J Popul Econ (2003) 16:707–710
DOI 10.1007/s00148-003-0178-6

Journal of
Population
Economics


# Editorial
# Symposium on "Second-generation immigrants and the transition to ethnic minorities"

European migration experiences of the immediate post war period were dominated by a steady flow from poorer southern and eastern areas to richer northern and western regions. Starting as early as the mid-1970s, however, the direction and composition of immigrant flows changed. The combination of economic growth in some of the poorest traditional source regions, the collapse of Communism, and increased inflows from outside Europe meant that the European Community as a whole moved from a net exporter of migrants to an immigrant-receiving region. As a consequence of the rising inflows most European countries today contain larger immigrant populations than at any time in the past century. Moreover, second-generation migrants – the children of original immigrants – are becoming a sizeable fraction of the younger European population. A casual glance at the social and economic status of second-generation migrants suggests that we are currently observing a process of transition from immigrant communities to ethnic minorities.

Despite the rising numbers of second generation immigrants in Europe, there has been almost no systematic research on their successes or failures in integrating into their host societies. We know very little about why the children of immigrants fare better or worse in some countries, and whether the process of integration has been helped or hindered by alternative policy choices. This symposium of the *Journal of Population Economics* addresses the interplay between the inter-generational progress of immigrant families and the economic and policy environment in Europe. The symposium was organized along two closely connected themes: (1) skill acquisition, labor market entry, and subsequent labor market success; and (2) return migration and integration policy, both from an empirical and a theoretical perspective.

*(1) Skill acquisition and labor market success.* One of the most important issues addressed by earlier work on immigration is the degree to which immigrants' earnings and standards of living reach the level of natives'. Most observers believe that during the 1960s and 1970s – an era of mainly intra-European migration driven by "demand pull" forces – immigrants were relatively successful in integrating into the receiving economies. Apparently this process of assimilation has weakened during the post-1970 period. At the same time, obvious gaps have emerged between the success of the children of immigrants and their native peers. In contrast to the situation in much of Europe, second generation immigrants in the U.S. are perceived as relatively successful. Much of this can be traced to the relatively high levels of education

among second generation immigrants in the U.S. These differences suggest that investment into human capital and the subsequent transition from school to work differ between second-generation migrants and comparable natives or first-generation immigrants.

In her study "Cohort effects in the educational attainment of second-generation immigrants in Germany", **Regina Riphahn** focuses on the educational attainment of German-born children of immigrants. Using German Census data, she shows that the children of immigrants have lower schooling than natives of the same age. She then proceeds to carefully investigate patterns of school attendance. Parental education is identified as an important predictor of enrollment, with the educational attainment of mothers being more important. Even after controlling for observed characteristics, however, a substantial and significant gap remains in completed schooling of second generation migrants. Because of data limitations, it is not possible to tell whether the widening gap for more recent cohorts reflects decreasing opportunities for assimilation or a deterioration in parental backgrounds.

Similar results for the Netherlands are reported by **Jan Van Ours** and **Justus Veenman** in their paper "The educational attainment of second-generation immigrants in the Netherlands". The starting point for the paper is the observation that since the 1960s the Netherlands have experienced a substantial immigration from Turkey and Morocco on the one hand, and from Surinam and the Dutch Antilles on the other hand. Due to relatively low levels of education and language skills (and possibly other factors), these immigrants tend to have poor labor market outcomes. Van Ours and Veenman show that low education levels of the parents' generation also affects the second generation, accounting for much of the gap between second generation immigrants and natives.

The paper by **Helena Skyt Nielsen**, **Michael Rosholm**, **Nina Smith**, and **Leif Husted** addressed this issue for Denmark. Specifically, they analyze both the educational attainment and the early-career employment patterns of second-generation migrants. On the average, these migrants are less successful than young ethnic Danes. Their detailed analysis reveals that parental education is not as important a factor in the educational outcomes of second generation immigrants in Denmark, as inter-generational mobility in educational attainment seems to be larger for immigrants than for natives. Nevertheless, parental education is apparently a very important determinant of subsequent labor market success among second-generation migrants.

