



IZA

RESEARCH REPORT SERIES

IZA Research Report No. 16

Study on the Social and Labour Market Integration of Ethnic Minorities

Klaus F. Zimmermann
Martin Kahanec
Amelie Constant

Don DeVoretz
Liliya Gataullina
Anzelika Zaiceva

February 2008



Final Report

***Study on the Social and Labour Market Integration
of Ethnic Minorities***

Contract reference No: VC/2006/0309

Institute for the Study of Labor (IZA), Bonn

October 8, 2007

IZA - Forschungsinstitut zur Zukunft der Arbeit GmbH (Institute for the Study of Labor)
Schaumburg-Lippe-Str. 5-9
53113 Bonn, Germany
Phone: +49 (228) 3894-0
Fax: +49 (228) 3894-180
E-mail: iza@iza.org

President:
Dr. Klaus Zumwinkel
Director:
Prof. Dr. Klaus F. Zimmermann

Deutsche Bank Bonn
Account No.: 028 901 700
Bank Code: 380 700 59
SWIFT: DEUTDEK380
IBAN: DE49380700590028901700

Corporate Register: Bonn
AG Bonn, HRB 7745
Tax ID: 210856940
Tax No.: 205/5783/0358

Project team	Affiliations
1. Core research team	
1. Prof. Dr. Klaus F. Zimmermann	IZA, DIW Berlin, Bonn University
2. Dr. Martin Kahanec	IZA
3. Prof. Dr. Amelie Constant	IZA, DIW DC, Georgetown University
4. Prof. Dr. Don DeVoretz	IZA, Simon Fraser University
5. Liliya Gataullina, B.A.	IZA, DIW Berlin
6. Dr. Anzelika Zaiceva	IZA, University of Bologna
2. Advice and support	
7. Prof. Dr. Barry R. Chiswick	IZA, University of Illinois at Chicago
8. Prof. Dr. Hartmut Lehmann	IZA, University of Bologna
9. Dr. Holger Bonin	IZA, ZEW Mannheim
10. Dr. Werner Eichhorst	IZA
11. Dr. Douglas J. Krupka	IZA
12. Dr. Randall K.Q. Akee	IZA
13. Dr. Konstantinos Tatsiramos	IZA
14. Dr. Mutlu Yüksel	IZA
15. Prof. Dr. Pieter Bevelander	IZA, Malmö University
16. Dr. Marta Kahancová	Max Planck Institute for the Study of Societies
17. Dr. Nahikari Irastorza	University of Deusto
18. Dr. Florin Vadean	HWWI
19. Georgios Tassoukis, M.A	IZA
20. Rowan Roberts, M.A	IZA, Cape York Institute
21. IZA student helpers (Michael Eisert, Gesine Güllner, Andreas Krüpe, Christiane Scholz, Daniela Schröder)	IZA
3. External Experts	
22. Prof. Dr. Denis Fougere, France	IZA, CNRS, CREST-INSEE
23. Dr. Vasile Ghetau, Romania	University of Bucharest
24. Prof. Dr. Joop Hartog, The Netherlands	IZA, University of Amsterdam
25. Prof. Dr. Timothy Hatton, England	IZA, University of Essex and Australian National University
26. Prof. Mihails Hazans, Latvia	University of Latvia
27. Dr. Zoltán Kántor, Hungary	Hungarian Institute of International Affairs
28. Dr. Álmos Telegdy, Hungary	Central European University
29. Dr. Hans-Dietrich Loeffelholz, Germany	BAMF Nuremberg
30. Prof. Dr. Peder Pedersen, Denmark	University of Aarhus
31. Prof. Dr. Sara de la Rica, Spain	IZA, University of the Basque Country
32. Dr. Michal Vašečka, Slovakia	IZA, CVEK Bratislava, Masaryk University Brno

Table of Contents

Executive Summary	5
1. Introduction	8
2. Ethnic Minorities in the European Union	10
2.1 Some methodological issues	
2.2 Existing empirical evidence	
2.3 Descriptive statistics	
2.4 Summary and discussion	
3. Ethnic Minorities in the European Union: Country Studies	19
3.1 Denmark	
3.2 The Netherlands	
3.3 The United Kingdom	
3.4 France	
3.5 Spain	
3.6 Germany	
3.7 Latvia	
3.8 Hungary	
3.9 Slovakia	
3.10 Romania	
3.11 Summary and discussion	
4. Attitudes	39
4.1 Descriptive analysis	
4.2 Regression analysis	
4.3 Attitudes: discussion and conclusions	
5. IZA Expert Opinion Survey	44
5.1 Results: expert opinions	
5.2 Results: the Roma	
5.3 Results: integration initiatives	
5.4 Results: open-end response	
5.5 Survey summary and discussion	
6. A Policy Matrix	51

7. Evaluation of Integration Initiatives	53
7.1 Integration of the Roma	
7.2 Central and Eastern Europe	
7.3 Western Europe	
7.4 Canada: the comparative perspective	
7.5 Summary and discussion	
8. Policy Conclusions	60
References	63
Country Studies	66
Appendix A	67
Appendix B	68
Appendix C	90
Appendix D	132

Note: While this study was elaborated for the High Level Advisory Group on Social and Labour Market Integration of Ethnic Minorities and the European Commission, it contains the authors' opinions and does not necessarily reflect the opinions of the High Level Group or the European Commission.

Executive Summary

This study provides the High Level Group on Social and Labour Market Integration of Ethnic Minorities and the European Commission with an elaborated analysis of the barriers to labour market integration of ethnic minorities, with insights concerning good practice of business integration initiatives and policy measures and with policy recommendations. Ethnic minorities are considered to include all categories of the population of foreign origin, ethnic minorities, national minorities, linguistic minorities, religious minorities, and stateless people. The report reviews the existing challenges and established facts on the status of ethnic minorities across the European Union, details their diverse situation by means of 10 elaborated country case studies (based on background studies carried out by renowned country experts) and investigates the disadvantages caused by unfavourable attitudes of the natives using modern econometric methods. Further innovative instruments developed by IZA and employed in this study are the IZA Expert Opinion Survey among expert stakeholders, the review of an European-wide collection of 22 good practice integration initiatives, and a policy matrix to judge societal development and policy choices. The policy conclusions deal with potential strategies to overcome the barriers that ethnic minorities still face in the European labour markets of 2007 and are directed to private business, non-governmental organizations and the government.

Perhaps the most important obstacle in studying ethnic minorities is the insufficiency and inconsistency of the available European data. The production of a reliable micro data base that permits a sophisticated cross-country analysis of ethnic minorities remains a major challenge for European Union policy making. However, the report reveals that no picky debate about measurement concepts can hide the worrisome reality of ethnic minorities in Europe. Clearly, ethnic minorities tend to have higher unemployment rates, lower occupational attainment and wages, and, often, a smaller labour market attachment when measured by participation rates. Some ethnic minority groups strongly participate in the labour force, possibly because of positive self-selection. The Roma experience serious labour market hardships in Central and Eastern Europe, although the Spanish case is somewhat less pessimistic. Of concern is that the economic status of minorities does not necessarily adapt across generations.

More detailed analysis is achieved by investigating 10 commissioned country studies, namely Denmark, France, Germany, Hungary, Latvia, the Netherlands, Romania, Slovakia, Spain, and the United Kingdom. Those countries were chosen based on the degree of risk of labour market exclusion and size of their respective ethnic minority populations. They also give a representative picture for the general European situation as they vary in the tenure with the European Union, their population size, and economic growth levels. Results of this study are juxtaposed to the Canadian case of ethnic minorities, which serves as a heuristic example of success. All 10 country studies share a common fact that is a serious external barrier to the labour market: low human capital and intergenerational mobility exhibited by the diverse minorities. The three main economic indicators of integration used are labour force participation rates, unemployment rates and labour income. Undoubtedly, a successful economic integration of minorities can result in positive spillovers in the social and cultural domains. It is definitely the place to start from, if the European Union wants to achieve the Lisbon targets and be the best it can be.

Unfavourable attitudes held by the ethnic majority of a country are typically understood to be a major source of disadvantages of ethnic minorities. The report investigates the European Social Surveys (ESS) dataset to explore the magnitude of self-reported discrimination in Europe. Self-reported discrimination is found highest in Estonia, Great Britain and Greece, while it is the lowest in Poland, Finland and Ireland. Regression analysis is used to ascertain the causal effects of demographic, social, political and economic factors on attitudes. As for the economic and demographic factors that affect attitudes, the largest proportion of those with more hostile attitudes is found among the permanently sick or disabled, the discouraged workers, the unemployed and the retirees, whereas young people and the higher educated are more open about ethnic minorities. Representatives from minority ethnic groups are, in general, more positive than the majority's attitudes towards individuals from different ethnic groups.

The IZA Expert Opinion Survey was conducted in 27 European Union countries to receive the evaluations from ethnic minority stakeholders measuring their perceptions and concerns. The labour market situation of ethnic minorities in Europe is described as severe and worsening. The Roma and Africans are most frequently cited as those facing the largest risk of exclusion. Public attitudes are seen as a strong negative force for labour market integration. Given the experts' views of public and business attitudes, it is not surprising that discrimination is perceived to be the single most important integration barrier. Other significant integration barriers cited include linguistic, educational, internal, and institutional factors. It was further felt that changes should be initiated by local and national governments, under the preferred principle of equal treatment instead of special treatment.

However, the results on integration initiatives in the IZA Expert Opinion Survey indicate that most of the work is actually done by non-governmental and public organizations. In light of the information reported, the limited number of initiatives of the business sector is unfortunate, since employers directly affect the integration chances of ethnic minorities significantly. The experts also indicate that improvement in the labour market integration of ethnic minorities is the most important measure of any initiative's success. While standard efficiency and effectiveness concerns drive the success of integration initiatives, it is also found that efficient communication with the affected parties, fairness, and acceptance of integration measures are factors that are instrumental to insure the success of an initiative.

Policy interventions and private initiatives are required to depend on the situation and prospects of specific groups in specific countries. The concept of the policy matrix developed in the report employs data from the IZA Expert Opinion Survey and provides a guide for the prioritization and calibration of integration efforts. The main thrust of the reported country matrices is that risk levels and trends vary within ethnic minorities geographically as well as within countries across groups. As a consequence, there are no simple findings: Ex-Yugoslavs seem to be doing relatively well in Sweden, but they are reported as a group at risk in Germany. Ireland might be quite welcoming of Russians, but relatively inhospitable to North Africans. As a generalization, the matrices demonstrate that most minorities in Belgium, France, Germany, Greece, Italy, Luxemburg, Malta and the UK and the Roma in Bulgaria, Poland, Romania, Slovakia as well as in the Czech Republic

(where the situation is slightly improving) require special attention of labour market integration.

While the IZA Expert Opinion Survey provides quantitative insights into the public, non-governmental, and business initiatives, the report also provides qualitative insights, highlighting good-practice innovative approaches through interviewing people in charge of these initiatives in the lead and partner organizations. A number of universal principles emerge: Fairness with respect to all partners and transparent rules facilitate building trust, forging social relationships and adopting positive perceptions that greatly ease integration and guarantee minority incorporation prospects. Voluntary participation and strict and transparent selection rules are seen as crucial to ensuring the motivation of the target population and creating a positive image of the initiatives. Fair and equal treatment after initial exclusion has been surmounted mitigates conflict and resentment, facilitates support by the majority and alleviates stigmatisation of the minority. Positive action is accepted as a transitory measure in the state of exclusion. Furthermore, merit based remuneration creates feelings of self-worth, prompts work discipline and further support by the majority. Cooperation between private, public and non-governmental organizations breeds a functional relationship and is necessary in the case of extraordinarily segregated minorities. Sustainability of integration initiatives remains one of the main concerns of minority integration in Europe. Long-term commitment is perhaps one of the most important determinants of integration success.

The report shows that initiatives to foster the labour market and social integration of ethnic majorities can work. Successful actions take the specific situation of the respective ethnic minority into account. Effective measures use the right mixture of general and targeted integration measures. They should be balanced, complementary and reinforcing. General initiatives are necessary to create an institutional and social environment inhibiting discrimination and facilitating targeted action. But all measures need to be persistent, flexible enough to account for changes and allow for time to become effective. One should be aware of the fact that not all can be changed within a short time horizon. This is particularly true when tackling cultural issues such as perceptions and attitudes.

1. Introduction

The objective of this study is to provide the High Level Group on Social and Labour Market Integration of Ethnic Minorities and the European Commission with

- an expert analysis of the labour market situation of ethnic minorities¹ at risk of labour market exclusion in the European Union,
- an identification and description of the barriers these ethnic minorities face in the labour market, and an analysis of policies aiming at overcoming these barriers,
- an insight into what minorities want with respect to their labour market integration expressed by relevant expert stakeholders and the representatives of ethnic minorities themselves,
- an identification and evaluation of good public policy and business conduct practices aiming at labour market integration of ethnic minorities, and
- policy conclusions concerning strategies to overcome the barriers ethnic minorities face in European labour markets.

To accomplish this comprehensive objective we proceed in a number of steps. In Chapter 2 we describe the labour market integration challenges faced by ethnic minorities in the European Union and document the various aspects of the labour market divide between minority and majority populations using a number of labour market indicators and statistics. To depict the complex interactions of political, social, and market institutions as the key drivers of external and internal integration barriers faced by ethnic minorities, in Chapter 3, we provide a number of in-depth country studies. In particular, we discuss the challenge of having a legal and practical definition of ethnic minorities in each of the selected countries, we deal with ensuing data issues, analyze the labour market situation of ethnic minorities and the integration barriers they face, and evaluate the political and social context of the labour market integration of ethnic minorities.

There are external barriers like discrimination, high unemployment rates, lack of educational opportunities and restrictive policies making social and economic inclusion difficult, because they cannot be affected by the individual directly. For instance, public attitudes and perceptions towards ethnic minorities affect the integration prospects of ethnic minorities directly and indirectly through political processes. In Chapter 4, we analyze the variation of attitudes towards ethnic minorities and various aspects of their integration into the host or dominant societies and shed light on the determinants of these attitudes in a cross-European perspective.

One of the most intriguing questions in the context of the integration of ethnic minorities is how the relevant experts and representatives of ethnic minorities themselves perceive their labour market situation and the roles of various internal and external integration barriers. This aspect of integration, responding to what minorities want, is very

¹ The comprehensive nature of this study suggests a broad and flexible understanding of ethnic minorities that encompasses all categories of the population of foreign origin (including recent migrants and descendants of previous generations of migrants), ethnic minorities, national minorities, linguistic minorities, religious minorities, and stateless people.

often neglected and dismissed as if the people under study have no saying, although it should be at the heart of any evaluation and research study. In this respect, experts' perceptions and evaluations of the available integration policy options and current integration initiatives are also of central importance. In Chapter 5 we tackle these issues by means of the IZA Expert Opinion Survey, which we designed for this purpose. The survey covers 215 experts across all parts of the European Union, representing non-governmental and public organizations involved with ethnic minority integration and 192 business, non-governmental and public integration initiatives.

Chapter 6 presents the Policy Matrix, a scaling mechanism and a comparative method of evaluating the degrees and prospects of integration for various ethnic groups. Applying the Policy Matrix to the largest ethnic minorities country by country we are able to identify the relative need for integration policies targeting these ethnic minorities. While the successful labour market integration of ethnic minorities remains one of the unaccomplished objectives of European policy efforts, there are a number of good practices applied by business, non-governmental, and public actors towards this objective. In Chapter 7, we provide a number of case studies that pinpoint such good practices and success stories in a number of different integration contexts. The final chapter concludes by providing an account of the key integration challenges, as identified by this study, and discussing the available policy options to be implemented for a successful outcome.

2. Ethnic Minorities in the European Union

This Chapter's main objective is to provide an overview and derive some stylized facts about the situation of ethnic minorities in the European Union. This overview will then be complemented by a number of more detailed country studies presented in Chapter 3. The underlying differences between ethnic minorities and majorities, as defined by their cultural and ethnic backgrounds, often correlate with gaps in their labour market situation. The main purpose of this chapter is to shed light on the labour market situation of ethnic minorities vis-à-vis the respective majority populations in the European Union. To this end, we first discuss some technical issues related to the definition of ethnic minorities. We then examine some of the approaches and findings of previous research on this topic. In the next step we report and interpret statistics describing interethnic gaps in labour market outcomes.

2.1 Some methodological issues

The comprehensive nature of this study suggests a broad and flexible understanding of ethnic minorities that encompasses all categories of the population of foreign origin (including recent migrants and descendants of previous generations of migrants), ethnic minorities, national minorities, linguistic minorities, religious minorities, and stateless people. In spite of broad evidence in empirical research proving the presence of labour market disadvantage for ethnic minorities in Europe, it is very difficult either to make conclusions about ethnic minorities in any individual country or to comparatively evaluate the economic conditions of ethnic minorities across member states. The main reason is the very limited quantitative and qualitative information of sufficient quality and cross-country comparability available.² For instance, conceptually the term ethnic minority is applicable to all groups whose cultural preferences are different from those of the majority native group or who have different cultural and societal origins than natives. In contrast, empirically the term ethnic minority most likely refers only to an individual who was born in another country or who is a citizen of another country, and sometimes even to people only of different racial background. Such proxies of ethnic minorities lead to the omission of information on those who conceptually qualify as being a member of an ethnic minority, such as naturalized immigrants, autochthonous minorities who are present for centuries but are still not assimilated to natives, and second and third generations of immigrants. Moreover, as every country uses a different empirical proxy of ethnic minority, thus, excluding different groups of minorities from empirical research, cross-country comparisons of economic conditions of ethnic minorities become biased.

The latter issue with empirical analysis of ethnic minorities is especially relevant to Western European countries, where official statistics often do not differentiate between nationality, a synonym of citizenship, and ethnicity. It is more likely to find ethnic differentiations of populations in Eastern European statistics, because of the traditional

² Detailed statistics on the size of ethnic minorities and their social and economic conditions might be available at some security offices (e.g. the police). Very restricted access to such data, however, eliminates chances to use them for scientific research.

role of ethnicity in individual self-identification in the former Soviet bloc. Nevertheless, information about ethnic minorities in Eastern European states is accompanied by the lack of economic indicators, which would allow evaluating the situation of the most disadvantaged minorities such as the Roma peoples residing in these countries. Further challenges stem from the complex issues of the self-identification of the Roma, often resulting from insufficient awareness of legal differences between ethnicity and nationality, rejection of Romani identity due to perceived stigmas attached to it and fear of persecution. In the next section we make an attempt to overcome these difficulties and provide insights into the labour market situation of ethnic minorities.

2.2 Existing empirical evidence

Evidence from social research varies by country, minority group, and economic well-being indicators. Yet, most of the existing research on ethnic minorities in Europe agrees on the existence of labour market disadvantages for ethnic minorities. Ethnic minorities typically have significantly higher unemployment rates, lower labour income, and they are less likely to find and keep their jobs than the majority population.³

In the Netherlands immigrant ethnic minorities with the same characteristics as natives typically have lower labour market returns. Van Ours and Veenman (1999) document wage gaps of 2% for Turks, 13% for Surinamese, 19% for Antilleans and 22% for Moroccans vis-à-vis the Dutch majority that cannot be explained by observable characteristics. In Spain, those members of ethnic minorities who have recently arrived are less likely to be employed than comparable natives (Amuedo-Dorantes and de la Rica, 2007). This gap varies by gender (15% for men and 4% for women) as well as by immigrant origin, with African immigrants being 8 percentage points less likely to be employed than comparable natives. In France, not only Black African minorities earn substantially less than the French majority, but the earnings gap keeps increasing with each generation of this immigrant minority (Aeberhardt et al., 2007). Ethnic penalties in the employment and unemployment of Black Africans – along with Pakistanis, Bangladeshis and Caribbeans – are also reported in the UK (Simpson et al., 2006). In the Danish labour market immigrant integration is low, especially for those coming from non-Western countries. Possible explanations point to the fact that immigrants have much higher population shares with relatively low incomes compared with the native population (Pedersen, 2005; Pedersen, 2006). On the other hand, Nielsen et al. (2004) find that immigrant women are exposed to

³ The literature on this topic is extensive. Zimmermann (2005a) discusses what we know about the immigrant ethnic minorities. Zimmermann (2004) looks into the interactions between ethnic minorities, the labour market, and the welfare state. Bauer, Lofstrom, and Zimmermann (2000) investigate the attitudes towards ethnic minorities in 12 OECD countries. Constant, Zimmermann, and Zimmermann (2007) analyze ethnic self-identification and its economic effects. Constant, Kahanec, and Zimmermann (2006) measure the earnings divide between linguistic groups in Ukraine. Adsera and Chiswick (forthcoming) scrutinize the gender and country of origin differences in immigrant labour market outcomes across European destinations. Zimmermann (2005b) discusses the challenges and potentials of European labour mobility. Kahanec (2007) explains ethnic specialization and why some ethnic minorities do better than others in the labour market. Constant (2003) discusses immigrant adjustment and Constant and Schultz-Nielsen (2004) investigate ethnic entrepreneurship.

a gender wage discrimination as much as native women, but find little evidence of an ethnic wage discrimination on top of the gender based discrimination, probably due to the high degree of unionisation of the Danish labour market.

A recent study of the Roma population in Hungary reports that representatives of the Roma minority are more likely to lose their jobs than Hungarians (Kertési, 2004). According to the Bureau of Democracy, Human Rights, and Labor report of 2006, most Roma in Hungary live in extreme poverty and their unemployment and inactivity rate is as high as 70%, which is more than 10 times the national average. The Roma in Slovakia have a permanently higher ratio of long-term unemployment than comparable Slovaks (Vašečka, 2001). In fact, there is some evidence based on unofficial data that in 1999 the number of unemployed Roma reached 80.5 thousands (out of the *total* population of about 400 thousands), and among the unemployed Roma 83% had no educational degree.

For Latvia, Hazans (2007) examines differences in earnings and Hazans et al. (2007) analyze also differences in the duration of unemployment between the Latvian majority and non-Latvian (mainly Russian-speaking) minority. The former study finds an ethnic wage gap in 2005 of 9.6%, while the latter documents that in 2002-2005 the median duration of unemployment period was 3 months longer for the non-Latvian minority and finds a negative effect of non-titular ethnicity on the probability to exit the registered as unemployed status.

Among the key reasons why such differences exist in the labour markets of the European Union countries is the low education level of minorities. The low educational attainment of the Roma in Hungary, Romania and Spain is documented by e.g. Kertési, 2004 and by the Agency for Community Development and Romani CRISS (2006). In Romania, for instance, Roma experts suggest that the main reason for their exclusion is their low education, as 23% of the Roma do not have any school degree and 28% have only a primary school degree (Open Society Foundation, 2007). Hartog and Zorlu (2007), using data on refugees in the Netherlands, document that 13% of all refugees have no education at all, 55% have no more than extended basic education, and only about 15% have higher education. Aeberhardt et al. (2007) find that immigrant ethnic minorities in France have a lower educational attainment than non-migrants with 41% of migrants having only a primary school degree or having only completed the first years of secondary school, while the corresponding figure for non-migrants is 27%.

Yet, even higher education does not guarantee a better labour market placement of ethnic minorities. In some EU member states, like the Netherlands, higher education in the country of origin does not pay off during the first years in the Dutch labour market (Hartog and Zorlu, 2007). While language requirements for higher level jobs and non-transferability of skills may explain this finding, discrimination is certainly a potential explanatory factor as well. Moreover, economists find often unexplainable gaps in the labour market situation of ethnic minorities and natives, which are interpreted as discrimination against these minorities (Kertési, 2004; Hartog and Zorlu, 2007). Some more positive outlooks are reported by Caille (2005) for France, who finds that among pupils having entered the 6th grade in 1995, immigrant children have the same probability to complete high-school than non-immigrant children.

