

How common is integration policy in Europe?

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The Lisbon Strategy (named after the European meeting in Lisbon in the spring of 2000) states that before the year 2010, the EU shall become the most competitive and dynamic knowledge-based economy in the world, with the possibility of sustainable economic growth, with more and better work opportunities and a higher degree of social solidarity. It is crucial for the chances of EU reaching this goal that more people become employed. The problem is that many people are still outside the labor market, in particular those who have a foreign background. The integration of these individuals is thus crucial for reaching the Lisbon goals and European integration policy must play a more important role in Europe. How can individuals with a foreign background be integrated on the labor market? Do we need a common integration policy in Europe in order to reach this goal? Does it matter if integration policy differs between various countries? Of what importance is it for Europe that we differ in this area? Can we not learn from each other's experiences? The aim of this chapter is to answer these questions by emphasizing the importance of ethnic identity when implementing an integration policy.

Integration is in many cases used as a conceptual antithesis to the concept of segregation. The concept can be used both at the level of society and at the individual level. A society can both be described as more or less integrated and the individual (or groups of individuals) can be more or less integrated. In this chapter, we consider integration as something that only concerns minority groups in society in their attempt at being accepted by or adjusting to majority society. We will study *cultural integration* which concerns whether the basic norms and values of majority society are adopted by existing minority groups and whether there is an openness of majority society towards existing cultures within the minority groups. We will also study *economic integration* which measures how minority groups enter the labor market. In this chapter, we define "immigrants" as those individuals who have a foreign background, notwithstanding if they were born abroad or in the country to which their parents had immigrated before they were born.

An integration policy has two aspects. The first (cultural integration) has a *direct* effect on the behavior of immigrants towards the new country, in particular on how these immigrants want to be integrated. The second (economic integration) affects the integration of immigrants through the labor market in an *indirect* way.

The first aspect of integration policy (i.e. cultural integration) means that a government affects immigrants' identity. Immigrants often have a relationship with at least two cultures, their ethnic cultural background (the minority culture) and the majority culture in the country where they live. Different European countries have different views of their "direct" integration policy and in later years, there has been a marked change in the attitude to the question of diversity (integration) versus assimilation. Certain countries consider it to be a successful integration policy when immigrants leave their cultural background and are "assimilated" into the new culture. The French model is an example where one would like to assimilate rather than integrate. Belgium, Denmark, the Netherlands and Germany share such a view of the integration of immigrants. An obvious example of a "direct" integration policy is the French law on religious symbols at school. Since the fall of 2004, religious symbols have been forbidden in French schools. This means that Muslim girls are no longer allowed to wear veils at school. But such a law forces immigrants to leave their original culture and choose the French culture.

Other countries consider that a successful "direct" integration policy is that immigrants can keep their original culture while also accepting the new culture (or at least not rejecting it). This is the British model. An example of a direct integration policy according to the English model is when one wants to have an influence on immigrants' knowledge of the country's language. All European countries have an introductory program which targets recently arrived immigrants. Language instruction is an important part of this. By improving their knowledge of the language, immigrants are assisted in becoming more quickly adjusted to the new country without abandoning their own culture.

The integration of immigrants can also be affected by a labor market policy (i.e. economic integration). An example of this is Sweden, which implemented a policy targeting recently arrived immigrants in 2007, i.e. so-called *instegsjobb*. The policy means subsidized employment within the private or public sector for individuals seeking asylum who have received a residence permit, quota refugees and relatives of these groups during the first 18 months after having received a residence permit

Naturally, there is a connection between the two integration measures (direct and indirect). For example, by rejecting the majority culture in the country where they live, immigrants might find it difficult to enter the labor market. Thus, we will here study the connection between ethnic identity and the labor market outcomes of immigrants. We want to see

whether there is a price that must be paid when rejecting the majority culture. We also want to see whether it is possible for immigrants to keep their ethnic cultural background while adopting the majority culture of the country where they live and still get by on the labor market.

The chapter is structured as follows. In the first part, I describe the labor market situation for individuals in most European countries. We will see that immigrants' position on the labor market is weaker than for natives. There are different explanations for this such as discrimination, insufficient knowledge of the language, low education, segregation, insufficient access to those social networks where many positions are filled, etc. Then, I focus on an important aspect of these explanations: Is the individual's choice of identity affected by the integration policy? Accordingly, I will study whether integration policy can affect the labor market outcome of immigrants. "Ethnic identity" is defined in the following section and I study what influences this individual choice. Section 4 studies the connection between ethnic identity and the labor market outcome of immigrants in different European countries (Britain, Germany and Sweden). Section 5 describes different integration policies that were implemented in different European countries. We will see that Europe does *not* have any common integration policy. In this section, I claim that the living environment is the most important link between the direct and indirect integration policy. A successful integration policy must thus take the living environment and not necessarily the labor market as its starting point. The chapter concludes with a description of different integration measures that were implemented in various European countries but also in the US.