In their paper "Unemployment and earnings for second-generation immigrants in Sweden", **Dan-Olof Rooth** and **Jan Ekberg** demonstrate that ethnic background and parental characteristics are important predictors of immigrants' labor market success. This study exploits an unusually rich data source that enables the authors to distinguish a wide variety of ethnic backgrounds and parental characteristics, including whether one, both, or neither parent is foreign-born. Their results show that second-generation immigrants fare worse than native children, with significant differences across ethnic backgrounds. Of particular interest is the finding that the labor market outcomes are more favorable if one parent is native born – especially if the mother is native Swedish.

Taken together, these papers identify education as a key pathway determining the economic prosperity of ethnic minorities, and linking the relative success of first and second generation immigrants. Any understanding of the

position of immigrants in the labor market must therefore be focused on the role of formal education. Moreover, a focus on education provides a key insight into trends in the relative success of immigrant children. Immigration to Europe is vastly different today than in the 1960s. In part because of refugee policies, more and more immigrants originate from non-European source countries, with a growing shortfall in education relative to the native population. Any immigration policy that aims to address the status of second-generation migrants without accounting for the characteristics of the parents' generation is likely to fall short of its objectives.

*(2) Return migration and integration policy*. The composition of immigrant flows with regard to formal education and other traits like motivation or perseverance arises from a complex interplay between opportunity and individual choice. The migration literature has witnessed a long and inconclusive debate about whether first-generation migrants are typically positively or negatively selected with respect to unobserved traits. Importantly, however, many first-generation migrants ultimately return to their origin country. This return migration may be non-random, enhancing or moderating the original patterns. We still know too little about this process, and consequently about the opportunities open to integration policy.

The paper "Children and return migration" by **Christian Dustmann** offers a theoretical and empirical analysis of this issue from a novel perspective. Starting from a stylized model with paternalistic preferences, Dustmann explores reasons for return migration that are motivated by immigrants' concerns about their children. Not only should we expect parental concerns about children to affect the return migration decision: we should also expect that a child's gender affects the decision. Since a child's gender is essentially random, the gender composition of an immigrant family provides a novel exogenous variable that can be used to study return migration behavior. Using data from the German Socio-Economic Panel, Dustmann finds that return intentions of immigrant in Germany are indeed affected by the presence of children and by whether there is a girl in the family.

Placing the return migration issue into a wider perspective, **Slobodan Djajic** offers a comprehensive discussion of assimilation research in his paper "Assimilation of immigrants: Implications for human capital accumulation of the second generation", with a particular emphasis on the asymmetries between the assimilation of first- and second-generation immigrants, and the ensuing implications for integration policies. He demonstrates that the pace of assimilation might be related positively as well as negatively to the human capital accumulation of the second generation of migrants. Generally, integration policy needs to take several dimensions of assimilation into account.

In summary, we believe that the papers in this symposium deepen our understanding of the interplay between immigrants' educational attainment and economic performance. Moreover, the education of immigrants has a direct and lasting impact on the economic and social integration of their children. This result has a number of important lessons for immigration policy. Most importantly, countries that manage to attract better-educated immigrants are more likely to experience a well-integrated and economically successful second generation. In addition, there is an often overlooked feedback from the second to the first generation. Forward-looking migrants

have to be concerned about the potential success of their children in the host country. Thus, countries attempting to attract immigrants must be prepared to offer opportunities for their children.

No doubt the papers here will stimulate further research in the area and further the debate on the formulation of European migration policy. To the extent that the lessons that have emerged so far are heard, we believe they can be instrumental in fostering an informed and rational approach to migration policy and minority integration.

*David Card*, University of California, Berkeley

*Christoph M. Schmidt*, RWI-Essen and Ruhr-Universität Bochum