2.3 Descriptive statistics

Offering a comparative overview of the labour market conditions of ethnic minorities in EU member states, we report statistics describing peoples that fit the definition of ethnic minority, as defined above, for those European countries where such data are available. Successful labour market integration of ethnic minorities encompasses three main hurdles: the participation margin, the unemployment margin, and the employment quality margin. While participation rates indicate the overall ability and willingness of ethnic minorities to be economically active, unemployment rates show how successful, or unsuccessful, the economically active members of an ethnic minority are in finding suitable jobs. Reported hourly wages do not only serve as proxy of the economic well-being of an ethnic group, but they also measure how successful ethnic minorities are in attaining jobs of good quality and can serve as a tool measuring occupational distribution across ethnic groups. The combination of these measures thus offers rich information on how well ethnic minorities integrate.

Table 1 reports a comparison between the labour market statistics of the largest ethnic minorities and their native counterparts in Denmark, Hungary, the Netherlands, Romania, and the UK. Although the technical criteria defining ethnic minorities empirically differ across these countries to some extent, all groups discussed below fulfil the broad definition of an ethnic minority as understood in this study. The recorded data demonstrate a substantial ethnic disadvantage in the selected Western European labour markets. Overall, ethnic minorities in England, Denmark and the Netherlands have lower attachments to the local labour markets, higher unemployment rates and lower hourly wages than the majority of the population or the total population of the country. Similar to Simpson et al. (2007) we find that the most disadvantaged among the selected ethnic minorities in England are the Bangladeshis and Pakistanis, followed by the Black Africans. On average, Bangladeshis are 5 times more likely to be unemployed, and earn 1.7 GBP an hour less than the white majority in England. Iraqis are faring the worst in the Danish labour market. They are more than twice less active in the labour market, more than 6 times more likely to be unemployed, and earn two times less per hour than is the national average in Denmark. People of Turkish background are doing equally bad in the Danish and Dutch labour markets, being 4 and 2 times more likely to be unemployed than respective majority groups, respectively, and earning significantly less.

Interestingly, non-Roma ethnic minorities in Hungary and Romania, are faring at least as well as natives in local labour markets. In Hungary, only African minorities are marginally more unemployed than Hungarians, while Chinese, Arabs, Croatians, Polish and Armenians have substantially lower unemployment rates than the native majority. Moreover, all selected ethnic minorities in Hungary participate in the local labour markets at a higher rate when compared to natives. Hungarians tend to be marginally less active than Romanians in the Romanian labour market, as well. Nevertheless, the labour market situation of both Hungarian and Ukrainian ethnic minorities in Romania is not very different from that of their native counterparts.

The disadvantaged position of some ethnic minorities is also evident in the French labour market. French official statistics allow differentiating between several generations of ethnic minorities based on their own and parents' country of birth. Male and female

immigrants are defined as people who were more than 10 years old when they arrived in France. As reported in Table 2, they are almost two times more likely to be unemployed as native French. A similar pattern is reported for members of ethnic minorities of “generation 1.5”, who arrived to France when they were younger than 10 years old. The second generation men, whose parents are born outside of France, are not only worse off in the French labour market than their native counterparts, but they are also worse off than any co-ethnics of other generations. The second generation of immigrant women, on the other hand, tends to be more economically active and has a lower unemployment rate than immigrant women or women of the “generation 1.5,” with the exception of Moroccan women. The members of ethnic minorities who fare better than any other co-ethnics are those who have only one parent born outside of France; they are classified as mixed second generation. However, while they might be marginally less active in the local labour market, they have much lower unemployment rates than any other members of ethnic minorities. For instance, Algerian men with one parent born in France have an unemployment rate two times lower than Algerian men who were older than 10 when they arrived to France. Nevertheless, even individuals of mixed second generation are faring significantly worse than native French.

Table 1. Labour market situation of selected ethnic minorities and natives/total population in Denmark, Hungary, the Netherlands, Romania, and the UK

Country	Minority/majority group	Participation rate ^{a)}	Unemployment rate	Hourly wage ^{b)}
Denmark	Total Population	76.3	4.5	278.3
	Turks	62.2	17.8	170.7
	Iraqis	37.7	26.9	138.4
	Bosnia-Herzegovinians	57.2	12.9	177.4
	Other non-Western	55.8	28	164.8
Hungary	Hungarian Majority	40.47	9.84	
	Africans	48.13	10	
	Arabs	48.14	5.21	
	Croatians	41.37	7.25	
	Chinese	65.01	0.68	
	Polish	53.07	6.81	
	Armenians	51.13	5.68	
	Rutheneans	48.27	8.11	
	Serbs	40.44	8.17	
	Ukrainians	47.95	8.39	
The Netherlands	Dutch Majority		9	10.4
	Turks		21	7.1
	Moroccans		27	6.9
	Surinamese		16	8.5
	Antilleans		22	8
Romania	Romanian Majority	41.6	11.5	
	Hungarians	38	11.3	
	Ukrainians	42.8	11.1	
UK	White Majority Population	81.8	3.8	11.8
	Indians	80.1	6.4	12.2
	Pakistanis	55.2	12.8	10.2
	Bangladeshis	48.7	19.4	10.1
	Other Asians	75.1	8.3	10.2
	Black Caribbeans	81.0	11.0	11.4
	Black Africans	77.7	11.8	9.9

Sources: Statistics Denmark; the Rockwool Foundation Research Unit; Hungarian Census, 2001; The Netherlands CBS; Statline Firm Household data; Institut National de Statistica, 2003; Recensământul Populației și Locuințelor din 18 martie 2002. Vol. I. Populație – Structura Demografică; Vol. II. Populație – Structura socio-economică (Population and Housing Census of 18 March 2002. Vol. I. Population – Demographic structure; Vol. II. Population – Socio-economic structure), Bucharest; UK Labour Force Survey 2005 Q1 to 2006 Q4; and the authors' calculations and estimations. *Notes:* a) Activity rate

indicators are used for the UK; b) UK wages are measured in UK pounds; Danish wages are measured in Danish Kroner; Dutch wages are measured in Euros and indicate disposable hourly labour income including social transfers.

In addition, Table 2 reports substantial gender differences in the labour market situation across all listed ethnic groups, as well as among the native French. The largest gender gap is observed among the Turks. Only 36.3% of Turkish females participate in the French labour market as opposed to 91.7% of Turkish men. The first generation Turkish women exhibit the highest unemployment rate among all groups (45%). Compared to native French women, their unemployment rate is three times higher. In general, ethnic minority women are less active in the French labour market, and have higher unemployment rates than their male counterparts.

Table 2. Labour market situation of ethnic minorities in France by gender and generations

Ethnic group	Participation rate		Unemployment rate	
	Men	Women	Men	Women
Native French	86.8	75.6	10.1	15.1
Total Immigrants 1 st Generation	87.2	60	19	29.7
Algerians	84.8	63.2	30.1	35.8
Moroccans	84.3	52.8	26.1	35.9
Sub-Saharan Africans	77.1	67.1	27.9	36
Turks	91.7	36.3	25.3	45.4
South-East Asians	80.5	60.9	14.1	19.8
Total Generation 1.5	82.9	69.2	19.7	26.3
Total Second Generation	80.9	71.3	20	23.1
Algerians	85.6	70	28.5	30.4
Moroccans	76	54.3	27.2	38.7
Total Mixed Second Generation	82	71	13.4	18
French and Algerian parents	81.4	69.7	16.3	21.1
French and Moroccan parents	74.6	65.8	14.5	20

Sources: INSEE, IHF, 1999 as reported in Meurs, D., Pailhe, A., and P. Simon (2007), Discrimination Despite Integration: Immigrants and Second Generation in Education and the Labour Market in France, presented at the Conference for Study Groups sponsored by the Volkswagen Foundation, Hamburg, February 2007. Notes: Population aged between 18 and 40.

Human capital theory could partially explain the disadvantaged position of immigrant ethnic minorities in the host country labour market. That is, immigrants generally arrive with a human capital disadvantage (lower education, low language abilities, and low skills). But even when they are educated, very often their education is non transferable, and results in brain waste. Moreover, immigrants have to overcome the cultural, linguistic and religious differences that can considerably slow down their labour

market assimilation. The length of residence in the host country is then a very good predictor of immigrant progress and performance. A different issue is that there are also some indigenous minority groups in the European Union member states such as the Roma, who are at dire straights although they are born and raised in the host country for many generations. Table 3 offers a comparison of the labour market participation and unemployment rates of the Roma peoples and their majority or non-Roma counterparts in Spain, Hungary and Romania. Unlike immigrant ethnic minorities listed in Tables 1 and 2, the Roma have been living in European countries for several centuries. Still, the Roma do not exhibit positive adjustment in the labour market, have not integrated, and are considered to be a disadvantaged minority in almost all countries where they are present.

Table 3. Labour market situation of the Roma people and majority populations in Spain, Romania and Hungary.

	Activity rate		Unemployment rate	
	Roma	Majority	Roma	Majority
Spain	69.27	56.1 ^{a)}	13.8	10.38 ^{a)}
Romania	22.9	41.6	28.5	11.5
Hungary	21.9 ^{b)}	40.47 ^{b)}	53.91	9.84

Sources: Roma Population and Employment: A Comparative Study, Foundation Secretariado Gitano, Madrid 2005, <http://www.gitanos.org/publicaciones/estudioempleo/EstudioempleoUK.pdf>; Hungarian Census, 2001, 2.1.8 Population by nationality, main demographic, occupational characteristics and sex; Institut National de Statistica. 2003. Recensământul Populației și Locuintelor din 18 martie 2002. Vol. I. Populație – Structura Demografică; Vol. II. Populație – Structura socio-economică (Population and Housing Census of 18 March 2002. Vol. I. Population – Demographic structure; Vol. II. Population – Socio-economic structure), Bucharest. *Notes:* a) Information on Spanish majority is not available, and therefore, data is substituted by comparable indicators for the total non-Roma population in Spain; b) Information on Hungarian activity rate is not available, and therefore, data is substituted by participation rate indicators.

As reported in Table 3, the labour market situation of the Roma in Hungary and Romania compared to the majority or non-Roma populations is not satisfactory. The Roma are about two times less likely to participate in the local labour market than non-Roma peoples. They not only have lower participation rates, but they are also more likely to be unemployed than their non-Roma counterparts. In Hungary, economically active Roma are five times less likely to be employed than the rest of the population. The plight of the Roma in other Eastern European labour markets is just as adverse as in Hungary and Romania. A recent World Bank study documents that the unemployment rate of the Roma minority in Bulgaria is 77%, which is three times as high as the unemployment rate of non-Roma Bulgarians (Kolev, 2005). Even more alarming is the unemployment rate of the Roma in some settlements in Slovakia, where it reaches 100% (Sociálno-ekonomická situácia Rómov, 2000).

In Spain, according to the local evaluation initiative sponsored by the European Union (EUMAP, 2002), the difference between non-Roma and Roma is not as dramatic as in some of the Central and Eastern European Countries. In fact, the Roma have even higher participation rates than non-Roma Spaniards. Nevertheless, the cited report finds strong

evidence on the negative situation of Roma minorities in the Spanish labour market when looking at their employment stability, employment duration and occupation.

2.4 Summary and discussion

The analysis in this section reveals that the data and definition issues cannot hide the worrisome reality of ethnic minorities in Europe. Clearly, ethnic minorities tend to have higher unemployment rates, lower occupational attainment and wages, and, often, a smaller labour market attachment as measured by participation rates. This general picture, however, has many hues. Immigrant minorities tend to do well in terms of labour market participation, perhaps due to the nature of the migration process that often involves positive self-selection. The analysis of further generations of immigrants does not yield any clear assimilation result and points at the importance of tackling the intergenerational issues of integration of immigrant ethnic minorities. The Roma experience serious labour market hardships in Central and Eastern Europe, but the Spanish experience offers a somewhat less pessimistic outlook. Gender is another important variable that interacts with ethnicity and may drive some of the interethnic labour market gaps.

Perhaps the most important obstacle in studying ethnic minorities is the insufficiency and inconsistency of the available data. In a background analysis we investigated the performance of non-EU nationals across the European Union countries using consistent and relatively rich EU Labour Force Survey data using state-of-the art microeconomic techniques. In this analysis we have been able, for example, to distinguish between different factors and measure their contributions to labour market disadvantages of non-EU nationals in terms of participation and employment chances. The results were congruent with those for ethnic minorities presented in this Chapter. Unfortunately, no currently available data permit such cross-country analysis for ethnic minorities. This highlights the need for the collection of such data.

3. Ethnic Minorities in the European Union: Country Studies

To obtain detailed information about the situation of ethnic minorities in a representative set of European member countries, we commissioned ten country studies to renowned scientific experts in each country.⁴ Their reports serve as background papers to this chapter, where we summarize the major findings. The countries were carefully chosen to capture the broad spectrum of economic and social differences among EU members. They represent a wide degree of labour market maturities with varying ethnic minority compositions, as they differ in their tenure at the European Union. We chose to include Denmark, France, Germany, Hungary, Latvia, the Netherlands, Romania, Slovakia, Spain and the UK in the case study analysis, as they provide a comprehensive account of the labour market situation of ethnic minorities and integration policies in the European Union. Slovakia, Romania, and Hungary are mostly examples of new European Union member states, where the indigenous Roma minority suffers from severe labour market exclusion. Investigation of the Western European countries helps us understand the issue of labour market disintegration under different institutional conditions and analyze ethnic labour market gaps as a function of different integration policies. Latvia represents the experience of the Russian ethnic minority in the Baltic countries. Covering a diverse set of Western and Eastern European countries with indigenous and immigrant ethnic minorities that have different approaches to integration issues, enables us to provide a comprehensive comparative study that pins down the key challenges we need to overcome so we can achieve labour market integration.

Three main economic aspects were used to detect the labour market outcomes of ethnic minorities: their labour force participation rates, unemployment rates and their earned labour income. The theme of this chapter is to analyse the ethnic labour market situation and barriers to mobility across European Union country groupings ranging from the EU15 (the Union before the 2004 enlargement) to the existing EU27 (the Union after enlargement). The underlying thesis to this approach is that countries with a longer participation in the European Union should have both a different immigration history and experience with ethnic labour force integration than newer members. In this spirit we cover the general situation, the political situation, data issues, and the three aspects of integration, as well as barriers and integration policies for each of the ten case countries.

⁴ A list of the names of the experts and their affiliations is contained at the beginning of the study and the country reports are listed at the end of this study.

3.1 Denmark

General situation. The ethnic majority population in Denmark consists of Danes.⁵ Relevant minorities in Denmark for the purpose of this study are immigrant ethnic minorities, who have arrived to Denmark mainly in the last 50 years.⁶ As of 2005, the total number of immigrant ethnic minorities as defined in the data collected by the Danish Statistical Office (Statistics Denmark) covering first and second generation immigrants in Denmark is 452,095, which is equivalent to 8.4% of the Danish population of 5.4 million. Of this group, immigrants from Turkey, Bosnia-Herzegovina, the former Yugoslavia, Somalia, Iraq, Lebanon, Pakistan, Iran and Morocco represent the largest groups. The origins of this immigrant population are traced in the Danish guest worker program of the 1960s, which admitted temporary immigrant workers until 1973/74 when the first oil price shock induced recession and the program terminated. Guest workers already residing in the country were allowed to stay and to bring family members as tied movers. Due to geopolitical changes over the last 20 years, other minorities arrived in Denmark as refugees. While the economic performance of minorities varies by country of origin, on average, minorities do not fare as well as native Danes. Beginning in the mid-1990s a strong labour market and tight welfare measures led to increased ethnic labour market participation.

Political situation. The Danish public is traditionally more concerned about the perceived burden the ethnic minorities exert on the public coffers than about their more or less successful integration into the Danish labour market. This has heightened xenophobia and put a lot of pressure on the government to take action. The unease surrounding the Danish relationship with its non-western ethnic immigrant minorities in the social sphere has had direct consequences in terms of drastically changing Danish immigration policies and measures to increase the degree of economic integration of these minorities.

Data issues. Extensive and rich data sources exist in Denmark in the form of several administrative registers. These in turn can be combined to provide a detail profile of Danish immigrant ethnic minorities. The most recent Statistics Denmark publication with a focus on the labour market situation for immigrants was published in 2003 describing the situation at the beginning of 2002.

Indicators of integration: participation, unemployment and income gaps. Table B3.1 illustrates the labour market situation of ethnic minorities in terms of our chosen labour market indicators. It is clear from an inspection of Table B3.1 that all ethnic minorities in the Danish labour market experience disadvantages relative to the overall rates (the last column of the table) and differences amongst each other. The Iraqi labour force status in Denmark is the weakest with a labour force participation rate of 37.7% and an accompanying 26.9% unemployment rate. However, the labour force participation rate is relatively high for the Turks (62.2%) and the Bosnians (57.0%), who nonetheless, experience high unemployment rates of 17.8% and 12.9% respectively. Figure C3.1 reports the percentage of non-western,

⁵ According to Statistics Denmark a person is defined as a Dane if at least one of his or her parents is a Danish national and was born in Denmark.

⁶ There is a small minority population of ethnic Germans in Denmark, but analysis of labour market outcomes focuses mainly on immigrant ethnic minorities from the 1960s guest worker generation onwards and their descendents. We also disregard other Scandinavian minority populations living in Denmark as they not only share a linguistic and cultural affinity with the Danes but they are also very well integrated.

western and native born immigrants living below the Danish poverty levels before transfers in 2006. Over the last twenty years non-western immigrants poverty levels rose to above 70% before declining to 60% in 2005. This compares to a 20% poverty rate for the Danish born population.⁷

Integration barriers. External labour market barriers exist in Denmark and are documented in the literature. While Denmark's generous welfare system has worked well for the natives, it has become an external barrier to immigrant labour market integration. Ethnic minorities in Denmark have very low participation rates. Nielsen et al. (2004) analyse immigrant wage gaps in Denmark and find that immigrant women are exposed to a gender based wage gap, but not to one based on ethnicity. Many immigrants and refugees arrived at a time when unemployment was high and when no explicit integration policy existed. Second generation immigrants are often excluded from part-time training opportunities in small or medium sized firms and this is considered to be a major factor behind their inability to obtain vocational education or experience. An inherited cultural apprehension and intimidation of Danes by entrepreneurship makes it more difficult for minorities to choose this route as a means of labour market integration.

Integration policies and conclusions. The 1999 Danish Integration Act offered all refugees and immigrants three years of Danish lessons along with qualification upgrades and opportunities for work experience. Six years later in May 2005, the Danish Government launched the integration plan "A New Chance for Everyone" which focused on giving young immigrant families training. The private sector in Denmark is active in labour market integration and both large and small firms have had some degree of success as depicted in Figure C3.2. It is clear from this figure that the private sector has increased its share of ethnic employees over the period 1999 to 2005 and exceeds the public sector's employment record. While there are large ethnic gaps in labour force participation and earned income, recent trends show improvement. Several forces account for this improvement including favourable macro-economic conditions and compelling public and private initiatives.

3.2 The Netherlands

General situation. There are at present three main groups of ethnic minorities: immigrants from former colonies, former guest workers and their descendants, and refugees. As immigration rules tightened ethnic populations continued to grow through family reunification and high fertility rates. This stock of Dutch immigrant ethnic minorities was supplemented by a flow of asylum applicants whose processing times were long. The results of these historical trends summarized in Table B3.2 reveal that the largest ethnic groups are Turks (11.5%), Surinamese (10.5%) and Moroccans (10.1%).

Political situation. The Netherlands has been characterized in the past as a multicultural society, which gave support to and encouraged registered individual ethnic communities to maintain their identities. After several instances of ethnic tension a series of recent political initiatives have attempted to screen immigrants prior to arrival on their willingness to integrate. Moreover, fear of the Muslim religion expanding (from the murder

⁷ These poverty incidence rates are halved if we replace market income with disposable income, which accounts for government transfers.

of film director Theo van Gogh by Islamist extremists to militant Muslims preaching against the native population) as well as recent fears over perceived job losses caused by the arrival of recent migrants from Central and Eastern Europe after 2004 has added to the political anxiety. This has led to an ongoing debate over the sustainability of the multicultural model.

Data issues. The oldest data on the economic position of immigrants are observations on immigrants in the national surveys on socio-economic position, which date back to 1983 (Kee, 1993; Zorlu 2002). Special surveys on the four “classical immigrant groups” (Mediterraneans and Caribbeans), the so-called *Sociale positie en voorzieningengebruik Allochtonen SPVA* (Social position and utilisation of provision for immigrants) have been held five times, in 1988, 1991, 1994, 1998 and 2002 (Groeneveld and Weijers-Martens, 2003). In recent years, Hartog and Zorlu (2007) combined the records of the Immigration Service with longitudinal observations on socio-economic position of these minorities. This immigrant panel will be further expanded with other datasets available at the Statistics Netherlands (CBS). While unique and valuable, this dataset has some strong limitations like lack of information on education or language.

Indicators of integration: participation, unemployment and income gaps. The labour force status of the Dutch ethnic population as defined by their activity is reported in Table B3.3. The minority populations in general have both lower self-employment and labour force participation rates than the majority population. The unemployment rate for any ethnic group is two to three times higher than the level of the native-born Dutch. Additionally, the most disturbing trend reported is that the second generation of the foreign-born has an unemployment rate almost double the rate of the first generation.⁸ Tables B3.3 and B3.4 lead to the conclusion that ethnic groups in the Netherlands are plagued by low labour force participation rates and high unemployment rates. The by-product of this low level of labour market integration is reported in Table B3.5, which contains the 2003 reported income for all and just the economically active ethnic groups. On average, non-western ethnic minorities earn 28% less than their native-born cohort with the Moroccans and Turks experiencing an even larger earnings gap.

Integration barriers. From Table B3.6 it is evident that one key barrier to labour market success is the low level of education for both the Turks and Moroccans, with almost 70% of their adult population having less than primary education. The Surinamese and Antilleans have similarly low levels of education. These are alarming low levels and in stark contrast to natives’ levels. Refugees and other first generation immigrants also often face a substantial language barrier. Although second generation Turks and Moroccans speak fluent Dutch, only 38% and 56% first-generation Turks and Moroccans speak Dutch well. Thus, the combination of lack of credential recognition and minimal Dutch language fluency creates substantial entry barriers to the Dutch labour market. A second barrier is the Dutch perception about its ethnic groups. Often perceived as uneducated, unskilled, not trustworthy loafers, minorities do not have many opportunities in the labour market.

Integration policies and conclusions. Some of the products of integration policies for immigrant minorities are the provision of Dutch language and citizenship courses. Immigration from outside the European Union is conditional on passing the exam prior to

⁸ The exception is the Antilleans, who have a slightly lower unemployment rate of 18% in the second generation versus 23% for the first generation.

entry. Likewise, resident immigrants only qualify for social benefits if they have passed the exam. Labour market policies aiming at specific target groups have been abolished. The second major policy shift involves decentralisation towards local authorities for education and labour market policies. The Dutch private sector at the macro level is represented by the Social Economic Council, which provides advice on social issues and has made several recommendations to employers on hiring minority workers and improving their position. In sum, there remain large gaps between natives and foreign minorities that have limited linguistic skills and lack of schooling. These gaps coupled with negative perceptions represent strong barriers to ethnic labour market integration in the Netherlands.

3.3 The United Kingdom

General situation. The ethnic majority population in the United Kingdom (UK) consists of White Britons. Relevant ethnic minorities in the United Kingdom for the purpose of this study are mostly non-white residents of the UK, many of whom arrived from the 1950s onwards, often from former or current British colonies. Many groups have been present for two or more generations, and have obtained the British citizenship (or they already had it upon birth like the Indians). Many minorities are faring well and have a good command of English. However, they are disproportionately concentrated in large cities and poor areas and many fail to achieve their full potential. In the aftermath of 9/11/2001 and attacks in London, a climate of mistrust prevails in the labour market. Perceptions of immigrants are measured by ethnic group in the Home Office Citizenship Survey (HOCS), which has been taken biennially since 2001 and which includes a substantial over sample of ethnic minorities. Research results reveal that about a quarter of those who were refused a job and a half of those who were refused promotion believe that this refusal was based on the grounds of race.