The labor market situation of immigrants to Europe

In all European countries, immigrants find it hard to enter the labor market. The labor market in itself is decisive for how individuals who have immigrated are integrated in their new countries. Immigrants generally have a weaker position on the labor market than natives. This is clearly shown in Table 11, which indicates the relative position of immigrants on the labor market in 11 European countries.

In all countries, unemployment is larger among individuals who have immigrated than for the native population. There are large differences between countries, however. In Sweden, for example, more immigrants are 2.5 times more unemployed as compared to the natives. The corresponding figure for Britain was 1.67 in 2004. With some exceptions, labor market participation and the share of employed are also lower for individuals who have immigrated. Denmark stands out as the country where the labor market participation of immigrants and their share of the employed are the lowest as compared to the native population. Also Sweden belongs to the group of countries where the situation of immigrants on the labor market is relatively weak overall. Other countries where immigrants have a particularly weak position on the labor market as compared to natives are the Netherlands, Belgium and, to a certain extent, Finland.

Table 1: The labor market situation for immigrants as compared to natives in some European countries, 1995, 2000, 2003 and 2004, 16-64 years.

	Labor market participation Ratio immigrant/native				Unemployment Ratio immigrant/native				Employed Ratio immigrant/native			
	1995	2000	2003	2004	1995	2000	2003	2004	1995	2000	2003	2004
Austria	1.06	1.05	1.04	0.97	1.66	2.06	1.89	2.56	1.03	1.00	0.99	0.90
Belgium	0.87	0.88	0.85	0.91	2.87	2.68	2.66	2.39	0.73	0.79	0.75	0.82
Denmark	0.64	0.66	0.65	0.67	3.23	2.65	2.24	2.39	0.53	0.61	0.62	0.62
Finland	0.86	0.95	0.93	0.91	1.54	2.65	1.75	2.51	0.76	0.76	0.85	0.76
France	0.92	0.91	0.91	0.93	1.92	2.18	2.20	2.01	0.81	0.80	0.80	0.83
Germany	0.93	0.90	0.90	0.88	2.00	1.71	1.82	1.77	0.86	0.85	0.82	0.81
Ireland	0.94	0.95	0.96	0.94	1.50	1.47	1.46	1.53	0.88	0.93	0.94	0.92
Netherlands	0.76	0.77	0.81	0.78	3.60	2.79	2.79	2.25	0.62	0.73	0.76	0.74
Spain	1.11	1.09	1.15	1.14	1.00	1.11	1.34	1.23	1.11	1.07	1.10	1.11
Sweden	0.80	0.81	0.86	0.87	2.55	2.87	2.51	2.57	0.70	0.73	0.79	0.78
Britain	0.86	0.86	0.88	0.90	1.68	1.84	1.69	1.67	0.81	0.82	0.85	0.87

Source: Processed statistics from OECD (European Union Labour Force Survey, population 15-64 (data from Eurostat) except Denmark (population register)).

In this chapter, I will also discuss why immigrants have such a hard time entering the European labor market. There are many explanations but I will focus on how integration policy in Europe can affect this outcome. In particular, I wish to illustrate how *cultural integration* (i.e. choice of ethnic identity) and *economic integration* affect the labor market position of immigrants and the relationship between these two.

Cultural integration. What affects ethnic identity?

Let us start with cultural integration and ask how we define ethnic identity. There is an interesting literature in psychology that tries to identify the concept of identity for immigrants. The Canadian professor John W. Berry has developed a *two-dimensional structure* for cultural adjustment where the identification with the majority culture and the minority culture are treated as separate concepts. This gives a flexible identity model where individuals are, for example, given the possibility of simultaneously identifying with both the majority culture and cultural background. Four cultural identities are identified in this structure (see Figure 1):

