.43) | 0.21 (0.41) | 0.15 (0.36) | 0.15 (0.36) |
| Secondary | 0.50 (0.49) | 0.52 (0.49) | 0.60 (0.49) | 0.65 (0.48) |
| University | 0.24 (0.42) | 0.27 (0.44) | 0.24 (0.43) | 0.20 (0.39) |
| <i>Work Status</i> | | | | |
| In work | 0.54 (0.49) | 0.58 (0.49) | 0.70 (0.45) | 0.66 (0.47) |
| Unemployed | 0.08 (0.28) | 0.067 (0.25) | 0.13 (0.33) | 0.14 (0.35) |
| <i>Type of Employment for the Employed</i> | | | | |
| Fixed-term | 0.045 (0.21) | 0.19 (0.39) | 0.04 (0.20) | 0.38 (0.48) |
| Indefinite | 0.56 (0.49) | 0.59 (0.49) | 0.30 (0.46) | 0.43 (0.49) |
| No written contract | 0.11 (0.31) | 0.01 (0.10) | 0.40 (0.49) | 0.001 (0.09) |
| Nº. of observations | 110.839 | 101.798 | 577 | 1567 |

*Source: Spanish Labour Force Survey. Individuals between 16 and 65 years of age.

Table 4
Labour market situation of New-EU-12 individuals as compared with natives

| Independent Variables | Probability of Being in Work (1) | Probability of Working in a Manual Job (2) |
|---------------------------------|--|---|
| Recent New-EU-12 | 0.030 (0.028) | 0.91 (0.04) |
| Non-recent New-EU-12 | -0.12 (0.04) | 0.39 (0.05) |
| Recent Other than New-EU-12 | 0.06 (0.01) | 0.66 (0.01) |
| Non-recent Other than New-EU-12 | -0.07 (0.01) | 0.22 (0.018) |
| Female | -0.68 (0.004) | -0.81 (0.006) |
| Age | 0.23 (0.001) | 0.022 (0.001) |
| Age ² | -0.002 (0.0001) | -0.0003 (0.00002) |
| Secondary Education | 0.24 (0.006) | -0.70 (0.009) |
| University Education | 0.58 (0.007) | -1.80 (0.011) |
| Region Dummies (17) | Yes | Yes |
| Year Dummies (2) | Yes | Yes |
| No. of observations | 358.492 | 192.391 |

*Source: Spanish Labour Force Survey. Individuals between 16 and 65 years of age.

Table 5
Labour market assimilation of New-EU-12 individuals as compared with natives as their stay in Spain lengthens

| Independent Variables | Probability of Being in Work (1) | Probability of Working in a Manual Job (2) |
|----------------------------------|-------------------------------------|---|
| New-EU-12 0 years since entry | -0.22 (0.086) | 0.816 (0.132) |
| New-EU-12 1 years since entry | -0.137 (0.07) | 0.949 (0.106) |
| New-EU-12 2 years since entry | -0.038 (0.070) | 0.800 (0.100) |
| New-EU-12 3 years since entry | 0.168 (0.069) | 0.962 (0.090) |
| New-EU-12 4 years since entry | 0.11 (0.07) | 0.933 (0.091) |
| New-EU-12 5 years since entry | 0.253 (0.071) | 1.017 (0.090) |
| New-EU-12 >5 years since entry | -0.051 (0.037) | 0.469 (0.049) |
| | | |
| Other Immig 0 years since entry | -0.168 (0.046) | 0.808 (0.071) |
| Other Immig 1 years since entry | -0.019 (0.038) | 0.700 (0.055) |
| Other Immig 2 years since entry | 0.079 (0.038) | 0.629 (0.051) |
| Other Immig 3 years since entry | 0.159 (0.036) | 0.678 (0.0471) |
| Other Immig 4 years since entry | 0.099 (0.034) | 0.668 (0.045) |
| Other Immig 5 years since entry | 0.116 (0.032) | 0.660 (0.042) |
| Other Immig >5 years since entry | -0.034 (0.013) | 0.313 (0.017) |
| No. of observations | 358.492 | 192.391 |

*Source: Spanish Labour Force Survey. Individuals between 16 and 65 years of age. Both estimates include indicators for gender, age, age square, education, region dummies (17) and year dummies (2). The reference group is a native individual.