Political situation. The Race Relations Act (1976) made it unlawful to discriminate against anyone on the grounds of race, colour, nationality (including citizenship), or ethnic or national origin; all racial groups are protected from discrimination. Moreover, the Act established the Commission for Racial Equality, and on October 1, 2007 the three equality commissions (Commission for Racial Equality, Disability Rights Commission and Equal Opportunities Commission) merged into the new Equality and Human Rights Commission (EHRC). The new motto is: "...champion equality and human rights for all, working to eliminate discrimination, reduce inequality, protect human rights and to build good relations, ensuring that everyone has a fair chance to participate in society". A recent 2007 survey by the EHRC shows that 46% of people in Great Britain believe that they have faced unfair discrimination in one form or another.

Data issues. For statistical purposes, the British census does not group people by country of origin, but by ethnicity. Ethnicity is based on a combination of categories including: 'race', skin colour, national and regional origins and language. The main groups are Irish, Other White, Caribbean/White, African/White, Asian/White, Other Mixed, Indian, Pakistani, Bangladeshi, Other Asian, Caribbean, African, Other Black, and Chinese. According to the 2001 United Kingdom Census, ethnic minorities are 7.9% of the population. Table B3.7 illustrates these proportions and shows that the largest individual

groups are Indian, Pakistani, Black Caribbean and Black African. The major data issue that arises due to this Census definition by racial origin is that neither foreign-birth status nor non-white ethnic groups can be identified for analysis in the Census.

Indicators of integration: participation, unemployment and income gaps. Table B3.8 reports the activity and employment rates of ethnic groups in the United Kingdom of 2005-2006 by gender. We note the following facts. First, for both males and females ethnic minority self-employment rates are similar to those of the white majority. Among males these rates are particularly high for Pakistanis and low for Black Africans and mixed race Blacks. Second, for those aged 16-24 activity rates are much lower among ethnic minorities than in the white population. Table B3.9 reports the large variation in inactivity and unemployment rates by ethnic status. In particular, inactivity rates among ethnic minorities are about twice the rates for the white population. They are particularly high for Pakistani and Bangladeshi female adults and more generally for those aged 16-24. In addition, ethnic minority unemployment rates are about twice the rates for the white population. One consequence of these labour market outcomes and mixed educational experiences is the substantial full-time earnings differential reported in Table B3.10. Hourly earnings are somewhat lower for ethnic minorities than for the majority for males, but not for females. Some more recently arrived minorities like the Turks have low labour force attachments and heavily depend on the welfare system.

Integration barriers. Labour market barriers in the United Kingdom derive from a variety of sources including public perception. One question that has appeared regularly asks whether the respondent is prejudiced against people of other races. The proportion who were very prejudiced or a little prejudiced fell from 35% in 1983 to 25% in 2001 before rising slightly thereafter. Ethnic minority workers may be disadvantaged by their own characteristics – what might be regarded as internal and distinct from external barriers. Labour Force Surveys (LFS) data indicate that 16% of those whose first language is not English claimed that language difficulties caused them to have problems in finding or keeping a job. Data from the Fourth National Survey of Ethnic Minorities report that lack of English language fluency reduces average predicted employment probabilities by 20-25 percentage points.

Integration policies and conclusions. In most dimensions of economic and social well being (such as income, employment, education, social class, health, housing etc.) there is a clear ethnic hierarchy with Indians and Chinese at the top Black Africans and Caribbeans somewhat lower down and Pakistanis and Bangladeshis at the bottom.⁹ United Kingdom policy interventions and existing national legislation focus on racial barriers to labour market integration; while it is clear that the weak labour market outcomes for ethnic minorities are due to a number of other causes as well. In particular, in the United Kingdom, policy is driven by the 2000 Race Relations Acts that focuses on extending the duties required in the public sector to the private sector. Recent positive stance on ethnic minority issues is encouraging.

⁹ See Modood and Berthoud (1997).

3.4 France

General situation. France's motto "Liberté, Égalité, Fraternité" and its migration policy has always been to integrate foreigners into the nation. The Republican assimilation model aspires to efface ethnic and national origins in the second generation, so that immigrant children can hardly be distinguished from French children. Therefore, France does not officially recognize ethnic status within its population so that ethnicity must be inferred by foreign-birth status in either the census or the Labour Force Surveys.¹⁰ The majority of the immigrant minority in France are from former colonies in Africa: Northern Africans and sub-Saharan Africans. While some immigrant groups are faring well, integration and intergenerational mobility has not taken place to a full extent. Table B3.11 presents a typical compilation of the French population by birth status. African migrants (1,691,562 persons) came mainly from Algeria (574,208 persons), Morocco (522,504 persons), Tunisia (201,561 persons) and Sub-Saharan Africa (393,289 persons). Asian migrants (549,994 persons) came mainly from Turkey (174,160 persons), Cambodia, Laos and Vietnam (159,750 persons). Migrants are concentrated in Paris and the region around it (Ile-de-France): 35.1% of migrants (vs. 15.0% of non-migrants) live in this region. They disproportionately live in poor areas and public low-income-low-rent housing (HLMs) and concentrated in the lower rungs of the socioeconomic ladder.

Political situation. Political tensions abound in France and attempts to diffuse these tensions are reflected in several initiatives. First it must be noted that there are no "affirmative action" policies in France because of the Republican ideal of "equal treatment". However, during the last twenty years, territorial policies favour disadvantage areas, for instance, the "Zones d'éducation prioritaires" (ZEP) program was launched in 1982; under this program, selected schools received extra resources, such as funds, teacher hours, etc. Issues of multiculturalism have recently arisen and the government has enacted two laws directly concerning immigration and social integration of migrants. The Law of March 15, 2004 banned from schools "ostentatious" signs of religious adherence. The Law of July 24, 2006, "on immigration and integration", reflected the political debate over economic versus family reunification when it limited the family reunification in favour of work based immigrants. Recent immigrant unrest shows a failure to produce a cohesive French nation and has resulted in tough political measures including massive deportations and DNA testing for family reunification.

Data issues. They arise from the inherent definition used to categorize individuals by foreign birth status, while it is illegal to probe for national origins. In France, the majority group is defined as the group of persons who gained the French nationality at birth. The minority group is the group of persons living in France who did not have French nationality at birth, but who could have gained it after. Given this definitional framework it is difficult to identify ethnic minorities. The so-called second generation is thus disappearing from the records.

Indicators of integration: participation, unemployment and income gaps. Table B3.12 reports that the unemployment rate of French immigrants is much higher than the unemployment

¹⁰ An immigrant is a foreign born person who entered the French territory under a foreign nationality, lives in France at least for one year, and has not acquired the French citizenship (definition adopted by the High Council for Integration in 1991).

rate of non-migrants, 16% against 7% in 2002. This is particularly true for immigrants from the Maghreb countries (Algeria and Morocco: 26%, Tunisia: 22%) and from Turkey (25%). In addition, the unemployment rate is in general greater for females with the highest being among Moroccan and Algerian women and those from Sub-Saharan countries (31%, 30% and 23%, respectively). High levels of unemployment along with the fact that immigrants are locked into low-skill precarious jobs have led to a lower average wages than those of non-migrants, even in part-time jobs, as shown in Table B3.13. This low wage outcome is mimicked by the occupational distribution of French immigrants. In fact, French immigrants as compared to non-immigrants are more often self-employed (8.2% against 5.8%) and blue-collar workers (40.5% against 24.7%), see Table B3.14.

Integration barriers. France, like the UK, defines citizenship according to the *jus soli* principle. That labour market barriers in France are often explicitly excluding non-citizens is complicating integration matters. Non-citizens are excluded from the following positions: civil servants, lawyers, doctors, dentists, midwives, surgeons, druggist, brokers, chartered accountants, bailiffs, notaries, etc. Immigrants to France receive less education than non-migrants (see Table B3.15), with 41% of migrants having only a primary school education or have only completed the first years of secondary school (less than 7 years of schooling), while 27% have reached only the junior high-school level (9 years of schooling). The respective proportions are 27% and 42% among the non-migrants. However the proportions of persons with less than 7 years of schooling are particularly high among migrants coming from Algeria (45%), Morocco (53%), Portugal (78%) and Turkey (78%). Unlike the UK where race constitutes a barrier, in France it is the social and cultural distance between immigrants and natives that is the crucial barrier of integration.

Integration policies and conclusions. Recent initiatives cited below represent France's response to more challenging ethnic labour market integration issues. In March 2005 the French government created the High Commission for Equality and Against Discrimination ("Haute Autorité de Lutte contre les Discriminations et pour l'Égalité", HALDE). Employment is the area of activity in which the greatest number of claims is expressed (45.3%), while national origin is the criterion most emphasized by claimants (39.6%). A wide range of tools has been promoted in French firms with the view to encourage diversification in recruitment which includes a charter for diversity in businesses, anonymous CVs, and legalisation of testing. In sum, substantial French labour market barriers arise from a combination of forces. First there exist legally imposed sanctions stemming from the required citizenship for taking up certain types of jobs in the labour market. Second, social class stands in the way of educational and labour market integration. Finally, France's ethnic population faces a double jeopardy which arises from geographical isolation and ethnicity. On the other hand, with the advent of private firm diversity initiatives the prospects of ethnic labour market integration are somewhat improving.

3.5 Spain

General situation. Spain has been traditionally a country of emigrants. However, from the mid 1970s onwards, Spain became a host country of foreign labourers. By the late 1980s

Spain had become an immigrant-receiving nation due to a variety of factors, such as: (1) their geographical proximity to immigrant-sending regions, e.g. Africa; (2) the rise in the barriers to immigration in traditionally immigrant-receiving nations and (3) the improved economic performance of Mediterranean countries. Although Europeans used to account for half of all immigrants in 1995, the stock of immigrants from Latin American and Africa has increased at a faster rate after 2000. In addition, the Roma have been resident in Spain for over 600 years. Indeed, an estimated 500,000 –800,000 Roma/Gitanos are settled throughout the country, with the largest communities being in the provinces of Andalucía (more than 40%). The Roma/Gitanos are not officially recognized as an ethnic minority group, despite Romani requests for social and political recognition, and thus they receive no minority legal protection.

Political situation. Public opinion surveys show that Spaniards are tolerant of differences in nationality, race or religion compared to other European Union countries. Since 1985, Spain has offered five amnesties to its illegal immigrants. However, there is a widely shared negative common perception of the Roma in Spain. In this context, barriers against the entry of Roma in the labour market are quite significant. Employment offices report that many companies openly refuse to employ or even interview Romani applicants. The main political issues in Spain regarding immigrants concern immigrant entry rights and the issuance of work permits. With respect to the Roma, the most pressing policy concerns are: the provision of decent housing, the integration of their children in local schools and their participation in the labour market.

Data issues. The most recent and extensive database that can be used to analyze the ethnic minorities in Spain is the micro data obtained from Census 2001 (5% sample). The 2001 Population Census was exhaustive in terms of sampling, as 13 million households and 40 million individuals were interviewed. The Census has the advantage of, in principle, interviewing all immigrant ethnic minorities independent of their legal status. Nonetheless, an important fraction of unauthorized immigrants may not have answered the questionnaire and, as such, this group is likely to be under-represented in the Census. In addition, an important drawback regarding the Spanish Census Data is that it does not contain individual wage information. In sum, the main data source misses out on some important variables and most probably undercounts some ethnic and immigrant minorities.

Indicators of integration: participation, unemployment and income gaps. Table B3.16 reports labour market statistics by ethnic minorities. It indicates that Spain is capable of successfully absorbing at least its Asian and perhaps its Latino immigrant population. In sum, recent immigrants to Spain have achieved a 77% labour force participation rate, but their unemployment rates exceed the country-wide average. It can be argued that this high degree of labour force participation for recent ethnic arrivals is driven by their youth and their concentration in the robust labour markets of Madrid and Catalonia. These demographic and vocational features are depicted in Table B3.17.

Integration barriers. The absence of large data sets precludes a systematic analysis of the labour market barriers faced by immigrants in Spain. Preliminary evidence suggests that both Latino and African immigrants have higher employment rates than others, but only the Latino group experiences any upward occupational mobility. Three factors could explain this differential occupational transitional experience: differential labour market

treatment, linguistic abilities and skill transferability. The Roma population is concentrated in the relatively underdeveloped regions of Andalusia, Valencia and Murcia. The Roma's educational attainment has improved over the years and Roma children enter school at the same age as the dominant group. There is a continued negative perception of the Roma by Spaniards, nonetheless.

Integration policies and conclusions. Under the Ministry of Employment and Social Affairs a forum was created in 2000 to collect information on integration activities at various levels of government. The private sector under the Spanish Employer Confederation has sought to increase the number of legal immigrants. In addition, since 2004 substantial efforts between employer councils and the Spanish government have taken place to regularize the status of illegal immigrants. A good example of policy efforts directed to the Roma are the initiatives supported by the European Social fund such as the Acceder program. This program has provided Roma with training, counselling and mediation services and other activities detailed in the case study part of this report. In sum, Spain faces two distinct ethnic labour market integration challenges. The first is derived from its long standing Roma population and the second from its more recent and quickly increasing immigrant population. In addition, there exist several private and public initiatives, which support the labour force integration of Spanish immigrants.

3.6 Germany

General situation. The history of formation of modern ethnic minorities in Germany began around the mid-1950s with the first immigrant recruitment treaty signed in 1955 between the former West Germany and Italy. Other bilateral agreements with Greece and Spain followed in 1960. With the erection of the Berlin Wall in August 1961 and the reduction in the supply of labour in Western Germany, additional recruitment treaties were signed with Turkey (1961), Morocco (1963), Portugal (1964) and Yugoslavia (1968). These guestworkers were unskilled blue collar needed to alleviate Germany's labour shortages. In November 1973 following the first oil shock the recruitment of temporary workers was banned, and it is still in effect. After that, migration continued, but only through family reunification and increased fertility rates. A new wave of minorities followed in the late 1980's and 1990's with the return migration of ethnic Germans and a heavy inflow of asylum seekers and refugees. As of 2004 Germany's total foreign born population was 6.7 millions, with the distribution as depicted in Table B3.18. The foreign-born population from European Union members consists of 2.1 million residents. This includes former guest-worker generations like the Greeks, Italians, Portuguese, and Spaniards. An additional 3.2 million residents from the rest of Europe lived in Germany circa 2004. Turks (1.8 million) followed by former Yugoslavs (850,000) dominate these immigrant minorities; other groups include 276,973 Africans and 826,504 Asian residents. Germany has to deal with the growing share of foreigners as they needed to alleviate demographic changes (ageing population and below replacement fertility rates).

Political situation. Due to the unparalleled inflow of immigrants and refugees legislative action has been a matter of persistent political and public debate in Germany. The first Schröder administration (after 1998) – almost 10 years after the German

unification – initiated a new focus of this debate on (economic) immigration entry criteria and a fundamental reform of the German naturalisation law. Policymakers and the public started to recognize that Germany was indeed an immigration country, an evaluation which was denied before. Taking effect in January 2000, the new German naturalization law added the *jus soli* principle to the former “Reichs- und Staatsangehörigkeitsrecht” that only granted citizenship on the *jus sanguinis* basis to children born to a German parent. This breakthrough marked the beginning of a sequence of legislative initiatives that shaped the foundation of today’s German immigration and integration policy. Retrospectively, the “Green Card” scheme introduced in 2000 to encourage the temporary inflow of IT-experts (mostly from India) can be seen as the first step towards an economically driven immigration act. After intensive political and public debate the federal government introduced – for the first time in German immigration history – such a comprehensive immigration and integration act in 2005. The new act regulates the entrance and residence of non-European Union citizens as well as their access to the labour market and to the (new) integration measures. Special perks for foreign entrepreneurs, such as granting legal status to those who bring approximately half a million Euros and guarantee 10 new jobs, aim at jumpstarting the self-employment sector and reduce unemployment. However, the immigration act not only mirrors the growing conviction of economic immigration demand, but also the changed direction of political debate after the terrorist attacks of 9/11/2001 and the economic slowdown in Germany starting in 2002, which caused increasing unemployment rates in general and in the immigrant populations in particular. Hence, it lacks further economic components like active immigrant selection while focusing on integration requirements.

Data issues. Most German data on immigrants use the *nationality* criterion, *i.e.* they distinguish between citizens including naturalized persons and non-citizens, but not between immigrants (*i.e.* foreign-born) and native-born. For international comparisons, relying on this criterion is problematic as it reflects the country-specific citizenship law rather than actual migration patterns. That the nationality criterion *per definitionem* neglects the immigration of ethnic Germans totalling 2.5 million persons and the naturalization of almost 1.5 million former foreigners (of which 640,000 former Turkish citizens) since 1990, is a major disadvantage for comparative studies. A problem remains with the ethnic Germans, who disappear from the statistics as a separate minority and are difficult to be studied. The microcensus, with all its flaws, remains a reliable data source.

Indicators of integration: participation, unemployment and income gaps. Overall, immigrants in Germany are not faring as well as natives, and face poor prospects of economic integration. This also applies to second and third generation immigrants who have low educational attainment and no intergenerational mobility. However, there are some groups that brake through and perform well, especially in the self-employment arena. A notable example is the Turks, who appear to be quite entrepreneurial. Turning to the labour market outcomes of German ethnic groups several notable features emerge from Figure C3.3. First, the unemployment rate of all foreigners always exceeds the unemployment rate of the total German population and the gap is growing. Since the beginning of the 1990s, the Turkish unemployment rate has increased markedly from 10% in 1990 to 24% in 1997.

Integration barriers. The oblivious attitude and false perception of having guest-workers who will soon leave the country is the initial culprit of non-integration. Throughout

decades inefficient integration policies neither stimulated nor demanded the acquisition of sufficient language skills as a prerequisite for successful economic and social integration. Only recently, within the realm of the new German immigration and integration act, has this perception been challenged. At the same time (and based mainly on deficient language skills), immigrants in Germany have low educational and training levels. While better qualified immigrants are, overall, well integrated in the German labour market and society, limited educational attainment, especially for second generation German immigrants, is a massive barrier to employment and one of the main shortcomings of the country's integration policy towards immigrants. In particular, the participation rate of second generation immigrants in vocational training, one of the key determinants of labour force participation, is only about one third of that of German nationals and it is even lower for minority women. As a consequence, the employment rates and wages of the second generation strongly lag behind those of natives. Overcoming these integration barriers is of crucial importance. The deficits of economic integration are exacerbated by the regional location of many of Germany's ethnic populations. It is important to note that this population is unevenly distributed across Germany, with a heavy concentration of minority groups in the most industrialized western parts of the country.

Integration policies and conclusions. A core element of the 2005 Immigration Act is the integration course, which involves 630 hours of instruction in language and an orientation course to familiarize participants with Germany's history, culture, and legal system. Furthermore, a National Integration Plan was launched in 2006 and has several aims including the improvement of immigrant employment chances. This plan encourages firms to employ diversity management techniques such as the hiring and integration of employees with an immigrant background. In sum, Germany has experienced continuing labour market integration difficulties in a modernizing economy. However, the new immigration act alters the entrance requirements to emphasize labour market success, and the National Integration Plan hopes to improve the integration of existing foreign ethnic minorities.

3.7 Latvia

General situation. In Latvia, the majority (or titular) population consists of ethnic Latvians. This group, however, currently accounts for less than 60% of the total population, down from 77% in the 1930's, but well above the low 52% at the end of the Soviet era. Massive inflows of migrants from other parts of the former Soviet Union between 1944-1990 accounts for these changes as does return migration during the 1991-2005 period. The minority population is mostly of Eastern-Slavic origin: Russians, Belarussians, and Ukrainians account for 35% of the country's population. More visible minorities such as Jews, Roma, Armenians, Azerbaijanis, Tatars and Uzbeks together account for less than 2%. From a labour market perspective, such factors as mother tongue, Latvian language skills, and Latvian citizenship appear to be of prime importance for labour market integration and participation. Ethnicity per se (in contrast with mother tongue) has a very limited role in the Latvian labour market.

Political situation. The relatively large share of ethnic minority population in Latvia has several implications. First, labour market integration of ethnic minorities in Latvia is of

utmost importance for the economy and society. Second, the financial, technical and human resources required to address integration issues need to be adequately large as well. Third, at the psychological level, such a large ethnic minority is often perceived as a competitor, or even a threat, by the majority population, especially due to the historical link between this minority population and the Soviet regime. While inter-ethnic relations at the individual level are seen as being positive or satisfactory by most people, substantial ethnopolitical tensions and collective ethnic fears as well as prejudice exist in the society. The language reform in minority schools in 2004 contributed to these tensions, as it lacked real dialogue between the involved parties and the target group during preparation and implementation. At the political level, integration is complicated by the large number of institutions involved and the lack of political consensus among frequently changing coalition parties. These changes have, in turn, meant that the distribution and oversight of ministries and integration programs has been also changing frequently; thereby undermining the consistency of and support for these programs.

Data issues. As noted above, Latvian language proficiency is an important ethnic marker and eventual conditioner of labour market integration since in many cases legal language requirements exist for employment. Unfortunately a primary data source, the Latvian Labour Force Survey, does not provide information on mother tongue or language skills of the respondents. Hence, one must rely on an ethnic classification of Latvians and non-Latvians to proxy for language skills when using this data source to analyze labour market outcomes. This issue is in part mitigated by the data from the National Programme of Labour Market Studies that explicitly addresses the ethnic aspects.

Indicators of integration: participation, unemployment and income gaps. The Latvian economy has experienced unprecedented economic growth (66% over the 2001-2006 period) as well as a massive outflow of its labour force after its accession to the European Union. Currently, Latvia has a very tight labour market with a shortage of workers that has led to strong upward pressure and growth in real wages, a reduction in unemployment and improved labour market position of many disadvantaged groups, including ethnic minorities. For instance, the overall employment difference for the working age population, aged 15-74, between minorities and the majority has decreased from 6 percentage points in 2002 to less than 3 percentage points in 2005. The increase in employment between 2002 and 2005 has taken place primarily (and as far as women are concerned, exclusively) within the minority population. Table B3.19 presents the evolution of the ethnic gap in participation rates. Over time ethnic unemployment rates for ethnic minorities have been consistently greater than that of ethnic Latvians. However, ethnic minority unemployment rates have been falling faster (Figure C3.4).

Integration barriers. From the labour market perspective, a minority member in Latvia is often defined by such factors as mother tongue, absence of Latvian language skills, as well as lack of Latvian citizenship status. Table B3.20 indicates the importance of citizenship status as an ethnic marker in Latvia. About half of the minority population did not hold Latvian citizenship in 2005 (ten years earlier, this proportion was 65%). Even among the young minority population (90% of whom are born in Latvia), less than two-thirds of the 15-34 year old non-Latvians have Latvian citizenship; while virtually all ethnic Latvians are Latvian citizens. Citizenship is thus an important indicator of minority status and may contribute in segmenting the Latvian labour market. A second barrier is the

geographical distribution of the minority population. Figure C3.5 indicates that minorities reside in different areas than ethnic Latvians. These regional differences can act as a barrier to integrations as a large proportion of non-Latvians (more than 70%) reside primarily in Riga, while just 17% of the minority population live in the countryside. Ethnic Latvians are more evenly dispersed throughout both the rural and urban regions of Latvia. Finally, linguistic integration barriers play a role. In a recent survey, 9% of employees assessed the state language proficiency requirements they faced in hiring as substantially higher than implied by professional duties. Another indication of the language barrier may be the severe under-representation of minorities in public administration.