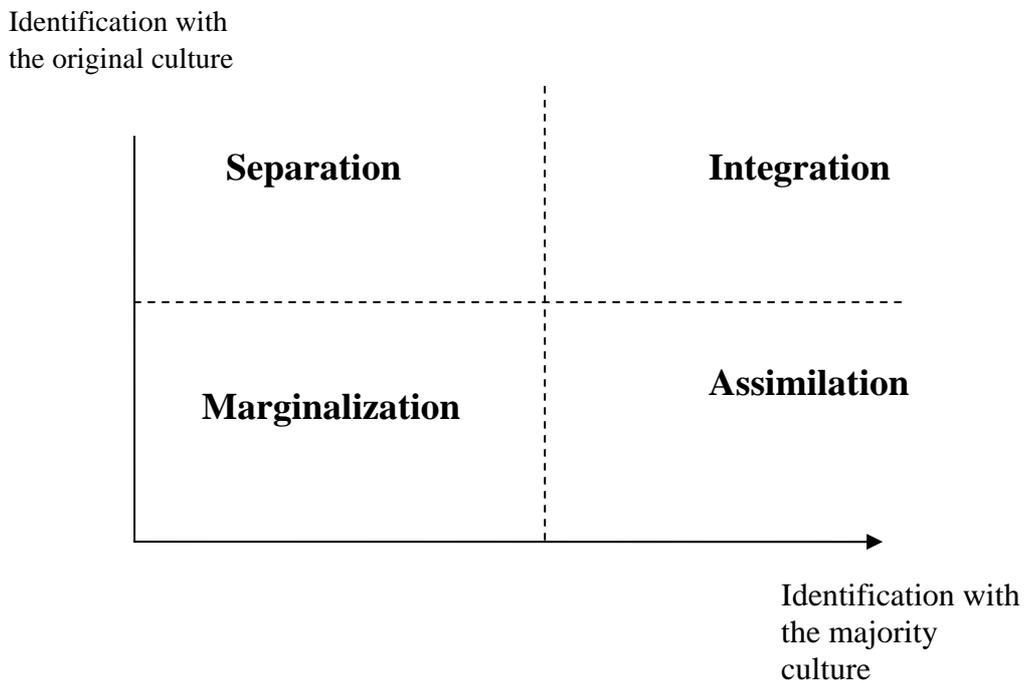
Assimilation (A) which means a strong relationship with the majority culture but a weak relationship with the original culture;

Integration (I) which means close ties with both the original and the majority culture;

Separation (S) which means a weak connection with the majority culture but a strong connection with the original culture;

Marginalization (M) which means a weak connection with both the majority and the original culture.

Figure 1: two-dimensional definition of ethnic identity



Using this definition, we can give a more detailed explanation of “direct” integration. For the French model, this means that immigrants must become assimilated and accept model “A” (Assimilation) above. For the British model, identity “I” (Integration) is encouraged. Note that neither cultural identity “S” (Separation) nor “M” (Marginalization) is emphasized by an integration policy.

Ethnic identity can be affected by different factors. *Social norms* and *group pressure* are two of these. One usually talks about the establishment of social norms, i.e. a set of rules that prescribes how individuals should act in order to belong to a given group or society and that these norms have an effect on how individuals experience the cost and benefit of various decisions and actions. There are studies of how the individual’s environment in childhood and the housing area affect the individual’s dependence on social security, unemployment and choice of education but also ethnic identity. In particular in environments where exclusion has been a feature of people’s daily lives for a long time, social norms might develop that go as far as saying that an individual who acts in a target-oriented way in order to improve his/her chances in life fails the ideals of the group. In the US, it has been noted that certain black pupils living in inner cities choose to adopt an *oppositional identity*, which means that they

reject behavior that they consider to be expressions of the white culture and its social norms. Being successful at school becomes synonymous with *acting white*. Thus, group pressure is created which means that young talented people with a strong potential at school withhold their achievements. This behavior corresponds to cultural identity “S” (i.e. separation) which means a weak connection to the majority culture but a strong connection to the original culture.

Parents are crucial for developing the identity of their children by raising, educating and transferring knowledge, norms and values. The decision to move to another country and another cultural environment is a drastic way of affecting the growth and future of one’s children. In the new environment, there is a change in the conditions and the driving forces of the parents’ willingness and ability to transfer knowledge, norms and values that affect the children’s success on the labor market in the new home country. Language, religion, norms, values and behavioral codes are country- or region-specific to various degrees and, in certain cases, even specific for a certain block. This ethnic, cultural and /or social capital is part of an individual’s identity. This means that *housing segregation* affects ethnic identity. It is well-documented that in most European countries, there is a clear ethnic segregation with high unemployment and an extensive dependence on subsidies in areas dominated by immigrants and minorities. Due to isolation, individuals do not acquire a sufficient knowledge of the language in the country where they live in the way they would if housing were more integrated. Moreover, those who live in immigrant-dense areas are discriminated against and have few contacts with employers on the regular labor market. Discrimination, housing discrimination or other barriers to entry on the labor market can thus have long-run consequences. Through the formation of social norms, the development of individuals’ identity and the cultural transmission of families can be expectations of bad labor market expectations, whether correct or not, and they can be self-fulfilling and serve to reinforce themselves.

We shall now discuss how these different factors affect ethnic identity (defined in Figure 1) in some European studies.