Integration policies and conclusions. There are a number of public integration policies in Latvia. First, 122.6 thousand persons have been naturalized through naturalization schemes between 1995 and the first quarter of 2007, but the process has slowed down in 2006-2007. Second, policies aimed at improving Latvian language skills of minority population have achieved significant progress over the last decade, yet quality of policy making in the field of education needs to be improved. The contribution of Latvian Language Learning State Agency (LVAVA) has been especially important in many respects. Third, a number of more or less successful specific activities (e. g. grant schemes) have been implemented or funded by The Secretariat of the Minister with Special Portfolio for Integration of the Society and The Foundation for Integration of the Society. Fourth, the National Action Plan “Roma in Latvia” has been developed recently. As far as business policies are concerned, economic interests drive integration, and ethnically mixed companies contribute to integration via inter-ethnic communication at the workplace. At least two thirds of all enterprises with private capital are ethnically mixed. Yet it appears from interviews with Russian and Latvian entrepreneurs in Latvia, that some of them have both economic and non-economic reasons for preferring to hire from their own linguistic labour pool. However, a tight labour market is reducing these practices as labour of any type is becoming scarce.

3.8 Hungary

General situation. Hungary is one of the newer members of the European Union and possesses a diverse ethnic minority population comprised mostly of the Roma. Ethnic minorities in Hungary, for the purpose of this study, are those who identify themselves as ethnic minorities in the census through nationality, shared histories, social norms and values, or through language spoken with family and friends. Table B3.21 reports a small minority population of 3.1% of which the Roma form the largest component (60%) followed by ethnic Germans (19.5%). Table B3.22 shows the age distribution for the citizens in Hungary, disaggregated by ethnicity. The Bulgarian, Greek, German, Slovak and Slovenian ethnic groups all have almost 25 to 35% of their populations over the age of 60. In contrast, only 4.4% of the Roma population is over 60 years old and 35% of the population is under 15 years of age. These data show that ethnic groups in Hungary, with the exception of the Roma, are numerically small in number and aging. It is unlikely that increased immigration or fertility will change these population statistics for the non-Roma ethnicities any time soon.

Political situation. The Constitution of the Republic of Hungary states that minorities living in Hungary are constituent components of the state. Minorities are guaranteed the right to collective participation in public life, the nurturing of their own culture, the widespread use of their native languages in education and in their names. In a wider context the political issue of minority status has become of paramount issue in evaluating Hungary's status vis-à-vis entry into the European Union. In fact, the European Union produced several country reports on Hungary stating its deep concern for the situation of the Roma in Hungary and the need to improve the social and economic situation of the Roma population.

Data issues. Establishing ethnic origins and minority status in official data in Hungary is limited by statutory provisions, such as the Data Protection Act. Additionally, ethnic minorities do not have to declare their ethnicity in official statistics. Many respondents choose not to answer questions on ethnicity, which makes it difficult to accumulate accurate and reliable data on ethnic minorities. In particular, statistics on the Roma are difficult to gather and are often unreliable. Among the Roma there is a general distrust in official data gathering activities and many individuals choose not to participate at all or provide inaccurate or incomplete information.

Indicators of integration: participation, unemployment and income gaps. Table B3.23 reports the labour market participation rates and unemployment rates for Hungary's ethnic groups. The 2001 Hungarian Census reports low participation rates for all ethnic groups and even for Hungarians. A notable exception is the Chinese, who have the highest labour force participation rate at 65% and the lowest unemployment rate at 0.68%. The Roma have the lowest recorded participation rate of only 22% and are usually in precarious temporary jobs. The Hungarian unemployment rate is also high (9.84%) and equals or exceeds that of most ethnic minorities. The Roma are an extreme outlier in this regard with an alarming 54% unemployment rate. Needless to say that these labour market gaps are reflected in serious wage gaps.

Integration barriers. The European Roma Rights Centre (ERRC) reports that 64% of the interviewed Roma stated that they faced some barrier in the hiring process. Thus, they are compelled to find work in the grey economy, a form of employment that typically offers low wages and little or no job security or related benefits. Recent research has identified several important barriers to the Roma labour force participation: lack of requisite education/skills, lack of a 'work ethic', lack of mobility, and dependence on government unemployment benefits. For instance, in 2003, only 50% of Roma children were enrolled in primary school and only 12.9% complete secondary education. On the other hand, the Roma face no linguistic barriers in the labour market, since they have been living in Hungary for hundreds of years and mainly speak and understand Hungarian. The geographical isolation of the Roma acts as an additional barrier to labour market integration. Approximately 60% of the Romani population lives in small settlements, where the number of non-agricultural employers is limited.

Integration policies and conclusions. In response to the poor state of the Roma in Hungary, the Hungarian government created several institutions to address these issues in recent years. The Minister of Education has appointed a Commissioner for the Integration of Roma and Socially Disadvantaged Children. The 2003 National Network for Integrated Education provides assistance to disadvantaged children. In addition to the governmental

agencies, a few private business initiatives have been formed to assist the Roma labour market integration. Three practices in particular are noted: the Self-employment Program for Roma in the village of Apátfalva, the Roma Agrarian Entrepreneurs and the Social Land Program in the same village, and a more general program called “Addressing Roma Unemployment in a Rural Environment a Public Works Program for Socially Imperilled Settlements”.

3.9 Slovakia

General situation. Ethnic minorities comprise almost 22% of the population in Slovakia. From this perspective, Slovakia is the most ethnically heterogeneous country in Central Europe (specifically, even more so among the V4 countries).¹¹ Table B3.24 indicates that the largest minority in Slovakia, a country of 5.4 million inhabitants, is Hungarian (9.7%), followed by the Roma (1.7%), the Czechs (0.8%), Ruthenians (0.4%), Ukrainians (0.2%), and a number of smaller minorities such as Germans, Jews, Croats, Poles, Bulgarians, and Russians.¹² Forecasts by Infostat (2002) predict an increase in the number of Roma living in Slovakia by 2025; the anticipated population could reach 520,000, representing a 37% increase over the current figures.

Political situation. After 1989, the Slovak population slowly began to realize that the social and labour market integration of the Roma is an important challenge that needs to be dealt with. According to new research,¹³ respondents identified “The Roma Issue” as one of the top 10 challenges or problems in Slovakia. Political parties, however, have taken a short-term perspective and have avoided dealing with Roma issues of underdevelopment and lack of labour market integration. At the same time, fractionalization of the Roma political parties has made it difficult for a consistent and sustained push for labour market integration policies and programs.

Data issues. Data sources in Slovakia understate the true size of its Roma population. It is well known that there was severe underreporting of Romani heritage in the 1991 and 2001 Censuses. The reluctance of the Roma to declare their ethnic heritage is often stemming from insufficient awareness of legal differences between ethnicity and nationality, rejection of Romani identity due to perceived stigmas attached to it and fear of persecution. This results in heavily biased and often unreliable estimates. Estimates based on samples put the total number of the Roma in Slovakia at approximately 300,000 (or about 5.6% of the total population).¹⁴

Indicators of integration: participation, unemployment and income gaps. The only data available on Romani unemployment was discontinued in 1998, and are provided in Figure C3.6. Further data collection on Romani was deemed to be illegal and discriminatory. Roma unemployment is specific for its duration – it is usually long-term unemployment –

¹¹ The Czech Republic, Hungary, Poland and Slovakia

¹² The Roma are the second largest minority in Slovakia; however, in the 1991 Czechoslovak census, when the Roma had a chance to claim their ethnicity for the first time, only 75,802 citizens declared Roma nationality.

¹³ “Slovakia before the Elections” Center for Research of Social Problems established by the Coordination Center of Public Against Violence (CRSP CC PAV) in May 1990.

¹⁴ This is according to the most recent survey carried out by the Slovak Government’s Roma Plenipotentiary.

i.e. continuous and uninterrupted unemployment lasting longer than a year. The geographically and socially isolated Roma communities in the East of the country have unemployment rates as high as 100%. The most pressing employment barriers for the Roma include: low educational attainment, concentration in poor rural regions, attitudes of employers and general negative climate when in touch with the majority population.

Integration barriers. According to Slovak sociological opinion polls the social gap or “social distance” is the largest between the majority and the Roma. Every opinion poll since 1990 has confirmed that the social gulf in Slovakia is equal across all other classes of people regardless of age, sex, education, nationality, political inclinations or size of the municipality, and has remained basically constant over time. The poor educational attainment of the Roma increases the social distance even further. In the 1991 Census over 76% of the Roma reported elementary education as the highest completed level of education. Even worse, in the 2001 Census over 48% of the Roma declared that they had no educational attainment. As stated earlier, there are severe data problems, but these figures are indicative of the larger trend for the Roma educational attainment. Language barriers compound these problems as Roma children often only speak the Romany language, which makes school achievement and success difficult in Slovakia.

Integration policies and conclusions. The Slovak government has adopted several different acts since the early 1990’s, which aim to improve the condition of the Roma. As governments changed, the support for these measures has varied. In 2005, the Constitutional court declared affirmative action as unconstitutional. In the private sector there have been only limited initiatives to help the Roma. One of the few exceptions is the initiative conducted by U.S. Steel – a foreign owned-steel mill in Eastern Slovakia. US Steel Košice supports directly the Roma community in Košice and vicinity through its Equal Opportunities project in cooperation with the Košice Self-governing Region and local non-governmental organizations. The company supports pre-school facilities for Roma and non-Roma children.

In sum, a wide social divide along with geographic and educational barriers prevent the integration of the Roma into the Slovak labour market. In addition, public policies to improve the plight of the Roma have been by and large ineffective. The inability to identify the Roma in the Slovak census makes it impossible to effectively evaluate these or any future policies or to document changes in Roma conditions accurately. Some small private efforts seem promising, however. The Decade Watch 2005-2006 identifies a number of positive trends as well, especially in the pre-school education. Nevertheless, integration of the Roma remains one of the key challenges in Slovakia.

3.10 Romania

General situation. Romania is the newest addition to the European Union (since January 1, 2007; along with Bulgaria) and represents an interesting case. Its ethnic population is comprised mainly of Hungarians (1.43 million) followed by the Roma (535,000), Ukrainians (61,000) and Germans (59,800) circa 2002. Minorities represent approximately 10% of the Romanian population in 2002. Demographers argue that the census estimate of 535,000 Roma undercounts the country’s Roma population by a factor of three. The

regional distribution of Romania's population is marginally urban with 53% of residents living in large cities. However, the German and Hungarian ethnic groups are located primarily in urban areas with the Roma and Ukrainian populations residing largely in rural areas (85% and 61%, respectively). A large outflow of natives to other European Union countries, such as seasonal workers going to Spain, is a considerable issue for the Romanian economy.

Political situation. Changes in political and social tolerance are evident in Romania. The results of the 2006 Roma Inclusion Barometer show that people are expressing less intolerance towards the Roma population (Open Society Foundation, 2007). These documented changes are attributed to the improved economic situation, strengthening of democracy and respect for law in Romania in recent years. According to Roma specialists, the status of Roma in the labour market deteriorated significantly after 1989 with the transition from socialism to a market economy. While the entire Romanian population suffered from the shock caused by this transition, the Roma were affected the most.

Data issues. The Romanian population census collects data by ethnic group, mother tongue and, after 1989, by religion on a self-reporting basis. The declaration of ethnic or religion status is optional. Unfortunately, definitions of religious status or ethnic groups are not clear or consistent in the census. Other sources of data such as vital statistics exist (births, deaths, marriages and divorces) and internal and external migration exist, however these data do not contain information on ethnic groups. While there are some data available by ethnic groups, the existing data is limited due to the fact that responses are optional and ethnic group definitions may not be well-defined.

Indicators of integration: participation, unemployment and income gaps. Table B3.25 depicts the labour market outcomes in Romania by ethnic status. Labour force participation is low among both Romanians (41.6%) and the Roma (22.9%). Females from other ethnic groups have a labour force participation rate of 36% while Roma women have a labour force participation rate of 13.6%. Very few of the dominant groups (Romanians or Hungarians) are in occupations which require professional qualifications or training (9.3% and 6.7% respectively) in 2002. Additionally, over 75% of the Roma and 65% of Ukrainians are employed in unskilled occupations such as agriculture or elementary occupations.

Integration barriers. Under the centrally planned economy, the Roma were incorporated into the Romanian labour force. However, the collapse of industrial activities and the liquidation of large state agricultural farms and cooperatives caused the elimination of hundreds of thousands of jobs. The Roma, as many others, were adversely affected by these changes. The low level of Roma educational attainment is a second barrier to their inclusion in the labour market. The proportion of Romanian males aged 10 years or older who have obtained a post high school and university level education is 11.5% while for the Roma male population this proportion is only 0.3%. There is also a formal training deficit; only 15% of the Roma school age population attend vocational training while almost 48% of other ethnic groups participate.

Integration policies and conclusions. Romania is a transitional economy with a long standing marginalized ethnic Roma population. The transition to an open democratic society coupled with the European Union accession requirements have led to a succession of policy initiatives. In the period 1996-2000, considerable progress was made in setting priorities, raising the awareness of international organizations and allotting financial

resources to the Roma and creating several non-governmental organizations. Romania has experienced changing macro-economic conditions which have inhibited the labour market inclusion of its ethnic minorities especially the Roma. In addition, low educational attainment of the Roma has exacerbated their labour market exclusion. Recent changes, including a Romanian outflow of over two million people, have signalled general improvements in the Romanian labour market conditions overall.

3.11 Summary and discussion

The goal of this section was to identify and assess the magnitude of the key labour market barriers that diverse minorities face in the European Union of 2007. The carefully chosen ten country case studies indicate significant differences in the experiences and the degree of integration of ethnic minorities, be they immigrants or native born and indigenous ethnic minorities. Amidst all these differences, there are some parallels that can be drawn. All countries acknowledge (on their own and pressured by the European Union) that they have problems with minorities that they need to successfully address. Without a doubt, the economic integration of minorities is a win-win situation for all actors involved: the government receives higher taxes and spends less on welfare, the minorities themselves are more powerful, the natives are happier.

In several countries, ethnic minorities fare substantially worse than the native born ethnic majority populations (e.g. Romania, Denmark, Hungary, The Netherlands), while in one single case (Latvia) they seem to catch up. One ethnic minority, the Roma, constitutes perhaps the most serious integration challenge in the new Member States of the European Union. They are a vibrant young population with a great economic potential that needs to be integrated. The heterogeneity across the countries is indicative of the nature of the ethnic minority groups and of the underlying political, social, educational and economic conditions within the host countries.

In countries that have experienced high rates of economic growth, immigrants and ethnic minorities appear to fare better over time. Consequently, we see that they have higher rates of labour force participation and education. On the other hand, immigrants and ethnic minorities in countries with stagnating economies tend to do worse than the native born populations. Several explanations for these differences include language skills, differential treatment of immigrant groups, lack of human capital and vocational training.

There are also large differences with regard to the kinds of immigrants that settle in these different countries. The Nordic countries have had economic or labour force migration, but have now shifted to a more humanitarian and refugee-type immigration. This has changed the ethnic composition resulting in differences across ethnic minority groups. In contrast to Canada, which encourages immigration based on an explicit point system and is heavily geared towards skills and youth, certain European countries have focused their efforts on entirely different groups. This explains in one sense the differential rates of self-employment, unemployment and labour force participation across these countries. For example, the rates of unemployment for ethnic minorities in Canada mirrors that of the Canadian population at around 7.6%, while in Denmark Iraqi refugees have an unemployment rate of almost 30%, which is several times that of the native born

population rates. Chronic neglect and discrimination towards the Roma minority has resulted in their severe under-education and low accessibility in the mainstream labour markets.

In most Central and Eastern European countries language is an indicator of ethnicity and nationhood. As a result, language poses important integration barriers to immigrants, but also, for example, Russian speakers in Latvia. In countries such as the United Kingdom language is more flexible and more forms (dialects, slang) are accepted as proper English. Language might thus be an important but somewhat less severe integration barrier in these countries. Countries like Germany stand somewhere in between these two extremes.

Policies and programs for the assimilation and successful integration of immigrants and ethnic minorities differ across these ten countries. Increasingly, however, language courses and entry requirements are being required for new immigrants. In one sense, this reflects the growing concern on the lack of integration for certain ethnic communities over time and about the resulting problems for an active labour force participation. We may observe over time whether the countries with the most active programs will result in overall better outcomes with regard to their ethnic minorities labour force conditions. At this point, the evidence is fleeting and not conclusive.

4. Attitudes

In this chapter we aim to enrich our report with an empirical exercise. Based on currently available European Union – wide statistics, we examine the prevalence of various forms of discrimination, the attitudes of natives towards immigrants and minorities, and their policy reactions. We then use regression analysis to ascertain the causal effect of demographic, social, political and economic factors on attitudes. To better understand important dimensions of the social and labour market situation of ethnic minorities in Europe we draw on the European Social Survey (ESS) datasets, since they contain valuable information on values, perceptions and attitudes.¹⁵

4.1 Descriptive analysis

First, we explore the magnitude of self-reported discrimination in Europe. Respondents were asked to identify themselves as members of groups that are discriminated against in their country of residence. The focus is on those respondents who experience discrimination because of their colour or race, nationality, religion, language and ethnicity. Therefore we exclude those who experience discrimination on the grounds of sex, age, or disability. Figure C4.1 plots the percentage of persons responding positively to this question by country. As it can be seen from this figure, self-reported discrimination varies considerably by country from about 1% in Poland, Finland and Ireland to over 4% in Great Britain, Greece and Estonia.

This figure, however, may be driven more by varying shares of potentially discriminated ethnic minorities than differences in the actual likelihood of being discriminated against as a member of an ethnic minority. To shed light on the cross-country variation in ethnic tension, we measure the incidence of discrimination as the proportion of the potentially discriminated population in the ESS sample that actually reports being a member of a discriminated group.¹⁶ This measure of ethnic tension offers a substantially different picture. Figure C4.2 shows that now the discrimination likelihood is the largest in Hungary and the Czech Republic and the lowest in Lithuania.

Figures C4.3 and C4.4 illustrate the attitudes towards support for anti-discrimination laws by country.¹⁷ Both figures show that the strongest support for laws against promoting racial or ethnic hatred and laws against ethnic discrimination in the workplace is in Sweden, Portugal and Finland. In the other end lie Greece, Italy and Denmark, where this support is the weakest. However, the difference among countries is not as dramatic as in figures C4.1 and C4.2.

Perceptions about ethnic minorities are related to the natives' attitudes about immigrants and immigration of ethnic minorities in that country. Figures C4.5, C4.6 and C4.7 plot these attitudes with respect to economic and social issues for the years 2002 and

¹⁵ For this analysis we use all available respondents – regardless of age or labour market status – so that country specific sub-samples are large enough to provide precise statistics.

¹⁶ The definition of ethnic minorities is broad and includes those born in another country, having the citizenship of another country or speaking the non-majority language at home.

¹⁷ Note that comparable data for Estonia and Slovakia are not available in the 2002 dataset.

2004. Overall, we find interesting differences among countries and across time. Regarding the question whether immigration is good or bad for the economy (C4.5), we observe the most negative perceptions of immigration in Greece, Hungary and Slovenia. The least negative – or pro-immigration attitudes – are reported in Luxembourg, followed by Austria, Sweden and Estonia. These attitudes are fairly consistent across the two years under observation for most countries and indicate a rather worsening of attitudes in 2004. A noteworthy exception is Ireland, where attitudes become much more positive and appreciative towards migration in 2004. We find a similar positive trend in Greece and Estonia. A downward trend in 2004 is evident in Luxembourg, Denmark, Austria, Sweden, and Hungary. The most negative responses to the question on whether immigrants made the country a better place to live are consistently given in Greece, Portugal and Hungary (C4.6). Respondents from Sweden, Luxembourg and Denmark exhibit the most positive attitudes. Austria, Denmark and Luxemburg show a deterioration of attitudes in 2004, while Portugal, Estonia and Ireland show an improvement. Finally, perceptions that immigrants exacerbate crime (C4.7) are the most strongly negative in Greece and the Czech Republic, followed by Hungary, and the most positive by far in Ireland, with Italy and Great Britain trailing behind. Overall, these figures suggest that anti-immigrant attitudes seem to be the strongest in Greece and Hungary.

Apart from the questions about immigration in general, the ESS dataset also contains a specific question on whether to allow more or fewer immigrants of different races or ethnic groups to enter the country. This question is of particular interest for our study because it measures an important policy aspect of attitudes towards ethnic minority groups.¹⁸ In Figure C4.8 we depict the frequencies of these responses across countries. The percentage of respondents answering “allow many” is the highest in Sweden (30.2%), Spain (18.4%) and Italy (16.9%). In the antipode, “allow none”, we find Hungary (35.4%), followed by Estonia (26.5%), Greece (25.9%), and Portugal (25.4%). It is curious why more than a quarter of the population who votes in these four countries is against immigration. This might be because of racist and discriminatory attitudes, because of dire economic hardship, because the economy cannot withstand the influx of legal and illegal immigrants,¹⁹ or it could be due to selection issues as these countries might attract adversely selected immigrants.

To explore whether these perceptions vary by demographic and economic characteristics, we present tabulations by employment status and ethnic background. Figure C4.9 breaks down the results by labour force status, including those not participating in the labour force. It suggests that the greatest proportion of those with the most negative attitudes (answering “allow none”) is, besides the permanently sick or disabled, among the unemployed who do not look for a job (22.86%).²⁰ Retirees exhibit the third highest share with “allow none” response and the highest share with “few or none” response. As economic conditions deteriorate in a country, those vulnerable groups

¹⁸ It would be insightful to compare the attitudes in these questions to attitudes about immigration of members of the same ethnic group, but such a question was not included in the ESS.

¹⁹ In Greece for example, a country of about 9 million people, 700,000 are recent immigrants (or 8%) and about 250,000 of them (or 37%) are illegals (The Athens News Agency (Greece), October 4, 2007).

²⁰ While this result is intuitive, it is based on a relatively small sample of such people. This group was also the most likely to respond “allow many.”

affected the most, like the unemployed and pensioners are the most likely to be against immigration. Perfectly predicted by economic theory, if immigrants as factors of production are substitutes to natives they will cause displacement and unemployment among natives. This threat coupled with non-flexible and stagnant labour markets in Europe can easily trigger negative attitudes towards immigrants. At last, students were the least likely to advocate tight immigration limits.

Figure C4.10 plots these answers by ethnicity. Representatives of minority ethnic groups are, in general, more positive and tolerant than the majority about immigrants from different ethnic origins. However, the proportion of them answering “allow none” is also quite high at about 15%, possibly reflecting the fear that new immigrants would become competitors in the labour market and in particular in ethnic niches. Finally, we also explore the relationships between attitudes towards ethnic minority immigrants and skills as well as age. Figure C4.11 plots the predicted values from a simple linear prediction model. As can be seen from this figure, younger and more educated people are more likely to support open immigration policies for ethnic minorities.

4.2 Regression analysis

To measure the extent to which social, demographic, and economic factors are related to and influence attitudes towards ethnic minorities we use an econometric regression framework.²¹ That is, we allow various determinants to enter the analysis separately so that the effect of each can be estimated. This technique is valuable because it quantifies the impact of various simultaneous influences upon attitudes, our dependent variable. Estimation results in Table B4.1 show that, on average, there is no difference between genders in the perception of immigrants of different ethnicity. All other variables, however, are statistically significant. We find that the older the age and the larger the household size, the more negative are the attitudes towards immigrants. On the other hand, married respondents, immigrants and the highly educated have more pro-ethnic minority attitudes. The results also seem to suggest that individuals with lower household income tend to be less positive towards ethnic minorities.²² In addition, the negative and statistically significant coefficients on the labour force status dummy variables indicate that both individuals in the labour force and inactive individuals have more negative attitudes towards ethnic minority immigrants than those in school or military service (the omitted category). These findings confirm that perceived economic reasons are behind the negative

²¹ In the regression equation, the dependent variable is constructed from the answers to the question to what extent does the respondent think a country should allow people of a different race or ethnic group from the country's majority population to come and live there. It is assigned the value of “1” if a respondent answers “allow many” or “allow some” and the value of zero if a respondent answers “allow a few” or “allow none”. A linear probability model that identifies the contribution of each factor towards the probability of the response coded as “1” is estimated. Important independent or explanatory variables that influence the dependent variable are: gender, age, household size, education, marital status, employment status, etc. The reported statistical significance of the estimated relationships assesses the degree of confidence that the true relationship is close to the estimated relationship.