In a study from 2008 together with Harinder Battu, I analyze what affects ethnic identity in Britain. Tables 2 and 3 present the shares of various immigrant groups that have answered

questions about their relationship with the majority culture (Table 2) and with their cultural ethnic background (Table 3).

Table 2: In many ways I think of myself as British (%)²

	Caribbean	Indian	African Asian	Pakistani	Bangladeshi	Chinese
Strongly agree	20.09	13.98	25.79	22.53	14.23	10.00
Agree	37.77	43.69	45.28	37.55	41.90	38.00
Neither	8.30	13.40	10.69	16.21	20.55	11.00
Disagree	24.02	23.30	16.04	15.22	18.58	33.00
Strongly disagree	9.83	5.63	2.20	8.50	4.74	8.00
Number	458	515	318	506	253	100

From these tables, it appears that slightly more than 55 percent of all groups (except the Chinese) agree with the statement that they consider themselves to be British. The group that mainly identifies itself with those who are British is “African-Asian” (71 percent) and the group that identifies itself the least is “Bangladeshi” (56 percent).

Table 3 confirms that there is a strong ethnic identity among immigrants. More than 80 percent of all groups agree that they are firmly connected to their original culture. Thus, while there is a significant number of immigrants that do not consider themselves to be British, this is not the case when it comes to their original culture and identity. If we use Berry’s classification (Figure 1), this means that most immigrants in Britain have a cultural identity “integration” or “separation”.

Table 3: In many ways I think of myself as[Respondent’s ethnic group] (%)

	Caribbean	Indian	African Asian	Pakistani	Bangladeshi	Chinese
Strongly agree	49.89	39.81	43.71	44.36	49.61	53.00
Agree	34.06	47.57	42.14	41.78	44.09	40.00
Neither	6.50	7.18	8.80	9.70	2.75	1.00
Disagree	7.59	4.85	4.72	2.57	3.15	4.00
Strongly disagree	1.95	0.58	0.63	1.58	0.39	2.00
N	461	515	318	505	254	100

² “African Asian” are Asian individuals who come from Africa.

Table 4 shows another dimension of identity, marriage and, in particular, attitudes to mixed marriages. Mixed marriages are considered to be a measure of social assimilation. On the other hand, certain ethnic and religious groups consider mixed marriages as a threat that undermines ethnic identity. A considerable part of the three South Asian groups considers that they are very highly opposed to mixed marriages, where the Pakistani population was most negative (37 percent were against mixed marriages). A majority of the other groups was not against mixed marriages. Among Caribbeans (8 percent), African Asian (13 percent) and Chinese (7 percent), most people have nothing against mixed marriages.

Table 4: If a close relative were to marry a white person (%)

	Caribbean	Indian	African Asian	Pakistani	Bangladeshi	Chinese
Would not mind	82.43	51.87	66.25	38.61	49.60	84.69
Mind a little	6.51	10.02	11.04	11.09	9.20	6.12
Mind very much	8.24	27.89	13.56	36.83	33.20	7.14
Can't say	2.82	10.22	9.15	13.47	8.00	2.05
N	461	509	317	505	250	98

Oppositional identity means that an immigrant rejects behavior that he/she considers to be an expression of the white culture and its social norms (see the above). By what is this then determined? A person with an oppositional identity is defined in accordance with Table 5:

Table 5: Oppositional identity variables

Variable	Description	Mean	Std. Dev.
Non British	1 if strongly disagree that in many ways I think of myself as British, 0 if neither agree or disagree, agree, disagree, strongly agree and can't say.	0.067	0.250
Own ethnicity	1 if strongly agree that in many ways I think of myself as being of the original ethnic group (e.g. Indian, Pakistani etc), 0 if neither agree nor disagree, agree, disagree, strongly disagree and can't say.	0.456	0.498
Against mixed marriage	1 if mind very much if a relative marries a white person, 0 if does not mind, mind very little and can't say.	0.190	0.392
Oppositional identity	1 if extremely oppositional (at least two of "Non British", "Own ethnicity", or "Against mixed marriage" equal to one), 0 otherwise	0.0867	0.2815

From Table 5, it appears that 8.67 percent of the ethnic individuals are very oppositional (i.e. they “strongly disagree that in many ways they consider themselves as British”, they “strongly agree that in many ways they think of themselves as being of the original ethnic group”, and “they mind very much if a relative marries a white person”).

Let us now study how the degree of oppositional identity varies with the different factors presented above. It is more likely that immigrants who have been subjected to racial attacks have a more negative attitude to British culture and everything that is related to it, such as for example mixed marriages. But it does not reinforce the affiliation with the own group. There is a positive relation between arranged marriages and oppositional identity. To be married to someone from a different culture is a sign of accepting the white norm and considering oneself to be British; something which is less popular among people who have made arranged marriages.

A good knowledge of the language is crucial for the choice of identity. In particular, those who speak fluent English seem to have a less oppositional identity. Language control helps individuals in adopting the majority norm values in the choice of identity. It is less likely for a person who was born in Britain to develop an oppositional identity. The longer an individual remains in Britain, the smaller is the probability that he/she rejects the British culture.

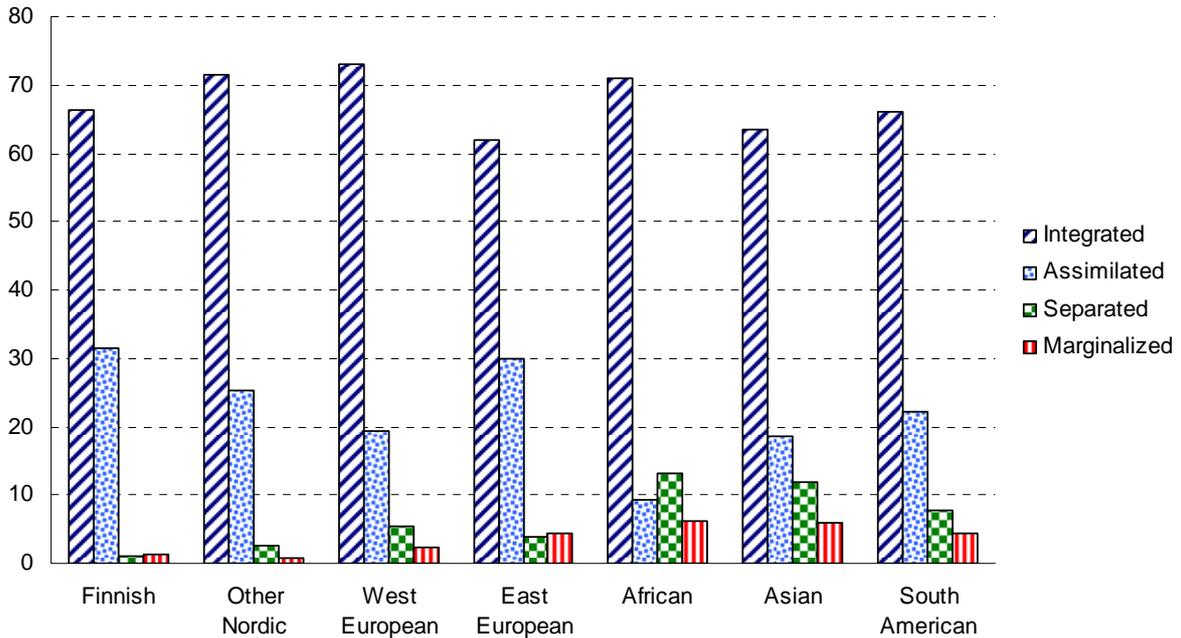
Finally, *housing segregation* plays a crucial role for ethnic identity. Those who live in immigrant-dense areas (more than a third of the local population in areas that belong to the same ethnic group) do have a higher probability of being oppositional. They do not feel British and have a strong identification with their cultural background.

The connection between housing segregation and ethnic identity is an important aspect of integration policy. If an individual with a foreign background lives isolated from people in the majority group, it is difficult for him/her to become integrated. The incentives to learn the language are small and “local” social norms are strong. This means that there is a high probability that this individual will be “separated” (see Figure 1) and be outside the labor market. The living environment is thus crucial for a person not to reject the majority culture and this must be taken into consideration in a successful integration policy.

There is an interesting study by Amelie Constant, Liliya Gataullina, and Klaus F. Zimmermann which studies the degree of minority identity and German identity among foreign-born in Germany. The study finds that education that has been acquired before immigration has a negative effect on how immigrants identify with German culture while

education that has been acquired after immigration is of no importance. A similar study by Laura Zimmermann, Klaus F. Zimmermann and Amelie Constant examines how identity emerges among foreign-born individuals in Germany. Just like in Britain, the results show the age when immigrating to be of importance. Younger immigrants identify more strongly with German culture by showing a higher degree of integrated or assimilated identity as compared to older immigrants. At the same time, it is shown that individuals who have acquired a higher education before immigrating rather have an integrated than an assimilated identity (see Figure 1). Education before immigration thus seems to be related to a stronger desire to keep the connection with the original culture. Finally, it appears that the probability of belonging to a certain category of identity depends on national background. Turkish immigrants, for example, have the weakest connection to German culture while the connection is strongest for Spanish immigrants.