²² These results are not reported here, but are available upon request.

attitudes towards immigrants and ethnic minorities. Finally, individuals with more conservative political views have more hostile attitudes towards minority immigrants.²³

The regression analysis also allows for country-specific effects, which are statistically significant. These country effects reflect systematic differences in attitudes towards ethnic minority immigration between countries that are not attributable to the observable characteristics in Table B4.1. Such differences arise from country-level factors unobserved by the analyst, such as institutional differences between the countries. Figure C4.12 plots these country-specific effects. Note that the reference country is Germany, thus all the differences have to be interpreted relative to Germany. The figure clearly shows that, after controlling for individual and household characteristics, country-specific effects vary significantly. Consistently with our findings reported above, the net country effects are the most negative in Hungary, Greece and Estonia, and the least negative in Sweden, Poland and Slovakia.

4.3 Attitudes: discussion and conclusions

The results of this section are informative and important, but need to be interpreted with care. Attitudes reflect complex historical, psychological, and social processes that may complicate cross-country comparisons and obscure their relation to a realized action, which is our central interest. For example, negative attitudes reported in one country need not materialize as negative action, while less negative attitudes in other country's different context may.

To summarize the results in this chapter, based on self-reported racial or ethnic discrimination, there exists some evidence of discrimination in the European Union, which is most evident in Estonia, Great Britain, and Greece, while it is the lowest in Poland, Finland and Ireland. In Greece, Italy and Denmark support for anti-discrimination laws is the lowest. On the whole, in some countries like Greece, Estonia and Hungary we consistently find that the attitudes towards immigrants, immigration ethnic minorities are the most negative, while they are the most positive in Sweden, Spain and Italy. Out of the 19 countries under study and across all questions about attitudes towards minorities, Hungary and Greece invariably exhibit intolerance and hostility towards ethnic minority immigrants.

Turning to the individual factors associated with attitudes towards ethnic minority immigration, the permanently sick or disabled, discouraged workers, the unemployed and retirees are the least welcoming minority immigration. Ethnic minorities are generally more welcoming than the majority population, although they too are often against other migrants. Regressions analysis confirms these findings and shows that older, less educated, and more conservative people have more negative attitudes towards immigrants of different ethnicity, all else equal. Therefore, negative attitudes are rather due to economic reasons, and make the national governments highly responsible for the economic plight of their

²³ We acknowledge the two-way character of the relationship between political preferences and attitudes towards immigrants. Therefore, one should be cautious to interpret this finding as a causal relationship. The remaining effects are, however, robust with respect to inclusion or exclusion of the political preferences variable.

citizens. Finally, in line with the self-reported discrimination and other measures, the most negative country-specific effects are found to be in Hungary, Greece and Estonia.

The observed adverse attitudes towards ethnic minorities call for policy action especially in the countries with high levels of self-reported ethnicity-based discrimination. While debate about specific policies is assured, an obvious policy response would be the support of information campaigns fighting prejudice and explaining the economic and cultural advantages of immigration as well as the benefits of the economic and social integration of ethnic minorities. Information campaigns promoting anti-discrimination legislation might also be warranted where such legislation is needed.

5. IZA Expert Opinion Survey

To achieve a well-rounded evaluation of labour market barriers and be able to offer complete recommendations, we have to go beyond a quantitative analysis and approach the ethnic minorities to understand the inner nature of discrimination and internal barriers. Aiming at gaining valuable insights from the minorities themselves, the IZA Expert Opinion Survey was designed and conducted in 27 European Union countries in 2007. Our objective is to learn about the situation of ethnic minorities in their countries from the opinions of various expert stakeholders, including non-governmental organizations, governmental institutions, and employers' and employees' associations. The survey questionnaire was made accessible online at the IZA's homepage and invitations were sent to more than a thousand organizations working in the fields related to social and labour market integration of ethnic minorities Europe-wide. The objective of the questionnaire was threefold. First, the questionnaire was designed to measure the experts' perceptions and concerns about the labour market integration of ethnic minorities. Second, a number of questions were intended to capture the experts' opinions about the perceptions of ethnic minorities in their country on various issues concerning their labour market integration and integration policy initiatives. For example, we asked the respondents to indicate the integration policy principles that they think are the most preferred by members of relevant ethnic minority groups. Further questions probed who should intervene to reduce integration barriers in the labour market and the initiatives that would be most efficacious. Finally, we asked the experts to identify successful business, non-governmental, and public initiatives aimed at labour market integration of ethnic minorities and to evaluate their success.

In the context of the analysis above, the IZA Expert Opinion Survey of 2007 will provide a cross-check on the experts' assessment of labour market barriers and a comparison with the labour market interventions proposed by IZA country experts as outlined in section 3. The Survey is thus not intended to provide objective measures of integration barriers or related variables.²⁴ Rather, the survey's purpose is to collect information on the key qualitative characteristics of the social and labour market situation of ethnic minorities across Europe, thereby offering significant heuristic information for scientists and policy makers.

Between May 3 and July 24, 2007, 215 experts from all 27 European Union countries have filled in the survey questionnaire. The number of respondents across the 27 European Union countries is shown in Figure C5.1. Out of the 215 organizations represented by the respondents, 33.8% focus on ethnic minorities and 29.1% are run by members of ethnic minority groups. In addition, the survey obtained valuable experts' opinions about 192 business, non-governmental, and public initiatives that aim at the labour market integration of ethnic minorities.²⁵

In this section we present the results of a comparative analysis for the whole sample of respondents as well as, whenever informative, for the sub-sample of those who represent organizations run by members of ethnic minorities. Another comparative perspective is

²⁴ Statistical measures of integration barriers are provided especially in sections 2, 3, and 4 of this report.

²⁵ Experts could report up to three initiatives.

provided by the analysis of all minorities in general and the reported minorities at greatest risk of labour market exclusion. Since the Roma²⁶ are most frequently reported as the ethnic group facing the greatest risk of labour market exclusion, we provide a comparative account of the results for this ethnic minority.

5.1 Results: expert opinions

The majority of the surveyed experts from the organizations perceive ethnic minorities to be exposed to a “high” or “very high” risk of ethnic labour market exclusion. From Figure C5.2, we observe that the experts’ perception of the exclusion risk is somewhat higher in the sub-sample of experts from organizations run by members of ethnic minorities than in the whole sample.

Figure C5.3 suggests a possible worrisome trend. More than 80% of the experts perceive the exclusion risk of ethnic minorities to be constant or increasing over time. As one might expect, experts from organizations run by members of ethnic minorities are somewhat more likely to perceive this trend more unfavourably than organizations in general.

It is also informative to examine which ethnic minorities are perceived to be at greatest risk of labour market exclusion in the experts’ respective countries. Figure C5.4 provides a clear message. The Roma and Africans are the most frequently cited as ethnic minorities facing the greatest risk of exclusion from labour market opportunities. Except for the Roma, Muslims, and some other smaller minority groups, the respondents generally refer to ethnic minorities at greatest risk by their countries of origin. While the reported figures fully reflect the respondents’ views, they may hide the importance of race or religion in the risk of exclusion. For example, most immigrants from the categories “Bangladeshi”, “Turk”, “Middle Eastern” and many of those in the categories “African” and “Former Yugoslav or Balkan” can reasonably be believed to be Muslims. If so, this religious group is highly represented among the minorities at greatest risk. Similarly, most of the reported ethnic minorities at greatest risk have darker skin, suggesting that visibility may be an important driver of exclusion risk. Table B5.1 presents the minorities at the greatest risk by country, reiterating the observation that the Roma face the greatest risk of labour market exclusion in the European Union, according to the surveyed expert respondents.²⁷

The survey then measured how the relevant experts perceive the wishes of ethnic minorities. As reported in Figure C5.5, when asked whether improving the social and labour market integration of minorities is seen as a priority by members of ethnic minorities, almost all respondents, and especially those representing organizations run by ethnic minorities, replied that ethnic minorities desire some change. In Figure C5.6, looking at minorities at the greatest exclusion risk in each expert’s respective country, we observe a similar pattern of responses.

In Figure C5.7 we report the areas where, in experts’ opinion, changes are most desired by ethnic minorities. The results indicate that the four most prominent areas are

²⁶ We use the term Roma to denote all groups referred to as Roma, Sinti, or Gypsy by the respondents.

²⁷ Given that these figures are produced separately for each country, they are often based on small samples of respondents.

paid employment (hiring, promotion, laying-off, and pay), education, housing, and attitudes (acceptance by society). Social insurance and benefits, cultural, social and religious life, and political representation are also noted by a significant number of respondents as areas that need improvement. On the other hand, national and international mobility and self-employment are not viewed as problematic areas. Health care is somewhere between these other areas in terms of importance. These patterns are similar for both minorities in general and minorities that are at the greatest labour market risk.

Figure C5.8 reports the experts' opinions which ethnic minorities consider as the most responsible to initiate and promote the desired changes. Inarguably, minorities in general as well as minorities at most serious risk regard the national and local governments (GVT) and authorities to be most responsible for the desired changes. Other important reform actors include the European Commission and European Union institutions (EC and EU), non-governmental organizations (NGOs), and representatives of own ethnic minority (Own Repre) and representatives of ethnic minorities in general (Minor Repre).

A related and critical issue is to identify which policy principle is the most preferred by members of ethnic minorities, as judged by expert stakeholders. Remarkably, as shown in Figure C5.9, equal treatment with no regard to ethnic origin is by far the most preferred policy principle. Experts from the organizations run by members of ethnic minorities show a slight tendency to believe that minorities prefer the principle of specific provisions such as language courses for ethnic minorities that are not fluent in the majority language more frequently than organizations in general. Looking at the same issue for minorities at the greatest exclusion risk in Figure C5.10, the pattern is very similar to that reported for minorities in general.

As we saw in Figure C5.7, negative attitudes about ethnic minorities are perceived by the experts to be an aspect in great need of improvement. Figure C5.11 and C5.12 show that these negative attitudes are perceived to be society-wide. Figure C5.11 focuses on the general public. About 70% of the respondents report "negative" or "very negative" public attitudes towards ethnic minorities in general. The corresponding figure for the minorities at the greatest risk is a stunning 88%, most of which is "very negative" attitudes. In theory, the business world should be less discriminatory in its attitudes towards ethnic minorities than the general public, because competition makes acting on discriminatory preferences costly. Although we indeed observe that the attitudes of the business world are less extreme, they are still perceived to be significantly negative, as illustrated in Figure C5.12.

Finally, Figure C5.13 sheds light on the barriers to integration, as perceived by the expert stakeholders. Insufficient knowledge of the official language, inadequate education, lack of information about employment opportunities, and social, cultural, and religious norms originating from within the respective ethnic minority, along with institutional barriers such as citizenship or legal restrictions are viewed as very significant barriers. However, discrimination is perceived as the most serious barrier to the social and labour market integration of ethnic minorities. This is consistent with the extremely negative attitudes perceived by the experts, as reported in Figures C5.11 and C5.12.

When asked about the means to overcome these barriers, most of the respondents indicated general (e.g. anti-discrimination laws) or specific (e.g. targeted pre-school education and information campaigns) public policies and initiatives, as shown in Figure

C5.14. Business and non-governmental initiatives (including church initiatives) are also viewed as important means of overcoming integration barriers.

Overall, respondents, who deal with minorities or who are minorities themselves, firmly acknowledge that minorities in all 27 EU countries are at grave risk of exclusion, and this risk is either steadfast or increasing. Among the most vulnerable and affected minorities are the Roma and people from Africa. Across European countries, the Roma and Africans occupy a vulnerable minority role almost everywhere. However, other immigrant groups are also at risk. Concerning their labour market exclusion, minorities do want change and generally want this change to come about through policies adhering to the principle of equal treatment. This is consistent with their view that very negative views on them prevail in Europe and that discrimination is a primary obstacle to their further integration. For the most part, they look to national and local governments to help them make these positive changes, both in terms of discrimination in the workplace and the other problem areas such as education and housing.

5.2 Results: the Roma

In the expert survey, the Roma are reported to face the most severe risk of labour market exclusion in the European Union. The public discourse about the Roma has increased the prominence of their plight, but at the same time the European public often has poorly informed stances and inaccurate ideas about the Roma. While it is now rare to be warned about “Gypsies” stealing one’s baby, the perception that the Roma are lazy, do not want to work or choose not to change their situation is still not too uncommon. We therefore devote special attention to the answers of surveyed experts who mentioned the Roma as the group at greatest exclusion risk to further our understanding of the integration situation of the Roma. The results from the survey reported in Figure C5.15 show that these negative perceptions are unjustified in the eyes of our experts. Looking at the answers of those respondents who indicate the Roma as the minority at greatest risk of labour market exclusion, almost 80% of them declare that the Roma, in fact, do want to change their integration situation. If we further restrict the sample to only those organizations that are run by members of ethnic minorities, the same figure rises to more than 95%.

Are the areas of concern for the Roma similar to other minorities at risk? Figure C5.16 shows that the experts believe that the same four areas of change are most desired by the Roma as by all minorities in general (paid employment, education, housing, and attitudes). However, the Roma view all four areas as more or less equally important, whereas at-risk minorities in general were seen as prioritising paid employment and attitude change. Education (the most important vehicle of social and labour market integration) ranks highest. Interestingly, social insurance and self-employment rank higher for the Roma than for the minorities at greatest risk in general.

Experts were also asked who the Roma view as most responsible for promoting and initiating such changes. In Figure C5.17 the Roma rank local governments as the highest responsible body to carry out changes according to the experts. Compared to minorities at greatest risk in general (see Figure C5.8), the Roma, are seen as putting more emphasis on the European Commission and European Union institutions and on representatives of their

own ethnic group and somewhat less emphasis on national governments and non-governmental organizations. This could reflect disappointment and frustration with national governments' past actions as well as their broader distribution across most of Europe.

Finally, we investigate what policy principles are preferred by the Roma concerning the initiatives aimed at facilitating the labour market integration of ethnic minorities. The experts believe that the Roma mostly desire equal treatment, although to a slightly lesser degree than other minorities. The Roma appear to prefer the principle of positive discrimination or affirmative action (i.e. preferential treatment of applicants of ethnic minority origin) somewhat more, and the principle of specific provision somewhat less than ethnic minorities at greatest risk in general.

5.3 Results: integration initiatives

The IZA Expert Opinion Survey of 2007 also collected information on 192 initiatives, practices, or policies promoting the labour market and social integration of ethnic minorities reported by the expert respondents among the three most successful in their country. Figure C5.19 breaks down the reported initiatives by type. It reveals that public and non-governmental projects are prominent among successful initiatives and the business-led initiatives are rarer. The evidence from the case studies reported here indicates that business initiatives have a relatively high probability of success. Our conjecture is thus that this result is due to a small number of business initiatives in general and the possibility that initiatives involving a consortium of partners are not reported as business initiatives, rather than a low success rate among such initiatives.

Figure C5.20 shows how respondents evaluated whether or not the initiative was successful. The improvement of the labour market situation of ethnic minorities was the most frequently cited indicator. Improving attitudes towards immigrants, their educational attainment, reducing discrimination and improving their social and political participation were viewed as equally important measures of success.

Figure C5.21 reports the factors which expert stakeholders view as most instrumental for initiative success. Effective implementation ranks number one, followed by a positive perception by the majority, the feasibility of the program, and provision of sufficient finances, although all the responses were considered important by a considerable percentage of respondents. The very high ranking of positive perception by the majority underscores the importance of managing the majority's perception of proposed integration initiatives. Other frequently marked factors include fair treatment of all sub-groups within the ethnic minority and effective communication. These results further demonstrate that successful initiatives are neither simple to design nor certain in outcome.

5.4 Results: open-end response

In order to provide a comprehensive account of expert's opinions on integration of ethnic minorities beyond the capacity of a multiple-choice questionnaire, with most questions we

provided an opportunity for an open-ended answer. Respondents' answers elicited in this way provide invaluable additional information complementing the analysis discussed above.

Additionally to the areas depicted in Figure C5.7, experts cited the black market economy as an area where changes are most desired by ethnic minorities (at the greatest risk and in general). Besides the available options depicted in Figure C5.8, the respondents mentioned the media as an important actor responsible for initiating and promoting changes in the integration situation of ethnic minorities. Concerning which principle should be employed to initiate such changes, some respondents suggested that the principles of equal and differentiated treatment should be combined depending on the context.

When asked about the major barriers preventing full labour market participation of ethnic minorities, further to the options depicted in C5.13 respondents mentioned regional underdevelopment, poverty, lack of legal documents, lack of self-confidence to apply for jobs, non-recognition of foreign educational documents, unwillingness to work, trauma after spells in refugee camps, lack of experience in the host country social context, lack of interest in integration, and competition from intra- European Union migrants.

The experts' suggestions to enhance integration included a variety of proposals beyond those listed in the questionnaire. A sample of these proposals is: training in self-confidence, active lobbying, cultural diversity education, immigration law changes, elimination of institutional barriers (e.g. recognition of foreign educational documents), legalization of (illegal) immigrants, public attitudes and media management (promoting benefits of immigrants on national media, challenging racism in the media). In sum, the open-ended responses highlight the need for versatile and tailor-made policy action.

5.5 Survey summary and discussion

The IZA Expert Opinion Survey of 2007 takes us into the world as seen by stakeholders deeply involved in the ongoing integration of ethnic minorities in Europe. While the findings must be interpreted in terms of these experts' own perspectives, several distinct findings emerge. The situation of ethnic minorities in Europe in terms of the risk of their labour market exclusion is severe and in many cases worsening. The Roma and Africans are the groups most frequently cited as facing large risks of labour market exclusion. Contrary to the views of some, ethnic minorities by and large want to change their labour market situation, especially their paid employment opportunities, education, housing, and the public's attitude about them. Local and national governments are considered by most to be responsible for the initiation and promotion of these changes, although European Union institutions, non-governmental organizations, and minority representatives are also seen as bearing some responsibility. The survey indicates that experts from migration-related organizations believe that ethnic minorities mostly prefer the principle of equal treatment to the principle of special treatment through specific provisions and positive discrimination. It is noteworthy that these results do not significantly depend on the character of the respondent (governmental versus non-governmental organization) or on the geographical location of the respondent (Eastern versus Western European Union).²⁸

²⁸ Results of this auxiliary analysis are available upon request.

Given that attitudes and perceptions towards ethnic minorities rank high on the list of desirable changes, it is concerning that both the general public and the business world perceive ethnic minorities quite negatively. The experts representing organizations run by members of an ethnic minority view public attitudes as a strong negative force for labour market integration. Given the experts' views of public and business attitudes, it is not surprising that discrimination is perceived to be the single most important integration barrier. Other significant integration barriers include linguistic, educational, internal, and institutional factors.

The Roma ethnic minority has often been a victim of uninformed policy debate and action. Our results show that notions such as “the Roma not wanting to work or change their situation” are unjustified myths and stereotypes. Overall, the responses concerning the Roma are similar to those concerning other minorities. In particular, the Roma desire to change their situation at least as much as other ethnic minorities. However, there are some differences in our experts' assessment of Roma attitudes and desires compared to the other minorities. While the national and local governments remain the most frequently cited entities responsible for initiating and promoting changes, the Roma are felt to expect relatively less from national governments and more from the European Commission and European Union institutions and on representatives of their own ethnic group. Although it is dangerous to read too much into the opinions of these experts (not many of whom are Roma), these findings are consistent with what one might expect, given the Roma's often fraught history with local and national governments. The Roma's perceived reliance on their own representatives may reflect the Roma's feelings of their aptitude to initiate the change, the popular belief holding the Roma responsible for their situation, or a learned distrust of non-Roma government actors. The Roma's larger emphasis on education, housing and social insurance (compared to other minorities) and their relative willingness to rely on positive discrimination may all be reflecting the extremely long-term nature of the Roma's residence and discrimination in Europe.²⁹

The results on integration initiatives indicate that most of the work is done by non-governmental and public organizations. In the light of information reported in this study, the limited initiatives of the business sector are unfortunate, since employers directly affect the integration chances of ethnic minorities. The experts also indicated that improvement in the labour market integration of ethnic minorities is the most important measure of any initiative's success. While standard efficiency and effectiveness concerns drive the success of integration initiatives, we also find that efficient communication with the affected parties, fairness, and acceptance of integration initiatives are factors that are instrumental to insure the success of an initiative.

Experts involved in the study made a number of interesting suggestions. Some experts highlighted the role of the media and their crucial role in shaping public perceptions. Many of the suggestions involved active communication programs effectively extolling the often unnoticed benefits of multiethnic coexistence. Finally, several implicit policy suggestions concerning institutional and legal obstacles to integration were made.

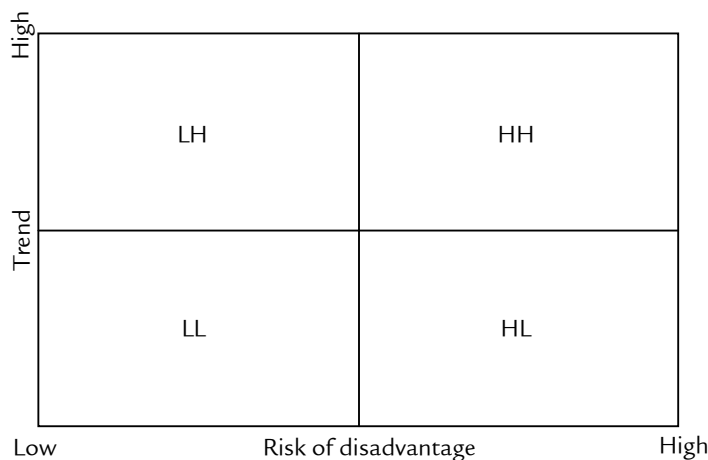
²⁹ Unlike immigrant minority groups with short histories in their host countries (e.g. Albanians in Greece, Iraqis in Sweden, or even Turks in Germany) the Roma people have been living in many European countries for centuries.

6. A Policy Matrix

Because the specific policy interventions and the intensity with which those interventions are pursued should ideally depend on the situation and prospects of specific groups in specific countries we developed a policy matrix (Figure 1) as a guide in the prioritization and calibration of policy effort. This matrix thus also provides qualitative insights into the quantitative results about the situation of ethnic minorities in Europe and its trend reported in Figures C5.2 and C5.3.

The purpose of this matrix is, for any one ethnic group in a given country, to characterize degrees of interaction between the perceived risk of labour market disadvantage and the efficiency of policy intervention, as measured by the perceived trend in the situation of the respective ethnic minority. It is informative to divide the matrix into four quadrants – LL, HL, LH, and HH – signifying the four possible combinations of low and high current risk and its trend. For example, quadrant LL, which is characterized by both low levels of risk of disadvantage and decreasing exclusion risk, could represent the situation of Asians in France. Quadrant HL represents a high degree of risk of being disadvantaged but a decreasing risk of exclusion, and could represent Russians residing in Finland. In the Northeast corner (HH representing high and increasing risk) could characterize the plight of the Roma in almost any country. The matrix highlights some important policy implications in a world defined by limited resources for integration initiatives. In short, effort should be reallocated to cases farthest from the origin, i.e. in the Northeast corner.