There is a new study by two Swedish researchers, Lena Nekby and Magnus Rödin, which has analyzed the question of ethnic identity in Sweden. Figure 2 shows the share of assimilated, integrated, separated and marginalized individuals for various national background characteristics. From Figure 2, it appears that integrated identity (I) is the most common in all groups. The share of assimilated is largest among those with a Finnish and Eastern European background, while the share of separated and marginalized is highest in the groups with non-European backgrounds, even if the share of marginalized is small in all groups. It also appears that when the distribution among the four categories of identity in the respective background group is studied with the division into native and foreign born, respectively, the differences are only marginal. This indicates that being born inside or outside Sweden is of no major importance for to what category of identity an individual belongs.

Figure 2: Distribution of Acculturation Identities, by (Aggregated) National Background

Source: Nekby and Rödén (2007).

The results for all individuals also show that the feeling of togetherness with the Swedish majority culture is not systematically connected to the probability of feeling a strong connection with the minority culture. This means that the identification with the cultural background does not differ between those who consider that they have a connection with Swedish culture and those who do not. Apart from this, there are no other systematic differences between different national groups. Other demographic characteristics show no relationship with the strength of the minority identity; thus, there are no differences between those immigrants who were born in Sweden and those who were born abroad. Above, we have seen that there is a relation between the period of residence in the country and identity in both Britain and Germany. There is no such connection in the study by Nekby and Rödén. This might be due to the fact that those foreign born who are included in the study have immigrated to Sweden at a relatively early age and thus had a long period of residence in Sweden at the point in time when the survey was made. Finally, they find that having completed secondary school is significantly connected with closer ties with the minority culture.

Altogether, different factors can be identified that affect ethnic identity in different European countries. In particular, we have seen that housing segregation plays an important

role for ethnic identity. I now wish to continue by illustrating how ethnic identity affects the economic integration of immigrants.

Economic integration: How does ethnic identity affect labor market outcomes in Europe?

Few studies have studied the connection between ethnic identity and labor market outcome for individuals with a foreign background. Below, we will analyze this connection from the starting point of the few studies of Britain, Germany and Sweden that are described above.

How high a price must immigrants pay who choose an oppositional identity? The idea is that white people have a better network of contacts, which leads to those non-whites choosing to identify with the majority culture and interacting with those who are white having a better chance of employment as compared to those non-white who reject the majority culture in favor of cultural background. My study with Harinder Battu from Britain shows that non-white who are strongly opposed to a British identity (see Table 1) have a lower probability of being employed. They actually have a seven percentage point lower possibility of being employed as compared to those who are not oppositional. However, there is no “penalty” on the labor market for individuals strongly identifying with their cultural background. There is also a cost of being against mixed marriages; people who care about whether a close relative would like to marry a white person also have a lower probability of being employed.

In two studies, Klaus F. Zimmermann and his co-authors have studied the connection between the categories of identity as these are defined in Figure 1 (i.e. integration, assimilation, separation and marginalization) and the probability of being employed in Germany. They find no systematic differences in employment between assimilated and integrated men, but they do between assimilated and integrated women, at the advantage of the latter. At the same time, the results show that the probability of being employed, independent of sex, is significantly lower for those who are separated and marginalized as compared to those who are assimilated. This can be interpreted as a strong minority identity not having any negative effect on the chances of being employed, given that it is combined with a strong majority identity.

Just like the identification with the German majority culture can increase the probability of being employed, being employed might increase the feeling of affinity with German culture. Results showing that those who identify with the majority culture are employed to a larger extent might simply be due to these individuals having had a good labor market situation in a historical perspective. First, this might have increased the probability of identifying with the majority culture and second, it might have increased the probability of future employment.

We shall proceed with an analysis by Lena Nekby and Magnus Rödin who have studied the relation between cultural identity and employment in Sweden. The results show that there are only small differences in employment between individuals with an integrated identity and those with an assimilated identity. Those who are integrated have a three percentage point lower chance of being employed as compared to those who are assimilated. But individuals with the separated identity have considerably lower chances of becoming employed and an eight percentage point lower probability of being employed than those who are assimilated. The differences in employment between different cultural identities are a male phenomenon. The results for men are similar to those that apply for the whole group while the results for women do not show any systematic differences between the different cultural identities as concerns employment. The differences among men are small between the integrated and the assimilated identity while the separated identity has considerably lower chances of employment (9.5 percentage points) as compared to the assimilated identity.

All studies imply that there is a strong identification with the majority culture that is important in order to succeed on the labor market and that the degree of identification with the cultural background is less important. Since housing segregation affects ethnic identity, there is a strong relation between segregation and economic integration. Together with Olof Åslund and John Östh, I have shown that those immigrants who became located in areas with a lack of jobs located close by in 1990-91 had a lower level of employment in 1999. Thus, there is a long-run effect of being located in a certain type of environment since having a short distance to jobs affects the possibility of becoming employed. The living environment is crucial and the aim of an integration policy should be to avoid segregation and instead achieve more mixed housing. The result might be that more immigrants become employed.

Integration policy in Europe

We have now come to the main question. How common is European integration policy? We have seen how an ethnic identity is determined (cultural integration) and how it affects the labor market outcome of immigrants (economic integration). I will now present the different measures of integration that have been implemented in Europe and discuss how housing segregation or ethnic identity are affected by these measures.

The introductory programs mainly target newly arrived immigrants. In Germany and the Netherlands, immigrants who have lived in the country for a long period of time can also be allowed to participate in the program. There are variations among countries as concerns the target groups. In most countries, certain groups of recently arrived immigrants are exempt from the right to an introductory program. In Sweden, all recently arrived immigrants have the right to language instruction. Language instruction has become increasingly extensive for the individual to be considered to have fulfilled sufficient requirements for knowledge of the language. In Germany and the Netherlands, 600 hours of instruction are offered, in France 400 hours and in Norway 250 hours. In Sweden, the recommended number of hours is 600 but the instruction can be extended if required. In Denmark, 15 months of full-time studies are considered as necessary to meet the language requirements.

In the year 2000, the European Communities (EC) adopted two laws (so-called directives) aimed at preventing people in the European Union from being exposed to discrimination due to race or ethnic origins or due to religion or conviction, disability, age or sexual orientation. The two directives establish a number of principles that give everyone in the EU a common legal minimum protection against discrimination.

One way of decreasing the risk for discrimination in working life is to use an anonymous hiring procedure. By de-identifying the application, there is an increase in the possibility that a person with a foreign name or background gets the chance of coming to an interview and thus, there is an increase in his/her chances of employment. A test using anonymous applications is carried out in the public sector in Sweden.

Many European countries try to integrate immigrants by subsidizing their jobs on the labor market. Such a policy was implemented in Sweden in 2007 with so-called *Instegsjobb* for recently arrived immigrants. The goal of *instegsjobb* is that recently arrived immigrants are to get a job more quickly and become established on the labor market by reinforcing the incentives for employers to hire. *Instegsjobb* mean that the government covers 75 percent of the salary cost for private employers and public employers who run a business activity. For other public employers, the level is 50 percent.

We have seen examples of different measures in Europe that try to help immigrants become integrated. But as we have stated in the introduction to this chapter, it is an important part of the integration process that both cultural integration (identity) and economic integration (labor market) are successful – in particular because these are so closely connected. We have previously seen that the living environment plays an important part for immigrants' possibilities of becoming integrated in society and that it has a large influence on the choice of identity since this is where social norms are formed and where they are influenced by friends (group pressure). In segregated areas (where most immigrants live), there is a lack of those social networks that are required for an efficient matching of immigrants and employers. In those areas, norms and values are also developed that have a negative effect on the interest in education, work and integration. A successful integration policy requires a stronger focus on the segregated living environments that form the views of immigrants on their chances in life. Using this as a starting point, I now wish to present a policy that was first implemented in Britain and then in France (but also in the US), which takes housing segregation seriously by vitalising those areas where immigrants have become trapped as outsiders.

The goal of an "Enterprise Zone" (EZ) program is to revitalize depressed local areas. They have existed for a long period of time in both the US and Britain. Lately, EZ programs have been implemented in France (*Zones Franches Urbaines*) and Italy (*Area Contracts*). What is common for these programs is the supply of tax relief and other subsidies that target depressed areas.

The term EZ was first developed in Britain at the beginning of the 1980's. The goal was to revitalize depressed areas that could not get on without help. In 1990, there were 3 000 firms in nine EZ that generated more than 74 000 jobs. A third of the jobs were from the industrial

sector. In 1998, there were 32 EZ in Britain. In France, such a policy was implemented for the first time on November 14, 1996. There are 44 ZFU in France. The policy has generated more than 50 000 jobs each year in the period 1997-2001 in program areas that affect about 800 000 people. This government support policy does not conflict with the EU laws, exactly like the common agricultural policy.

The aim of the policy is to tempt firms to become established in segregated areas. Politicians make a survey of all depressed areas with certain characteristics such as: high unemployment, considerable poverty, a high level of criminality, a large number of young people without education. All firms that become established in these areas are exempt from tax (pay-rolls taxes) during a certain period (typically five years). The idea of this policy is to decrease the “distance” (both physical and social) between immigrants and firms and help immigrants enter the labor market. In return, each firm must hire 20-30 of their employees from the local population. The policy means that those firms that become established in these depressed areas receive a tax relief during a pre-defined period of time. In exchange, at least 20 percent of the local population must be hired by each firm.