Figure 1. Policy matrix



Drawing the measures of risk and its trend from the IZA Expert Opinion Survey of 2007, Figure C6.1 reproduces the policy matrix for 23 European Union countries. In particular, we

plot the four largest minorities in each country by the risk the respective minority faces and its trend, as averaged over the evaluations of the experts from the respective countries.³⁰

The main thrust of the reported country matrices is that risk levels and trends vary within ethnic minorities geographically as well as within countries across groups. Ex-Yugoslavs seem to be doing relatively well in Sweden, but they are reported as a group at risk in Germany. Ireland might be quite welcoming of Russians, but relatively inhospitable to North Africans. As a generalization, the matrices demonstrate that most minorities in Belgium, France, Germany, Greece, Italy, Luxemburg, Malta and the UK and the Roma in Bulgaria, Poland, Romania, Slovakia as well as in the Czech Republic (where the situation is slightly improving) require extraordinary attention with regard to their labour market integration. These intra-group and intra-national heterogeneities and similarities are an important insight in terms of informing policy action. Providing a versatile comparative tool, the policy matrix thus enables local, national, and supranational organizations to evaluate the situation of ethnic minorities in their respective regional and functional contexts.

³⁰ Given that these figures are produced separately for each country, they are often based on small samples of respondents. No or insufficient data were available for Cyprus, Lithuania, Slovenia and Latvia.

7. Evaluation of Integration Initiatives

While the IZA Expert Opinion Survey of 2007 offers important quantitative insights into the public, non-governmental, and business initiatives in relation to integration of ethnic minorities, in this section we offer a qualitative analysis based on a number of case studies. Our main objective is to provide qualitative insights into the nature of integration initiatives, highlighting good-practice innovative approaches adopted within these initiatives to overcome the integration challenges in different contexts. To this end, we investigated 22 integration initiatives in 13 EU countries and Canada, including all of the 10 EU countries specifically covered in this study. We conducted interviews with the people in charge of these initiatives in the lead and partner organizations. While this section only provides an overview of our findings, a detailed description of all cases is contained in Appendix D.³¹

The sample of cases was selected to highlight various aspects and contexts of integration initiatives in order to pinpoint good integration practices. With this objective in mind, three key selection criteria of success were adopted: the *sustainability* of the initiative in the long run, application of *innovative methods and approaches*, and focus on specific *important aspects of integration*. Each of the included cases fulfils at least one of these three criteria. Some of the covered case studies illustrate other interesting aspects of integration efforts that further justify their inclusion in the analysis. These include effective cooperation of the partners, addressing the needs of a specifically vulnerable group, specific lead actors, remarkable scale of success, focus on specific or newly emerged groups at risk, and remarkable motivation or initiation. Particular indicators and measures of success are provided in the detailed case descriptions in Appendix D.

Since the labour market integration of ethnic groups almost by definition involves business companies, integration initiatives involving business organizations are the focus of our interest. However, one of the valuable insights provided by our country experts and the IZA Expert Opinion Survey of 2007 is that most initiatives – and perhaps all of those successful in integrating extraordinarily excluded ethnic minorities – involve partnerships between businesses, non-governmental, and public organizations. Therefore, we selected integration initiatives that are either initiated by a business or involve a partnership with the significant involvement of business organizations.³²

The selected case studies are comprehensive and represent all main regions of Europe. We cover states with different integration situations and various types of ethnic minorities, including the immigrant and non-immigrant ethnic minorities, the Roma, as well as refugees and asylum seekers. We also present examples of initiatives led by ethnic minorities and females. Furthermore, we investigate cases in which ethnic entrepreneurs act to assist their co-ethnics in the integration process.

³¹ The interviews were conducted between August 17 and September 28, 2007; the list of interviews is available in Table D7.23. France is covered by the L'Oréal Italia case study, an Italian subsidiary of the French company.

³² One exception is the case study on the integration of Roma pre-school children that we consider especially insightful, and include it in the analysis.

7.1 Integration of the Roma

The covered case studies highlight a number of cogent points surrounding the social and labour market integration problems of ethnic minorities.³³ We first look into the integration of the Roma, as the minority at greatest risk of exclusion in Europe. Negative attitudes and low educational attainment are the two most significant barriers to Roma employment. Thus, overcoming tentative labour market attachment and weak work discipline is noted as an important pre-requisite to integration. Fairness vis-à-vis all partners and transparent rules facilitate building trust, social relationships, and positive perceptions that can greatly improve Roma employment prospects. Voluntary participation and strict and transparent selection rules are seen as crucial to ensuring the motivation of clients and creating a positive image of the initiative amongst the Roma. In addition, it is cited that merit based remuneration encourages and implements work discipline. Moreover, cooperation between private, public, and non-governmental organizations breeds a functional relationship and effective complementarities.

A strategic integration of Roma and non-Roma minorities within any initiative is argued to be advantageous on its own, and, in addition, portrays a positive image of the initiative to society at large since it dissipates any negatively perceived Roma focus. Some activists report that an explicit Roma focus would render communication with the majority population more difficult and perhaps stigmatize the Roma. Some program leaders strive to advertise their initiative as one which promotes economic and developmental benefits to society in general, thereby creating a positive image of their initiative. The cases studies also demonstrate that experience in working with Roma employees reduces the chances of prejudice against the Roma among majority employees, and that higher representation of the Roma among the employees increases their self-esteem. In addition, while each program involves aspects of positive action in the process of transition from unemployment or non-participation into employment, these initiatives strictly adhere to the rule of equal treatment in employment.

Given these findings, the scope of the public policy should especially promote anti-discriminatory legal frameworks, promote the benefits of a diverse workforce, foster equal treatment in employment but allow for transitory positive action, design social benefit schemes in the way that facilitate the transition from unemployment into employment especially for low income job seekers, and generally support long-term rather than short-term initiatives.

In general, most but not all of the employment opportunities made accessible to the Roma by the discussed initiatives are low-skill. The initiatives of Freesoft in Hungary and Agentia Impreuna in Romania, which are operated by Roma people, make efforts to integrate Roma workers into high-skill jobs. Another important observation is that the low skill jobs offered to the Roma are often inherently gender biased, such as those in the textile company SVIK (for women) and the steel mill USSKE (for men) in Slovakia. Although these

³³ The Decade of Roma Inclusion orchestrated by the Open Society Institute and the World Bank and involving the national governments of a number of Central and Eastern European Countries is perhaps the most comprehensive large-scale initiative aimed at Roma inclusion. Due to its scale and largely public character it is beyond the scope of our analysis, however.

initiatives are certainly beneficial to the Roma communities, there may be adverse consequences of such gender biases.

The specific situation of pre-school Roma children and the importance of integration of Roma children, underscored by a number of interviewees, motivated us to investigate a specific integration initiative in Prešov, Slovakia. This initiative highlights the need for targeted action, and offers an innovative integration approach aimed at Roma children. In particular, a two stage integration approach adopted in this initiative seems to be successful in reducing the socio-cultural barriers between Roma and non-Roma children in a Roma-only environment in the first stage, thereby enabling these Roma children to integrate in a standard integrated school environment in the second stage. Another advantage of this two-stage approach is that it largely avoids the stigmatization of Roma children. The success of this initiative, which requires enduring dedication, is apparently owing to strong intrinsic motivation and female involvement in its leadership.

7.2 Central and Eastern Europe

While the Roma are perhaps the most long-term disadvantaged ethnic minority in Central and Eastern Europe, this region has to cope with labour market exclusion of other ethnic minorities as well. The history has left the Baltic States with a large Russian speaking population that faces a number of integration challenges driven especially by linguistic barriers. Another integration issue emerging in the rapidly advancing economies of Central and Eastern Europe is burgeoning economic immigration especially from Asia and other parts of the former Soviet Union.

The benefits of ethnic diversity in the workforce, in ethnically diverse products and labour markets are the main driving forces of integration initiatives in the Baltic initiatives of Hansabanka and Maxima Latvia. Indeed, realizing that ethnic minorities are potential employees as well as powerful consumers is an important aspect of successful minority integration in all contexts. While the linguistic divide in the Baltic States can probably be overcome by standard language courses, it seems to be necessary to devote special attention to the inclusion and motivation of less skilled and elderly people. In the Czech Republic's Foxconn integration initiative, the challenge of integrating recent immigrants from Asia and the former Soviet Union requires heeding linguistic issues as well. However, the tightening of the housing market seems to create important integration barriers that need to also be addressed. This case also highlights the importance of trust and social relationships between migration intermediaries, employers, co-workers, and immigrants.

7.3 Western Europe

Western Europe has since long been an important immigration destination. The resulting ethnic minority communities face a number of integration barriers as discussed earlier in this study. Several conventional approaches to the integration of ethnic minorities have appeared over the years, of which perhaps the most prominent public action is the anti-

discrimination legislature. Experience shows, however, that innovative approaches at all levels are indispensable.

One of such innovative approaches is the usage of a company's performance in terms of workforce diversity and non-discrimination as a measure of business success. Clearly, profit maximization is the primary objective of most entrepreneurs. However, the sustainability of their businesses often rests on their ability to manage the business opportunities and risks in the ethnically diverse markets.

Careful evaluation of the applied policies is certainly an important tool to improve integration policies and take corrective action. Therefore, it should be an integral part of all integration initiatives. A related derivative issue is propagation of best practices among the involved parties, as it certainly contributes to increased likelihood of success. Indeed, effective communication and cooperation between the involved parties is essential for an initiative's success. Particularly important is the external marketing of the initiative, which ensures that the target as well as the general population accept and positively respond to the initiative. From a different perspective, internal marketing seems to be of the same if not greater significance, since it ensures that the initiative is accepted among the people in charge of running and implementing it.

In the globalising world an interesting integration strategy may be the adoption of some of the major world languages as the working languages at the company. Such measure has the potential to create a win-win situation: it benefits the company that can better compete in the globalized markets as well as it increases the integration chances of immigrant minorities that are in general more likely to invest (or have invested) into learning a more widely spoken language. If so, local language deficiency poses little barriers to minority employment in such companies.

Hands-on experience with business companies and immigrants is an important component of successful initiatives. Labour exchanges and active skill matching are particularly important in securing jobs for ethnic minority workers. Skill discrepancies, in turn, need to be mitigated by selection and training of prospective employees. Formal requirements can often be overcome, if matching between job requirements and actual skills of job candidates is actively managed. In this vein, the role of the state is especially important in facilitating formal recognition of foreign educational and professional certificates.

Cultural differences between the people conducting the initiative, the employers, and the prospective minority employees are often a major difficulty threatening the success of integration initiatives. The building of trust and social relationships necessary to overcome these difficulties requires a long-term commitment by the people running the initiative as well as the funding organizations. Effective communication of good practices within and between partnerships running integration initiatives is vital in these terms as well.

A number of interesting approaches were identified in terms of various direct and indirect ways in which integration may occur. Facilitating ethnic entrepreneurship, fostering contracts between ethnic and non-ethnic enterprises, tackling the problem of under-representation of minority students in certain fields of study as a cause of their under-representation in certain well paid jobs, and fighting discrimination and intolerance in

schools are all of utmost importance for the effective labour market integration of ethnic minorities

7.4 Canada: the comparative perspective

We use Canada as a valuable heuristic benchmark example. There are a number of comparative insights that can be derived from three successful case studies in Canada, a prototype immigration country that takes pride in its successful multicultural society (D7.20-22). The cases analysed in this study reflect the selective Canadian immigration policy that treats skilled immigrants preferably. In particular, the focus of the covered initiatives is on the integration of skilled immigrants into professional organizations and the availability of employment opportunities for minorities. These initiatives demonstrate that labour market integration may be difficult not only for low, but also for high skilled immigrants. If a disadvantaged group's most able members have difficulties integrating into the local labour market, it likely makes integration even harder for those further down the skill distribution. This perspective needs to be investigated in the European context. Specifically, it may be useful to direct some of the integration efforts in Europe to skilled immigrants and foster the positive spillover effects that their integration may have on their less skilled counterparts.

From a different perspective, the Canadian liberal tradition demonstrates – according to the view of the leaders of the studied Canadian initiatives – that the Canadian labour market is a successful paradigm to the broader integration challenges. In a similar vein, active management of ethnic diversity at the labour market level as well as at level of the company's services or products is seen as essential to business success. In turn, business success means employment opportunities for minorities and stable jobs as well as availability of competitive goods and services for the minority community. If this is the case, the end result is a win-win situation for the economy, the businesses and the minorities in their function as consumers and factors of production.

7.5 Summary and discussion

Social and labour market integration of ethnic minorities is undoubtedly one of the Europe's paramount challenges. Integration of ethnic minorities is certainly a prime moral imperative. Nevertheless, its economic benefits must not be overlooked. In a study on the Roma integration in Bulgaria, the authors report that the benefits of the Roma's labour market integration in terms of the personal income of the integrated workers, social insurance contributions paid from their salaries, and employers' profits would amount to as much as 810 to 1,727 million Bulgarian leva per year, which is about 2 to 4% of the country's gross domestic product annually (Bogdanov and Angelov, 2006). If one would take the risk of extrapolating these figures to the European Union, the benefits from labour market integration of European ethnic minorities would amount to as much as 291 to 581 billions of Euros annually (2 to 4% of the European Union's gross domestic product in 2006). In this sense, the labour market integration of ethnic minorities should not be seen

only as a social and moral issue, but as an economic and developmental issue as well. It is this perspective that helps us understand the context of the discussed integration initiatives.

While we observe large variations in integration initiatives and contexts, there are a number of universal principles that emerge from this broad evaluation of initiatives. Fairness vis-à-vis all partners and transparent rules facilitate building trust, forging social relationships and adopting positive perceptions that greatly ease integration and guarantee minority incorporation prospects. Voluntary participation and strict and transparent selection rules are seen as crucial to ensuring the motivation of the target population and creating a positive image of the initiatives. Fair and equal treatment (e.g. merit based remuneration) after initial exclusion has been surmounted mitigates conflict and resentment, facilitates support by the majority and alleviates stigmatisation of the minority. Positive action is accepted as a transitory measure in the state of exclusion. Furthermore, merit based remuneration creates feelings of self-worth, prompts work discipline and further support by the majority. Cooperation between private, public and non-governmental organizations breeds a functional relationship and is necessary in the case of extraordinarily segregated minorities. The integration of children is also an important investment and imperative in achieving successful minority integration in the long run.

Sustainability of integration initiatives remains one of the main concerns of minority integration in Europe. Too often integration initiatives depend on funds from a single source, this often being the European Union, and too seldom is the funding permanent. From the studied cases it appears that a strong and enduring commitment on the side of the lead organization can surmount such difficulties and perpetuate integration activities by securing funds of limited duration repeatedly over long periods of time. However, diversification of funding and involvement of businesses are also essential.

Regrettably, the benefits of integrating minorities are not always fully noticed or appreciated by the business world. If they are acknowledged, however, sustainability of the integration initiative is likely. In particular, integration initiatives seem to deliver positive results if ethnic minorities are perceived as full-fledged citizens and powerful economic actors, that is, as consumers and potential employees. In this regard, adopting workforce diversity and minority integration as a measure of business performance promotes the integration of ethnic initiatives and fosters their sustainability.

Long-term commitment is perhaps one of the most important determinants of integration success. It ensures that trust is forged and social relationships are smooth; they are necessary to overcome integration barriers that often result from complex and inert social processes. Furthermore, it permits more energy and resources to be devoted to actual work and less to fundraising and advertising. Another important factor that is a function of long-term commitment is the accountability and moral mandate of integration initiatives with respect to the target populations. Involvement of the target population in decision-making is of paramount importance. It boosts their confidence, ignites their desire to better their plight, to be responsible and make a difference on their own. It also fosters trust and mutual support between the involved parties and thus the sustainability of the integration initiative.

The role of the state seems to be mainly providing the appropriate laws like anti-discriminatory legislature, low-barrier employment accessibility, and a welfare system that aim to ensure transition and integration into employment. Beyond the enforcement of laws

and other benevolent social actions, the prerequisite of successful governmental measures is the support for economic development and flexible healthy labour markets. Governmental actions should (i) be based on sound economic theory, eliminate pitfalls, and avoid unintended consequences, (ii) involve communication at all levels (local, national, and federal), and (iii) work together with the private sector and non-governmental agencies. Within the general guidelines, there must be some room for flexibility in the sense that, as we deal with people and situations often change, we must be able to adjust to new situations. The role-model function of the public agencies must not be overlooked, either. Besides the involved business and non-governmental parties, it is especially the state and the public sector in general that should foster the long-run commitment to the integration of ethnic minorities.

One of the important challenges in providing and making employment opportunities accessible is the trade-off between no employment and low quality employment and between stringent selection of participants into the integration programs and inclusion of all members of ethnic minorities. Some of the prospective approaches to these important issues involve the efficient management of ethnic minorities' careers, including providing them with further education, and keeping the doors open to ethnic minorities not yet selected. A further challenge is to ensure the role model function of the selected individuals for their broader communities.

In general, there is a long way to go in terms of integration initiatives. The observed cases from Western Europe exhibit a relatively high degree of formalization, institutionalization and awareness. However, the experience of our interviewers points at some risk of excessive formality and red tape in some initiatives. In Central and Eastern Europe, in contrast, we observe a growing attention and responsiveness to the ethnic integration issues but the observed initiatives exhibit a lesser degree of maturity. The initiatives in these countries seem to be less frequent and less formalized. Nonetheless, the interviewed individuals seem to exhibit genuine motivation to facilitate the labour market integration of ethnic minorities.

8. Policy Conclusions

Empirical evidence from different sources shows that the social and labour market integration of ethnic minorities in the European Union is still a major political, societal and economic challenge. Statistical data point at considerable ethnic gaps in employment and labour market attachment of ethnic minorities compared to the majority populations. Ethnic gaps vary not only with respect to the groups concerned but also from one country to another. However, some ethnic groups are more at risk of social and labour market exclusion than others, and in some cases there is no clear trend towards improvement. The Roma and the Africans are the most vulnerable ethnic minorities in the European Union.

The IZA Expert Opinion Survey carried out for this report and related quantitative analysis puts emphasis on the fact that there is no single explanation for deficits regarding the social and labour market integration of ethnic minorities in the European Union. The situation is more complex, with intricate interrelated parts. On the one hand observable characteristics of ethnic minorities, such as deficits in education and training as well as knowledge of the main language, hamper their access to the labour market and to steady employment. On the other hand, attitudes and perceptions held by both the minority and the majority population do matter. That is, the role of self-perception and labour market orientation of the minorities as well as the actual discrimination by the majority population – cultural differences and prejudices notwithstanding – can negatively interact and produce insidious pressures. Finally, institutional provisions of the labour market and the welfare state are instrumental in facilitating or restricting access to employment and social integration for diverse minority groups. These factors can explain differences in labour market integration of different ethnic minorities and across European Union member states.

The situation of ethnic minorities can be improved to the extent that governmental and non-governmental action can change the institutional and societal factors that are found to have a strong impact on the social and economic well-being of ethnic minorities. Above all, our research shows that successful policies are those that take the specific situation of the respective ethnic minority into account. Notwithstanding the need for tailor-made policies addressing the particular context we can identify some overarching principles that should serve as a general orientation for the design of effective policies.

Effective policies should use the right mixture of general and targeted integration policies. These policies should be balanced, complementary and reinforcing. General policies are necessary to create an institutional and social environment inhibiting discrimination and facilitating targeted action. The better labour market and social integration of ethnic minorities requires a higher degree of integration into the general education, health and employment system so that the risk of marginalization diminishes. Equal, fair and sensible treatment is the most important principle once inclusion in the labour market is achieved. However, in some cases equal treatment is not enough. Specific integration policies and positive action should be applied if institutional conditions, including discrimination, exclude ethnic minorities from the labour market. If ethnic groups remain marginalized or excluded from employment and barriers to integration persist, transitory targeted positive action is needed. However, policy makers should be aware of the fact that narrowly targeted measures run the risk of stigmatizing the participants.

What is imperative of integration action is a concerted effort, whereby government and private initiatives work together in harmony. The private sector and non-governmental organizations cannot just rely on governmental actions and the government cannot let the private sector solve these problems alone.

Regarding public policies, one core area is action needed to overcome deficits in participation in education ranging from early childhood education to elementary and secondary schooling, tertiary and vocational education. Appropriate linguistic skills are an essential precondition for successful participation in education and training, but also for solid labour market integration. This might require targeted action bringing children and adult members of ethnic minorities in contact with education and training. All formal, legal barriers and factual impediments to participation in education and training are to be removed.

At the same time, the institutional arrangement of the labour market should offer open access to people with diverse ethnic backgrounds. This also implies sufficient flexibility with regard to employment protection and wages. Overcoming the risk of social inclusion is also facilitated by active labour market policies, in particular employment incentives and training schemes. However, except for cases of severe disadvantages and exclusion, they should not be designed for ethnic minorities exclusively. In general, governmental actions have to be taken at all levels: the local level (in a small town or city by the local mayor) and the national level in particular.

Apart from public policies, private and business action also matters as do public/private partnerships at the national, regional or local level. In fact, one of the valuable insights of our country experts and the IZA Expert Opinion Survey of 2007 is that most initiatives, and perhaps all of the successful ones, involve partnerships between business, non-governmental, and public organizations. Positive examples from many European Union countries are described in the case studies section incorporated in this report. Different approaches that take the specific local context and the particular challenges of particular ethnic minorities into account can be observed. The most important feature these successful initiatives have in common is the fact that they establish networks bringing together public and non-governmental actors as well as stakeholders from both the majority and the minority population. Stimulating interaction between the groups can trigger positive dynamics that can help overcome existing societal and cultural barriers and social exclusion.

The situation of ethnic minorities will only improve if negative attitudes and outright discrimination can be overcome. But it has to be achieved in coordination with other changes in a comprehensive plan that approaches all critical aspects. This is not primarily an issue of institutional reform, but it has to do with the consistent enforcement of and abiding by anti-discrimination legislation. Furthermore, clear empirical evidence on the feasibility and the benefit of better integration and practical examples of successful integration are very important in this respect. There is a particular role for the media in raising awareness by disseminating unbiased information on ethnic minorities, good practices and individual success stories so that these projects and personal experiences can act as role models for others and stimulate further initiatives.

Regarding action at the European level, our IZA Expert Opinion Survey of 2007 identified a crucial role for the European Union in raising broad awareness of the situation

of ethnic minorities, in particular with respect to the most disadvantaged groups such as the Roma. To accomplish this, the European Union can stimulate a European-wide public discourse and societal dialogue on the situation of ethnic minorities in European countries. The European institutions can intensify (i) comparative analysis of the social and economic situation of ethnic minorities with particular attention being paid to minorities with the highest risk of exclusion, (ii) the identification of good practices in public policies and mixed public/private initiatives detected through peer review procedures, and (iii) report on progress regarding the situation of ethnic minorities and disseminate information on effective public policies and mixed initiatives.

In this context, data and measurement are crucial issues. The analysis of the social and labour market integration of ethnic minorities is hampered by the lack of systematically comparative empirical data. This issue should be addressed at the European Union level by incorporating information on the social and economic situation of ethnic minorities in the European system of statistics. An aggregate indicator summarizing the multiple dimensions of social and labour market integration or exclusion could facilitate comparisons over time as well as across European Union member states and minorities so that progress in the social and economic integration of ethnic minorities can be identified and measured. This is an important part of any feedback and accountability programs.

Finally, the European Union could engage in targeted action and stimulate national, regional or local initiatives involving governmental, non-governmental and business actors that are designed in an appropriate way. European Union action should particularly facilitate network creation and the empowerment of actors where severe problems persist, where there is no clear tendency towards improvement and where alternative actors take no responsibility for triggering action aiming at the improvement of ethnic minorities. The European Union might also grant awards to good practice projects that are evaluated using appropriate methods and peer review and show a consistently positive impact on the labour market integration of ethnic minorities.

Our research shows that policies that foster the labour market and social integration of ethnic majorities can work. But they need to be persistent and allow for time to become effective. Policy-makers should be aware of the fact that not all can be changed within a short time horizon. This is particularly true when tackling cultural issues such as perceptions and attitudes. Hence, a long-term commitment of stakeholders, policy-makers, non-governmental actors and the business community as well as a synergy among them is essential. Overcoming deficits in the social and labour market integration of ethnic minorities is a dynamic process involving both the majority and the minority population, i.e. the whole society and it is well overdue.

References

- Adsera, A./B.R. Chiswick (2007), Are There Gender and Country of Origin Differences in Immigrant Labor Market Outcomes Across European Destinations?, forthcoming in *Journal of Population Economics*.
- Aeberhardt, R./D. Fougère/J. Pouget/R. Rathelot (2007), *Wages and Employment of Second-Generation Immigrants in France*, mimeo, CREST-INSEE, Paris.
- Amuedo-Dorantes, C./S. de la Rica (2007), Labour Market Assimilation of Recent Immigrants in Spain, forthcoming in *British Journal of Industrial Relations*.
- Bauer, T./M. Lofstrom/K.F. Zimmermann (2000), Immigration Policy, Assimilation of Immigrants and Natives' Sentiments Towards Immigrants: Evidence from 12 OECD Countries, *Swedish Economic Policy Review*, 7:11-53.
- Bogdanov, L./G. Angelov (2006), *Roma Integration in Bulgaria: Necessary Reforms and Economic Effects*, mimeo, OSF, Bucharest.
- Bureau of Democracy, Human Rights, and Labor (2006). *Hungary: Country Reports on Human Rights Practices – 2005*, U.S. Department of State, <http://www.state.gov/g/drl/rls/hrrpt/2005/61652.htm>.
- Caille, J.P. (2005), Les projets d'avenir des enfants d'immigrés. *Les immigrés en France, édition 2005*, Paris, INSEE, pp. 11-22.
- Constant, A. (2003), Immigrant Adjustment in France and Impacts on Natives, in: K.F. Zimmermann (Ed.), *European Migration: What Do We Know?* Oxford, 2005, 263-302.
- Constant, A./M.L. Schultz-Nielsen (2004), Immigrant Self-employment and Economic Performance, in: T. Tranæs/K.F. Zimmermann (Eds.), *Migrants, Work, and the Welfare State*. Odense, 213-243.
- Constant, A./K.F. Zimmermann/L. Zimmermann (2007), Ethnic Self-Identification of First-Generation Immigrants, *International Migration Review*, 41(3):769-81.
- Constant, A./M. Kahanec/K.F. Zimmermann (2006), *The Russian-Ukrainian Earnings Divide*, IZA Discussion Paper No. 2330.
- Decade Watch (2007), *Decade Watch: Roma Activists Assess the Progress of the Decade of Roma Inclusion 2005-2006*.
- EUMAP (2002), *The Situation of Roma in Spain*, http://www.eumap.org/reports/2002/eu/international/sections/spain/2002_m_spain.pdf.

Foundation Secretariado Gitano (2005), *Roma Population and Employment: A Comparative Study*, Madrid,
<http://www.gitanos.org/publicaciones/estudioempleo/EstudioempleoUK.pdf>.

Hartog, J./A. Zorlu (2007), How important is homeland education for refugees' economic position in the Netherlands?, *Journal of Population Economics* (under revision).

Hazans M. (2007) ,*Coping With Growth and Emigration: Latvian Labor Market Before and After EU Accession*, Available at SSRN: <http://ssrn.com/abstract=971198>.

Hazans M./J. Dmitrijeva/I. Trapeznikova (2007), *Determinants of unemployment duration in Latvia*, Research report to the Ministry of Welfare prepared for the project *Reasons and duration of unemployment and social exclusion* of the National Programme of Labour Market Studies.

“Împreună” Agency for Community Development and Romani CRISS – Roma Center for Social Intervention and Studies, 2006. *Overview of the Roma situation in Romania*.

International Organization for Migration (2000), Sociálno-ekonomická situácia Rómov na Slovensku ako potenciálnych migrantov a žiadateľov o azyl v krajinách EÚ [*Socio-Economic Situation of the Roma in Slovakia as Potential Asylum Seekers in EU Member States*], Bratislava, (IOM).

Kahanec, M. (2007), *Ethnic Competition and Specialization*. IZA Discussion Paper No. 3167.

Kertesi, G. (2004), *The Employment of the Roma – Evidence from Hungary*. Budapest Working Papers on the Labour Market, BWP, No. 1, Budapest, IE-HAS.

Kolev, A. (2005), Unemployment, Job Quality and Poverty: A Case Study of Bulgaria, *International Labour Review* 144: 85-114.

Nielsen, H.S./M. Rosholm/N. Smith/L. Husted (2004), Qualifications, Discrimination, or Assimilation? An Extended Framework for Analysing Immigrant wage Gaps. *Empirical Economics*, 16: 755 – 786.

Open Society Foundation (2007), *Roma Inclusion Barometer*, OSF, Bucharest.

Pedersen, P.J. (2005), Unemployment Traps – Marginal Groups in the Danish Labour Market, in *European Economy. Special Report No. 2/2005* (Cha. 8), Bruxelles.

Pedersen, P.J. (2006), Income Mobility or locked-in low incomes?, in: T. Tranæs (ed.) *Taxes, Work and Equality – A Study of the Danish Tax – and Welfare System* (in Danish), Rockwool Foundation Research Unit. Gyldendal, Copenhagen.

Simpson, L./K. Purdam/A. Tajar/E. Fieldhouse/V. Gavalas/M. Tranmer/J. Pritchard/D. Dorling (2006), *Ethn* No. 333, London: Department for Work and Pensions.

Tranaes, T./K.F. Zimmermann (Eds.) (*Edsic Minority Populations and the Labour Market: An Analysis of the 1991 and 2001 Census*, DWP Research Report.) (2004), *Migrants, Work, and the Welfare State*, Odense.

Van Ours, J/J. Veenman (1999), *The Netherlands: old immigrants, young immigration country*, IZA Discussion Paper No. 80.

Vašečka, M. (2001), Vzťah majoritnej populácie k Rómom [Relationship of the Majority Population to the Roma], in: O. Gyarfášová/V. Krivý/M. Velšic (Eds.): *Krajina v pohybe [Land on the Move]. Správa o politických názoroch a hodnotách ľudí na Slovensku [Report on Political Opinions and Values of People in Slovakia]*. Bratislava, Inštitút pre verejné otázky.

Zimmermann, K.F. (Ed.) (2005a), *European Migration: What Do We Know?*, Oxford/New York.

Zimmermann, K.F. (2005b), European Labour Mobility: Challenges and Potentials, *De Economist*, 153:425-50.

Country Studies

Fougère, D. (2007), *Study on the social and labour market integration of ethnic minorities: The French Case*, IZA, unpublished manuscript.

Ghetau, V. (2007), *Social and Labour Market Integration of Ethnic Minorities. Country Report: Romania*, IZA, unpublished manuscript.

Hartog, J. (2007), *Ethnic minorities in the Netherlands*, IZA, unpublished manuscript.

Hatton, T. J. (2007), *IZA European Study on the Social and Labour Market Outcomes of Ethnic Minorities. UK Country Summary*, IZA, unpublished manuscript.

Hazans, M. (2007), *Study on the social and labour market integration of ethnic minorities. The Latvian report*, IZA, unpublished manuscript.

Kántor, Z./Á. Telegdy (2007), *Roma in Hungary*, IZA, unpublished manuscript.

von Loeffelholz, H. D. (2007), *Social and labour market integration of ethnic minorities in Germany*, IZA, unpublished manuscript.

Pedersen, P. (2007), *IZA study on the social and labour market integration of ethnic minorities. Report on Denmark*, IZA, unpublished manuscript.

de la Rica, S. (2007), *Study on the Social and Labour Market Integration of Ethnic Minorities: The Case of Spain*, IZA, unpublished manuscript.

Vašečka, M. (2007), *Study on the social and labour market integration of ethnic minorities. Report on Slovakia*, IZA, unpublished manuscript.

Appendix A

Glossary

Employed persons are all persons who during the reference week worked at least one hour for pay or profit, or were temporarily absent from such work.

Unemployed persons are all persons who were not employed during the reference week and had actively sought work during the past four weeks and were ready to begin working immediately or within two weeks.

The *active population* (labour force) is defined as the sum of employed and unemployed persons.

The *inactive population* are all persons who are classified neither as employed nor unemployed.

The *activity (participation) rate* is the share of active population in the total population (active plus inactive).

The *employment rate* of persons in certain age cohort (typically 15-64 or 16-64 in some countries) is the share of employed persons from this cohort in the total population of the same age cohort.

Unemployment rate is the share of unemployed persons in the total number of active persons in the labour market.

The *long-term unemployment rate* is the share of unemployed persons since 12 months or more in the total number of active persons in the labour market. Active persons comprise both the people who are employed and those who are unemployed.

Source: Eurostat

Appendix B

Table B3.1 Danish labour market statistics

Ethnic groups	Turks	Iraqis	Bosnia-Herzegovinians	Other non Western	Majority	All
Unemployment rate	17.8	26.9	12.9	28		4.5
Participation rate	62.2	37.7	57.2	55.8		76.3
Average gross income, thousands of DKK	170	138	177	164	287	278

Source: Statistics Denmark and the Rockwool Foundation Research Unit. Country report.

Notes: Rates in percent, income in thousands of Danish Krone (DKK). Unemployment rate of 2006, participation rate of 2005, average gross income of 2004.

Table B3.2 Distribution of the Dutch ethnic population

Country of origin	Percent of total population	Number of persons x 1000	Percent of whom second generation	Increase since January 1, 1996 x 1000
Afghanistan	1.2	37	12	32.1
Angola	0.4	11.6	20	9
Brazil	0.4	12.3	38	5.7
Cape Verde	0.6	20	42	3.3
China	1.4	43.9	30	20.4
Egypt	0.6	18.5	41	6.9
Ethiopia	0.3	10.3	31	2.3
Ghana	0.6	19.1	37	6.6
Hong Kong	0.6	18.1	44	0.9
Iraq	1.4	43.7	18	32.4
Iran	0.9	28.7	17	12.2
Morocco	10.1	315.8	47	90.7
Neth. Antilles (incl. Aruba)	4.2	130.5	37	43.7
Pakistan	0.6	17.9	40	3.8
Philippines	0.4	13	36	5.2
Somalia	0.7	21.7	31	1.7
Surinam	10.5	329.4	43	48.8
Thailand	0.4	12.4	27	6.8
Turkey	11.5	358.8	45	87.3
Vietnam	0.6	18	33	5.1
Natives	80.8	13 182.8		187.6
Non-western immigrants total	10.4	1,699.0	40	527.9
Western immigrants total (excl. natives)	8.7	1,423.7	59	96.1

Source: CBS Statline, Integratiekaart 2005, Table 3. Country report.

Table B3.3 Labour status of Dutch labour force aged 15-65 in 2003

	Employee	Self-employed	Entrepreneur	Benefit	Unemployment benefit
Natives	66.5	7.7	9.2	13.2	1.9
Western immigrants	57.4	6.2	7.2	15.8	2.4
1 st generation	49.4	5.3	6	15.8	2.6
2 nd generation	63.6	6.9	8.2	15.8	2.3
Non-Western immigrants	47.5	3.9	4.1	24.7	2.7
1 st generation	45.8	4.2	4.5	28.3	3
2 nd generation	54.5	2.6	2.8	10.2	1.6
Of which from					
Turkey	44.5	4.9	5.1	29.5	3.7
1 st generation	42.2	5.5	5.7	35.1	4.2
2 nd generation	52.1	2.9	3	11.4	2.1
Morocco	44	2.2	2.3	28.8	2.9
1 st generation	41.9	2.5	2.5	34.1	3.4
2 nd generation	51.2	1.3	1.4	10	1.5
Surinam	60.8	3.2	3.4	22.2	2.8
1 st generation	62.8	3.4	3.6	26.2	3.2
2 nd generation	55.7	2.5	2.7	11.7	1.7
Dutch Antilles	55.2	2.1	2.3	23.7	2.5
1 st generation	53.5	1.8	2	27.6	2.7
2 nd generation	61.5	3.3	3.7	9.4	1.5

Source: CBS Statline, Integratiekaart 2005, Table 9.1. Country report.

Notes: In percent.

Entrepreneurs: self-employed plus Director and Director-Owner Business Company (Ltd).

Benefit: disability, unemployment, social assistance.

Table B3.4 Dutch unemployment rates for natives and immigrants, 2004

	Turks	Moroccans	Surinamese	Antilleans	Natives
All	21	27	16	22	9
Men	20	27	18	18	9
Women	22	28	14	25	9
Age:					
15-24	30	39	38	40	19
25-44	14	22	12	19	8
45-64	20	24	8	17	8
1 st generation	17	23	13	23	
2 nd generation	31	39	24	18	

Source: Dagevos, J. 2006, *Hoge (jeugd)werkloosheid onder etnische minderheden*, Rijswijk: Sociaal Cultureel Planbureau. Country report.

Notes: In percent.

Table B3.5 Dutch disposable income in thousands of thousands of Euros, 2003

	All persons with income		All active persons	
	men	women	men	women
Natives	21.2	20.4	23.3	23
Non-Western	15	14.9	17.3	18.1
Surinam	17.3	16.6	19.5	19.2
Antilles	16.1	15.8	19	19.4
Turkey	14.5	14.1	16.2	17.2
Morocco	14.2	13.5	16.3	16.6
Other non-Western	14.3	14.9	16.6	17.9

Source: CBS, Statline 2003. Country report.

Notes: Firm household data, standardised by equivalence factors; disposable income is net of taxes and social security contributions, and includes transfer incomes.

Table B3.6 Dutch completed levels of education, persons 15-64 by ethnic origin

Education level	Turks	Moroccan	Surinam	Antil-leans	Natives
Men					
Basic or less	43	53	19	18	11
Primary	27	15	33	31	22
Secondary	22	22	32	29	42
Tertiary	8	10	15	23	24
Number	1,016	851	653	441	-
Women					
Basic or less	61	63	25	22	12
Primary	19	13	32	33	27
Secondary	18	19	30	27	40
Tertiary	3	5	13	18	21
Number	882	701	714	465	-

Source: Groeneveld, S, en Y. Weijers-Martens (2003), *Minderheden in beeld*, SPVA-02, Rotterdam: ISEO, Table 4.2. Country report.

Notes: In percent.

Table B3.7 Ethnic minority population in the UK, 2005-2006

Ethnic Group	Percent of total population	Percent of ethnic minority population	Percent aged < 25	Percent located in London	Percent foreign-born	Average years since migration
Total	100		31.0	11.55	8.10	21.32
White Majority Population	91.46		29.7	9.52	3.95	24.97
Ethnic Minority Population	8.54	100	45.7	39.14	52.60	17.90
White and Black Caribbean	0.37	4.30	78.8	22.01	4.43	24.55
White and Black African	0.12	1.38	69.5	34.64	30.10	11.73
White and Asian	0.26	3.05	72.4	25.51	13.04	23.30
Other Mixed	0.23	2.72	63.0	35.26	29.34	17.45
Indian	1.71	20.04	35.5	35.12	55.73	22.98
Pakistani	1.33	15.56	52.8	19.92	43.45	20.95
Bangladeshi	0.47	5.50	56.4	48.67	47.46	19.74
Other Asian	0.58	6.74	36.3	42.62	76.08	14.33
Black Caribbean	0.87	10.23	35.4	51.98	37.50	33.77
Black African	1.00	11.69	48.6	55.83	63.89	10.61
Other Black	0.08	0.92	48.2	50.00	38.29	22.55
Chinese	0.34	3.96	35.3	24.69	74.40	15.53
Other	1.19	13.90	39.1	43.24	75.64	11.65

Source: Labour Force Survey 2005 Q1 to 2006 Q4. Country report.

Notes: Location is identified by place of work for those employed only.

Table B3.8 Activity and employment rates in the UK, 2005-2006 by gender

Ethnic Group	Males aged 25-64 of active population				Females aged 25-59 of active population			
	Activity rate	Employee	Self-empl.	Part-time	Activity rate	Employee	Self-empl.	Part-time
Total	86.22	81.16	18.68	6.97	76.18	91.56	8.01	42.70
White Majority Population	86.28	81.22	18.63	6.52	77.55	91.50	8.08	43.43
Ethnic Minority Population	85.48	80.43	19.33	12.42	61.77	92.42	7.04	33.20
White and Black Caribbean	86.13	84.71	13.22	7.29	73.51	93.70	6.30	38.55
White and Black African	81.10	92.86	7.14	5.41	81.63	89.12	10.88	40.44
White and Asian	84.82	80.33	19.25	7.32	81.82	93.52	6.48	30.61
Other Mixed	87.72	83.51	16.49	10.74	78.54	88.27	10.75	31.91
Indian	89.93	81.21	18.61	7.60	70.45	93.40	6.17	32.40
Pakistani	81.27	65.36	34.39	14.99	29.40	86.97	11.21	43.29
Bangladeshi	79.15	82.23	17.58	28.01	19.79	83.58	16.42	41.63
Other Asian	87.39	81.10	18.74	12.76	63.96	93.16	6.54	34.91
Black Caribbean	85.75	83.49	16.22	7.90	77.03	95.15	4.43	29.95
Black African	87.68	89.52	10.30	15.68	68.84	95.59	3.90	30.23
Other Black	89.88	80.88	19.12	7.79	79.52	93.69	5.41	40.71
Chinese	82.21	77.28	22.08	13.31	70.22	83.08	15.67	30.44
Other	82.01	82.79	17.03	15.80	59.20	92.06	7.59	33.14

Source: Labour Force Survey 2005 Q1 to 2006 Q4. Country report.

Notes: Some cells are based on very small numbers.

Table B3.9 Inactivity and unemployment rates in UK, 2005-2006

Ethnic Group	Females aged 25-59		Males aged 25-59	
	Inactivity	Unemployment	Inactivity	Unemployment
Total	13.78	4.14	23.82	4.36
White Majority Population	13.72	3.73	22.45	3.95
Ethnic Minority Population	14.52	8.98	38.23	9.87
White and Black Caribbean	13.87	11.24	26.49	10.25
White and Black African	18.90	4.85	18.37	8.13
White and Asian	15.18	7.39	18.18	8.52
Other Mixed	12.28	5.00	21.46	5.59
Indian	10.07	5.72	29.55	7.04
Pakistani	18.73	7.92	70.60	17.66
Bangladeshi	20.85	16.54	80.21	22.09
Other Asian	12.61	8.27	36.04	8.36
Black Caribbean	14.25	13.01	22.97	9.27
Black African	12.32	11.82	31.16	11.78
Other Black	10.12	9.93	20.48	16.67
Chinese	17.79	7.31	29.78	7.65
Other	17.99	10.10	40.80	11.32

Source: Labour Force Survey 2006 Q1 – Q3. Country report.

Notes: Some cells are based on very small numbers.

Table B3.10 Education and earnings in the UK, 2005-2006, by gender

Ethnic Group	Males aged 25-64				Females aged 25-59			
	High educn	No quals	Full-time earnings		High educn	No quals	Full-time earnings	
			weekly	hourly			weekly	hourly
Total	29.85	12.78	537.33	13.25	30.73	14.62	327.14	10.36
White Majority Population	29.54	12.43	542.29	13.36	30.82	14.01	325.59	10.34
Ethnic Minority Population	33.32	16.69	469.93	11.75	29.89	20.72	349.93	10.57
White and Black Carribean	22.94	20.59	467.98	10.40	22.51	20.94	343.54	10.20
White and Black African	19.40	14.93	369.85	9.83	26.67	9.52	383.78	11.14
White and Asian	38.00	6.00	561.51	13.81	40.70	8.14	400.44	12.06
Other Mixed	42.78	10.70	604.77	14.59	42.16	12.75	430.95	12.29
Indian	38.76	14.77	545.08	13.38	30.73	19.33	379.73	11.13
Pakistani	25.06	27.11	409.08	10.68	16.19	39.76	293.81	9.64
Bangladeshi	16.99	39.23	271.99	8.40	9.60	49.65	363.15	11.72
Other Asian	35.49	13.86	428.08	11.13	31.12	19.93	314.72	9.39
Black Caribbean	20.83	17.29	461.94	11.64	35.60	11.52	363.45	11.12
Black African	44.81	7.16	409.63	10.24	33.05	13.08	321.88	9.61
Other Black	45.24	15.48	445.84	11.41	42.86	15.58	319.42	10.10
Chinese	49.87	14.18	544.73	13.03	41.51	16.42	349.32	10.51
Other	30.55	14.34	460.22	11.20	31.73	17.75	347.27	10.83

Source: Labour Force Survey 2005 Q1 to 2006 Q4. Country report.

Notes: Some cells are based on very small numbers.

Table B3.11 French immigrant shares by country of origin

Country of origin	1982	1990	1999	
	%	%	%	Number
Europe	57.3	50.4	45.0	1,934,144
Spain	11.7	9.5	7.4	316,232
Italy	14.1	11.6	8.8	378,649
Portugal	15.8	14.4	13.3	571,874
Poland	3.9	3.4	2.3	98,571
Other European countries	11.8	11.5	13.2	568,818
Africa	33.2	35.9	39.3	1,691,562
Algeria	14.8	13.3	13.4	574,208
Morocco	9.1	11.0	12.1	522,504
Tunisia	5.0	5.0	4.7	201,561
Other African countries	4.3	6.6	9.1	393,289
Asia	7.9	11.4	12.7	549,994
Turkey	3.0	4.0	4.0	174,160
Cambodia, Laos, Vietnam	3.0	3.7	3.7	159,750
Other Asian countries	1.9	3.7	5.0	216,084
America, Oceania	1.6	2.3	3.0	130,394
Total	100.0	100.0	100.0	
Number	4,037,036	4,165,952	4,306,094	4,306,094

Source: Population Censuses, 1982, 1990, 1999 (INSEE, Paris). Country report.

Table B3.12 Unemployment rates of French immigrants aged between 25 and 59 in 2002

Country of origin	Total	Male	Female
Spain	6	ns*	ns
Italy	6	ns	ns
Portugal	6	6	6
Algeria	26	25	30
Morocco	26	23	31
Tunisia	22	ns	ns
Other African countries	20	18	23
Turkey	25	ns	ns
Unemployment rate of migrants	16	15	17
Unemployment rate of non-migrants	7	6	8
Total	8	7	9

Source: Labour Force Survey (*Enquête sur l'emploi*), 2002 (INSEE, Paris). Country report.

Notes: Rates in percent. * ns = statistically non significant.

Table B3.13 Average net monthly wages of French immigrants in 2002

	Male		Female		Both genders	
	Employment				Full-time	Part-time
	Full-time	Part-time	Full-time	Part-time		
Migrants	1,484	788	1,259	683	1,414	703
Non-migrants	1,653	869	1,430	879	1,565	878

Source: Labour Force Survey (*Enquête sur l'emploi*), 2003 (INSEE, Paris). Country report.

Notes: In Euros.

Table B3.14 Occupational status of French active immigrants in 2002

	Total	Both genders		Males		Females	
		Non-migrants	Migrants	Non-migrants	Migrants	Non-migrants	Migrants
Farmers	2.7	2.8	0.7	3.5	0.7	2.0	0.7
Self-employed, entrepreneurs	5.9	5.8	8.2	7.4	10.7	3.8	4.6
Top executives, professionals	14.7	15.0	10.4	17.6	11.8	12.1	8.2
Middle executives	21.5	22.3	12.4	21.6	12.9	23.1	11.8
White-collar	29.3	29.4	27.8	13.2	11.5	48.6	52.2
Blue-collar	25.9	24.7	40.5	36.7	52.4	10.4	22.5
Skilled blue-collar	16.9	16.4	23.4	26.9	35.0	3.9	5.8
Unskilled blue-collar	9.0	8.3	17.1	9.8	17.4	6.5	16.7
TOTAL	100	100	100	100	100	100	100

Source: Labour Force Survey (*Enquête sur l'emploi*), 2002 (INSEE, Paris). Country report.

Notes: In percent.