As compared to the above-mentioned measures that are being implemented in Europe, (introductory programs, measures against discrimination, subsidies to firms that hire immigrants) this policy is successful (Enterprise Zone Programs) in influencing both cultural and economic integration. Those immigrants who get a job do not leave their housing since their jobs are in the area. Moreover, they might serve as *role models* for other immigrants who do not have a job and for immigrants who live there. This affects social norms and ethnic identity. This is an important aspect of an integration policy since it has been observed that people often leave the segregated area as soon as they get a job. This means that there is a continuous deterioration in the area. In the US, an increasing number of black people have become employed (there is now a stable black middle-class in the US) but, at the same time, those segregated areas where most black people live have become increasingly worse as concerns unemployment and criminality. The challenge concerns those norms and values that are developed in environments where people have lived as outsiders for a long period of time. When generation upon generation sees that their chances in life are lost, there is a decrease in their willingness to become educated, look for jobs and be able to support themselves.

The integration of citizens of third countries who live and work in the EU has become an increasingly important issue in the last few years. During the council meetings (legal and domestic questions) in 2002, it was decided that a network of national contact points within the area of integration should be created and this was confirmed during the council meeting in June 2003 and the commission was appointed the task of creating yearly reports on migration and integration. In its message on immigration, integration and employment, the commission is trying to get an overall grip of the issue of integration. The first issue of the handbook on issues of integration for decision-makers and those who work with integration issues in practice was published in November 2004 (*Handbook on Integration for policy-makers and practitioners*). Integration is a major issue within several of the EU policy areas. If there is a successful integration of immigrants on the labor market in an efficient and responsible way, this would be an important contribution to the Lisbon goal.

There is thus a *common agenda (or EU directive) for integration policy* – a framework for the integration of citizens of third countries in the European Union – but there is *no common integration policy* in Europe.

While there is now a great willingness to carry out a common *migration policy* in Europe (on October 16, 2008, all presidents and prime ministers from the EU have signed the European pact for immigration and asylum which contains commitments within the following areas: legal immigration, illegal immigration and returning people, border control, asylum and partnership with third countries and the promotion of synergies between migration and development) there is a smaller interest in a common *integration policy*. But do we really need a common integration policy in Europe? Maybe not. How can countries like France and Britain which have 50 years of experience of immigration from countries outside Europe from the old colonies carry out a common integration policy with such countries as Sweden, Poland or Italy where immigration from countries outside Europe is a relatively new phenomenon? My point here is that even if we do not need a common integration policy in Europe, the latter can learn from the mistakes and success of the former. We have seen that the connection among housing segregation, ethnic identity and labor market outcome is crucial but I claim, however, that a policy like “enterprise zone program” might work quite well in other countries than Britain or France for measures in all of Europe.

European countries can also learn from integration policy in the US. A policy that was never implemented in Europe and that has existed in the US since the 1960’s is called

“Moving to Opportunity Program”. Its aim is to promote the chances in life for young people in segregated areas. The programs have been implemented in large cities like Boston, Chicago, Los Angeles and New York and mean that families in areas with high unemployment and poverty are given the possibility of moving to areas with a higher level of gainful employment and education as well as better schools and education. The program is optional and covers families that live in an area where more than 40 percent of the population are defined as poor. The government covers the additional cost that emerges when the family is to change from cheaper to more expensive housing. Those young people who have been involved in the program have completed their schooling to a larger extent than their friends, have applied to higher education and have continued their studies at the university. Thus, role models are created in groups that would otherwise be doomed to be losers on the labor market. In the US, there is also a program called “Busing”. In these programs, gifted pupils from depressed areas receive support from their municipalities in order to be able to go to schools and get educations that are characterized by a willingness to work and a positive view of achievements. The projects have shown that there has been an improvement in the pupils’ grades and that most of them have continued their studies at the university.

It is important to increase the cooperation between European countries as concerns integration policy since there is free movement between different European countries. There is no single European identity and thus, it is difficult to agree on a common integration policy since ethnic identity reflects the history of each country. However, we can see some measures in such a policy that should be common, such as the “enterprise zone” programs. As we have seen, such cooperation must take living environment and, in particular, the relationship among living environment, ethnic identity and labor market outcome into consideration. Immigrants and individuals with a foreign background must have contact points between jobs and firms, otherwise the problems can be transmitted to the next generation. If the new generation that is growing up sees that their parents seldom work, a norm will develop where there is no focus on work and education.

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