Table B3.15 Educational levels of French immigrant groups

Country of origin	Primary school	Junior high-school	High-school	Post-secondary school	Total
Spain	31	43	11	15	100
Italy	32	40	12	16	100
Portugal	59	31	5	5	100
Other countries in Europe-15	10	19	20	51	100
Other European countries	19	24	20	37	100
Algeria	45	32	8	15	100
Morocco	53	22	9	16	100
Tunisia	48	28	9	15	100
Other African countries	34	24	15	27	100
Turkey	78	10	6	6	100
Cambodia, Laos, Vietnam	42	25	14	19	100
Other Asian countries	30	14	16	40	100
America, Oceania	19	14	16	51	100
Mean for migrants	41	27	11	21	100
Mean for non-migrants	21	42	14	23	100
TOTAL	22	41	14	23	100

Source: Population Census, 1999 (INSEE, Paris). Country report.

Notes: In percent.

Table B3.16 Average individual characteristics of natives and ethnic minorities in Spain: Education and labour market status

	All	Natives	Africans	Latinos	Asians
Age	38.4	38.6	31.9	32.7	34.5
Education (%)					
Less than primary	8.6	8.4	32.6	6.8	13.9
Primary	20.0	20.12	26.5	17.3	19.3
Secondary	55.3	55.4	34.9	60.5	51.5
University	15.7	15.8	4.9	14.5	14.0
<i>Labour Market Status</i>					
Labour Force*	67.6	67.3	77.0	77.9	75.8
Participation					
Unemployed	9.6	9.5	14.4	13.6	11.3
N. observations	1,395,893	1,331,929	13,233	25,250	2,940

Source: 2001 Census (Spanish Institute of Statistics). Country report.

Notes: * Working individuals aged 16-65 included.

Table B3.17 Average basic demographic characteristics of natives and ethnic minorities in Spain

	All	Natives	African	Latinos	Asian
Share of the population, %	100	96.2	0.81	1.53	0.17
Age	39.4	39.7	27.8	29.6	31.6
Proportion female, %	51	51	34.1	55.7	43.3
Proportion working Age, %	68.4	68.0	80.12	81.7	83.52
Regional, %					
Madrid	13.27	12.9	16.02	47.2	26.2
Catalonia	15.5	15.4	30.8	17.9	32.7
N. observations	2,039,255	961,634	16,515	31,137	3,520

Source: 2001 Census (Spanish Institute of Statistics). Country report.
Notes: All individuals included.

Table B3.18 Foreign population of Germany by country of origin on 31 December, 2004

Country of Citizenship	Total	of whom	
		born abroad	born in Germany
Europe			
Belgium	21,791	18,722	3,069
Denmark	17,965	16,547	1,418
Estonia	3,775	3,607	168
Finland	13,110	12,445	665
France	100,464	89,828	10,636
Greece	315,989	228,757	87,232
Ireland	9,989	9,294	695
Italy	548,194	384,158	164,036
Latvia	8,844	8,450	394
Lithuania	14,713	14,315	398
Luxembourg	6,841	5,967	874
Malta	332	323	9
Netherlands	114,087	80,749	33,338
Austria	174,047	147,463	26,584
Poland	292,109	277,846	14,263
Portugal	116,730	93,188	23,542
Sweden	16,172	15,073	1,099
Slovakia	20,244	19,745	499
Slovenia	21,034	17,008	4,026
Spain	108,276	81,067	27,209
Czech Republic	30,301	29,441	860
Former Czechoslovakia	8,498	7,981	517
Hungary	47,808	45,853	1,955
United Kingdom	95,909	86,320	9,589
Cyprus	788	734	54
EU states, total	2,108,010	1,694,881	413,129
Other Europe			
Albania	10,449	8,973	1,476
Bosnia and Herzegovina	155,973	129,162	26,811
Bulgaria	39,167	38,334	833
Former Yugoslavia	381,563	304,142	77,421
Serbia and Montenegro ^a	125,765	96,306	29,459
Croatia	229,172	179,458	49,714
Macedonia	61,105	47,611	13,494
Norway	6,251	5,848	403
Romania	73,365	71,386	1,979
Russian Federation	178,616	173,710	4,906
Switzerland	35,441	28,502	6,939
Turkey	1,764,318	1,150,367	613,951
Ukraine	128,110	123,773	4,337
Rest of Europe	43,039	41,349	1,690
Europe, total	5,340,344	4,093,802	1,246,542
Non-European	1,316,203	1,179,718	136,485

Table B3.18 Foreign population of Germany by country of origin (continued)

Country of Citizenship	Total	of whom	
		born abroad	born in Germany
Africa			
Algeria	14,480	13,199	1,281
Ghana	20,636	17,939	2,697
Morocco	73,027	58,300	14,727
Tunisia	22,429	18,615	3,814
Africa, total	276,973	238,338	38,635
America			
Argentina	4725	4,609	116
United States	96,642	90,459	6,183
America, total	202,925	194,127	8,798
Asia			
Afghanistan	57,933	50,457	7,476
China	71,639	68,497	3,142
India	38,935	36,800	2,135
Iran, Islam. Republic of	65,187	59,835	5,352
Lebanon	40,908	29,462	11,446
Pakistan	30,892	26,356	4,536
Sri Lanka	34,966	27,049	7,917
Viet Nam	83,526	65,633	17,893
Asia, total	826,504	737,905	88,599
Stateless	13,504	9,228	4,276
Unclear and missing data	47,064	31,169	15,895
Total	6,717,115	5,313,917	1,403,198

Source: Migrationsbericht 2005. Country report.

Notes: a) Up to 2003: Republic of Yugoslavia.

Table B3.19 Labour force participation rates by ethnicity and demographic group in Latvia: Population aged 15-74, 2002-2005

	Latvians				Non-Latvians				Gap			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
Education:												
Less than secondary	36.3	33.4	32.7	33.1	31.5	32.4	30.6	33.5	4.8	1.0	2.1	-0.4
Upper secondary	72.0	72.4	71.2	71.7	69.9	71.3	73.3	69.6	2.1	1.1	-2.1	2.0
Tertiary	83.3	84.0	83.9	84.8	74.3	74.5	78.5	78.4	8.9	9.5	5.4	6.4
Gender:												
Men	68.8	68.3	68.3	68.8	67.8	68.1	69.4	69.6	1.0	0.2	-1.1	-0.8
Women	58.2	57.6	57.0	57.6	53.3	55.0	57.6	55.7	4.9	2.6	-0.6	1.9
Age:												
15-24	38.1	36.9	35.9	38.3	40.6	41.7	40.1	35.5	-2.4	-4.8	-4.2	2.8
25-34	87.8	86.4	84.8	83.0	79.6	81.2	84.6	83.5	8.2	5.2	0.2	-0.4
35-44	88.9	90.6	89.9	88.9	84.9	86.3	85.9	87.0	4.0	4.3	4.0	1.8
45-54	88.4	87.3	85.6	86.2	81.9	82.4	85.7	84.3	6.5	4.9	-0.1	1.9
55-64	51.4	49.2	52.2	54.8	40.1	46.1	52.5	53.3	11.3	3.0	-0.4	1.5
65-74	15.6	14.7	16.0	17.6	8.8	7.4	10.1	11.1	6.7	7.3	5.9	6.6
Total	63.2	62.7	62.3	62.8	59.9	61.0	63.0	62.2	3.3	1.7	-0.7	0.6

Source: Calculation based on Labour Force Survey data. Country report.

Table B3.20 Minority population by age, origin, and citizenship in 2005 in percent

Status Age:	15-24	25-34	35-44	45-54	55-64	65-74	15-74
Born in Latvia	94.5	90.0	71.7	56.6	46.9	31.1	65.9
Moved in more than 10 years ago	4.6	9.1	26.2	42.2	51.5	68.1	32.8
Moved in less than 10 years ago	0.9	0.8	2.1	1.2	1.6	0.8	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Latvian citizens	65.0	60.9	53.7	41.4	40.6	34.6	49.5

Source: Calculations based on the Labour Force Survey data. Country report.

Table B3.21 Ethnicity defined by language and nationality

Population	Number		% of the population		Proportion of minority	
	Language	Nationality	Language	Nationality	Language	Nationality
Total	10,198,315	10,198,315	100.00	100.00		
Hungarian	9,546,374	9,416,045	93.61	92.33		
Gypsy/Roma	48,438	189,984	0.47	1.86	34.66	59.67
Croatian	14,326	15,597	0.14	0.15	10.25	4.90
German	33,774	62,105	0.33	0.61	24.17	19.51
Romanian	8,482	7,995	0.08	0.08	6.07	2.51
Serbian	3,388	3,816	0.03	0.04	2.42	1.20
Slovak	11,817	17,693	0.12	0.17	8.46	5.56
Slovenian	3,180	3,025	0.03	0.03	2.28	0.95
Other named	12,092	13,617	0.12	0.13	8.65	4.28
Other	4,266	4,559	0.04	0.04	3.05	1.43
minority						
Unknown	541,106	570,537	5.31	5.59		
Total	139,763	,318,391	1.37	3.12	100.00	100.00
Minority						

Source: Hungarian Central Statistical Office, 2004. Country report.

Table B3.22 Population by nationality and main age groups, 2001

Nationality	Total	0-14	15-39	40-59	60-X	Total	0-	15-	40-	60-
							14	39	59	X
							percentages			
Population	10,198,315	1,694,936	3,574,493	2,847,327	2,081,559	100.0	16.6	35.0	27.9	20.4
Hungarian	9,416,045	1,510,940	3,267,936	2,647,899	1,989,270	100.0	16.0	34.7	28.1	21.1
African	187	28	109	48	2	100.0	15.0	58.3	25.7	1.1
Arabic	1,396	291	802	283	20	100.0	20.8	57.4	20.3	1.4
Bulgarian	1,358	128	455	468	307	100.0	9.4	33.5	34.5	22.6
Gypsy, Roma	189,984	67,652	82,004	31,985	8,343	100.0	35.6	43.2	16.8	4.4
Greek	2,509	270	998	642	599	100.0	10.8	39.8	25.6	23.9
Croatian	15,597	1,456	4,431	5,373	4,337	100.0	9.3	28.4	34.4	27.8
Chinese	2,275	333	1,317	586	39	100.0	14.6	57.9	25.8	1.7
Polish	2,962	298	962	1,381	321	100.0	10.1	32.5	46.6	10.8
German	62,105	5,591	17,910	21,246	17,358	100.0	9.0	28.8	34.2	27.9
Armenian	620	66	258	187	109	100.0	10.6	41.6	30.2	17.6
Rumanian	7,995	739	3,555	2,158	1,543	100.0	9.2	44.5	27.0	19.3
Ruthene	1,098	89	417	390	202	100.0	8.1	38.0	35.5	18.4
Serbian	3,816	436	1,413	1,035	932	100.0	11.4	37.0	27.1	24.4
Slovak	17,693	1,501	4,304	5,832	6,056	100.0	8.5	24.3	33.0	34.2
Slovenian, Wendish	3,025	247	872	1,076	830	100.0	8.2	28.8	35.6	27.4
Ukrainian	5,070	527	2,235	1,485	823	100.0	10.4	44.1	29.3	16.2
Jewish	701	77	326	199	99	100.0	11.0	46.5	28.4	14.1
Did not wish to answer	543,317	121,689	213,327	144,490	63,811	100.0	22.4	39.3	26.6	11.7
Unknown	27,220	8,164	8,973	5,880	4,203	100.0	30.0	33.0	21.6	15.4

Source: Hungarian Central Statistical Office, 2004. Country report.

Table B3.23 Hungarian participation rates and unemployment rates

Ethnic Status	Participation rate	Unemployment rate
Population total	40.27	10.14
Hungarian	40.47	9.84
African	48.13	10.00
Arab	48.14	5.21
Bulgarian	47.72	5.40
Gypsy, Roma	21.96	53.91
Greek	39.14	9.06
Croatian	41.37	7.25
Chinese	65.01	0.68
Polish	53.07	6.81
German	42.82	5.81
Armenian	51.13	5.68
Rumanian	43.03	10.78
Ruthene	48.27	8.11
Serbian	40.44	8.17
Slovak	37.46	7.35
Slovenian	43.31	5.73
Ukrainian	47.95	8.39
Jewish	44.08	6.47
Did not wish to answer	41.01	10.17
Other non-response	31.10	6.72

Source: Hungarian Census, 2001. Country report.

Table B3.24 Structure of Slovak population by nationality, 1991 and 2001

Census date	Total population	Of that by nationality					
		Slovak	Hungarian	Roma	Czech	Ruthenian	Ukrainian
March 3, 1991	5,274,335	4,519,328	567,296	75,802	52,884	17,197	13,281
		85.7%	10.8%	1.4%	1.0%	0.3%	0.3%
May 26, 2001	5,379,455	4,614,854	520,528	89,920	44,620	24,201	10,814
		85.8%	9.7%	1.7%	0.8%	0.4%	0.2%

Source: Statistical Office of the Slovak Republic, 1991, and 2001 Censuses of Population, Houses and Apartments. Country report.

Table B3.25 Employment and unemployment rates of the Romanian population: 2002

	Economically active population						Economically inactive population as % of inactive population							
	Employed			Unemployed			Total		Total		Total		Total	
	- as % of total population	- as % of active population	- as % of active population	Seeking for another job - as % of unemployed	Seeking for first job - as % of unemployed	Total - as % of total population	- as % of total population	- as % of total population	Pupil-student	Retired	Homemaker	Supported by another person	Supported by state or private organization	Other
	Males + Females													
Romanians	41.6	88.5	11.5	63.6	36.4	58.4	30.2	40.0	12.6	14.2	0.8	2.2		
Hungarians	38.0	88.7	11.3	70.2	29.8	62.0	23.3	47.9	11.2	13.0	0.9	3.7		
Roma	22.9	71.5	28.5	35.8	64.2	77.1	22.1	7.4	22.7	32.7	3.7	11.3		
Ukrainians	42.8	88.9	11.1	44.2	55.8	57.2	31.1	33.6	15.2	17.1	1.1	2.0		
Germans	32.7	89.5	10.5	72.4	27.6	67.3	18.6	61.7	8.1	8.1	0.8	2.7		
	Males													
Romanians	48.3	86.7	13.3	63.5	36.5	51.7	35.0	1.1	1.2	17.5	0.9	4.3		
Hungarians	45.1	86.7	13.2	70.3	29.7	54.9	27.3	47.5	0.7	16.4	1.1	7.0		
Roma	32.0	69.5	30.5	37.9	62.1	68.0	26.0	8.3	2.8	38.0	4.5	20.3		
Ukrainians	48.7	86.3	13.7	45.2	54.8	51.3	35.1	39.9	0.8	19.6	1.2	3.5		
Germans	41.5	87.8	12.2	73.0	27.0	58.5	23.8	57.2	1.4	11.2	1.0	5.3		
	Females													
Romanians	35.2	90.7	9.3	63.9	36.1	64.8	26.6	39.2	21.2	11.6	0.7	0.7		
Hungarians	31.4	91.3	8.7	69.9	30.1	68.6	20.3	48.3	18.9	10.4	0.7	1.3		
Roma	13.6	76.5	23.5	29.0	71.0	86.4	18.9	6.7	38.8	28.5	3.1	4.1		
Ukrainians	36.9	92.3	7.7	41.8	58.2	63.1	27.9	28.4	26.8	15.0	1.0	0.7		
Germans	25.0	92.1	7.9	71.1	28.9	75.0	15.2	64.7	12.6	6.0	0.7	0.9		

Source: Institutul National de Statistica, 2003. Population and Housing Census 2002. Country report.

Table B4.1 Determinants of the attitudes towards ethnic minorities

Variable	Coefficient
Male	-0.001 (0.0061)
Age	-0.002*** (0.0003)
Married	0.014** (0.0072)
Immigrant	0.082*** (0.0123)
Years of education	0.021*** (0.0009)
Employed	-0.104*** (0.0135)
Unemployed	-0.111*** (0.0183)
Inactive	-0.112*** (0.0163)
Household size	-0.013*** (0.0027)
Political orientation	-0.018*** (0.0014)
Observations	23,353
R ²	0.16

Notes: Authors' calculations based on the data from the EES 2004. The dependent variable is equal to one if a respondent answers "allow many" or "allow some" to the following question: "To what extent do you think country should allow people of a different race or ethnic group from most country's people to come and live here?"; it is equal to zero if a respondent answers "allow a few" or "allow none". Linear probability model is estimated. Control variables include 11 household income dummies and 19 country-specific effects (not reported). Reference categories: female, not married, not immigrant, in school or military service, high household income (income category 12), Germany. Robust standard errors are reported in parenthesis. * denotes a significance level of 10%, ** a significance level of 5%, and *** a significance level of 1%. R² shows that 16% of the variation of the dependent variables is explained by the independent variables in the regression.

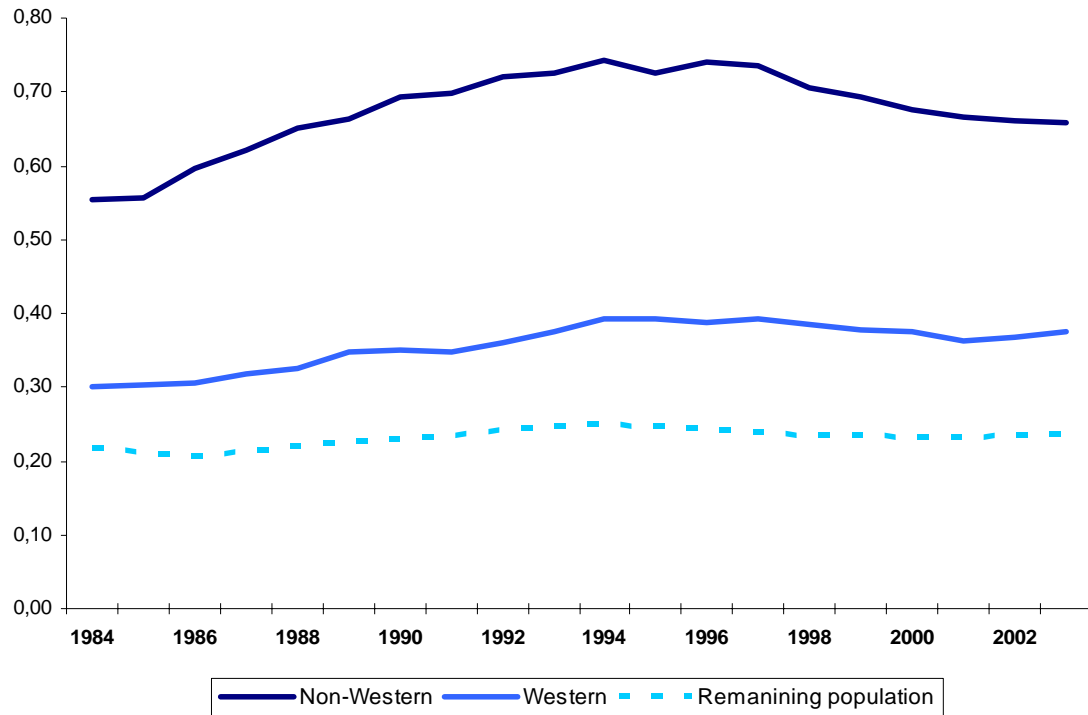
Table B5.1 Minorities at the greatest risk, by country

Country	Minorities at risk		
	1 st	2 nd	3 rd
Austria	Turks (45%)	Muslims (wearing Muslim clothes) (33%)	Arabic (22%)
Belgium	Sub-Saharan Africans (60%)	Moroccans (40%)	
Bulgaria	Roma (100%)		
Czech Republic	Roma (77%)	People from the former Soviet Union (23%)	
Denmark	Somali (67%)	Lebanese (25%)	Iraqis (8%)
Estonia	Byelorussians (50%)	Roma (50%)	
Finland	Somalis (50%)	Iraqis (33%)	Roma (17%)
France	Blacks and black Africans (75%)	Algerians (25%)	
Germany	Africans (56%)	Roma and Sinti (25%)	Turks (19%)
Greece	Albanians (100%)		
Hungary	Roma (89%)	Africans (11%)	
Ireland	Africans (50%)	Russians (50%)	
Italy	Albanians (67%)	Roma (33%)	
Latvia	Roma (100%)		
Luxembourg	Former Yugoslavs (100%)		
Malta	Africans (100%)		
Poland	Africans (60%)	Roma (40%)	
Portugal	Roma (30%)	Brazilians (20%)	Eastern European (20%)
Romania	Roma (100%)		
Slovakia	Roma (100%)		
Slovenia	Albanians and Kosovars (100%)		
Spain	Africans (53%)	Roma (47%)	
Sweden	Iraqis (100%)		
The Netherlands	Antilleans (100%)		
United Kingdom	Bangladeshi (64%)	Refugees (27%)	Africans (9%)

Notes: No minorities at greatest risk reported for Cyprus and Lithuania. For Portugal 15% of expert reported immigrants from Sao Tome, 10% reported Angolans, and 5% reported immigrants from Capo Verde as the minorities at greatest exclusion risk (not in the table). Percentages of country's experts reporting the respective ethnic minority to be at greatest risk of exclusion of all experts reporting any such minority are in parenthesis.

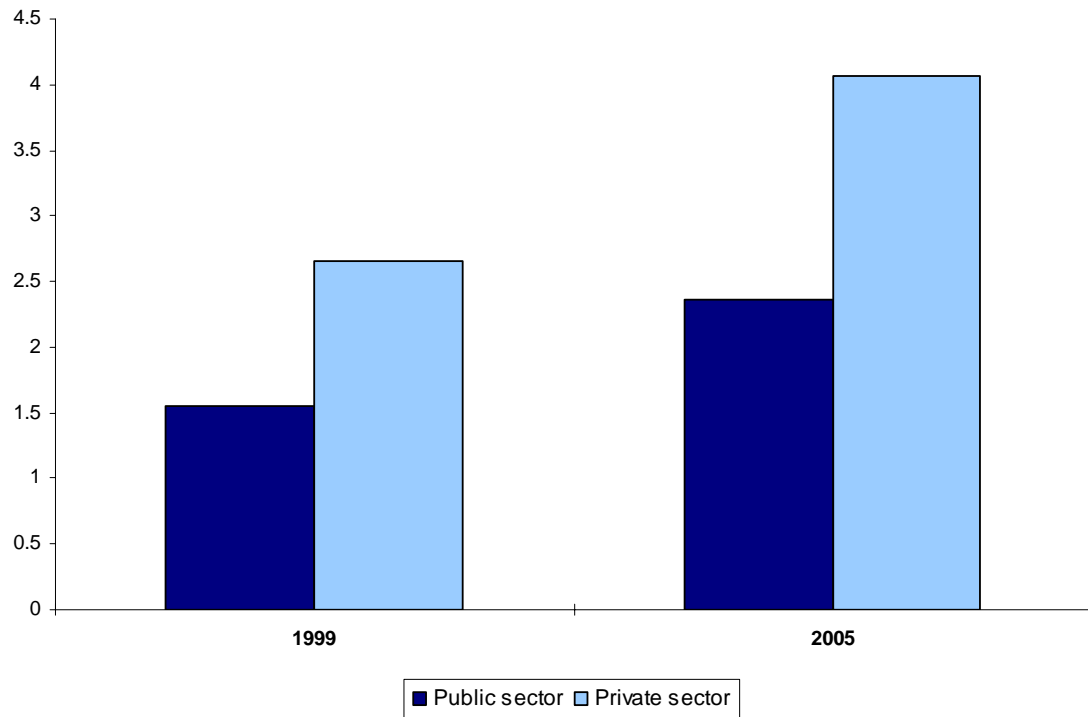
Appendix C

Figure C3.1 Shares with equivalence scale adjusted market income below 60 percent of the median, Denmark



Source: Pedersen, P.J. (2006), Income Mobility or locked-in low incomes?, in: T. Tranæs (Ed.) *Taxes, Work and Equality – A Study of the Danish Tax – and Welfare System* (In Danish). Rockwool Foundation Research Unit. Gyldendal. Copenhagen. Country report.

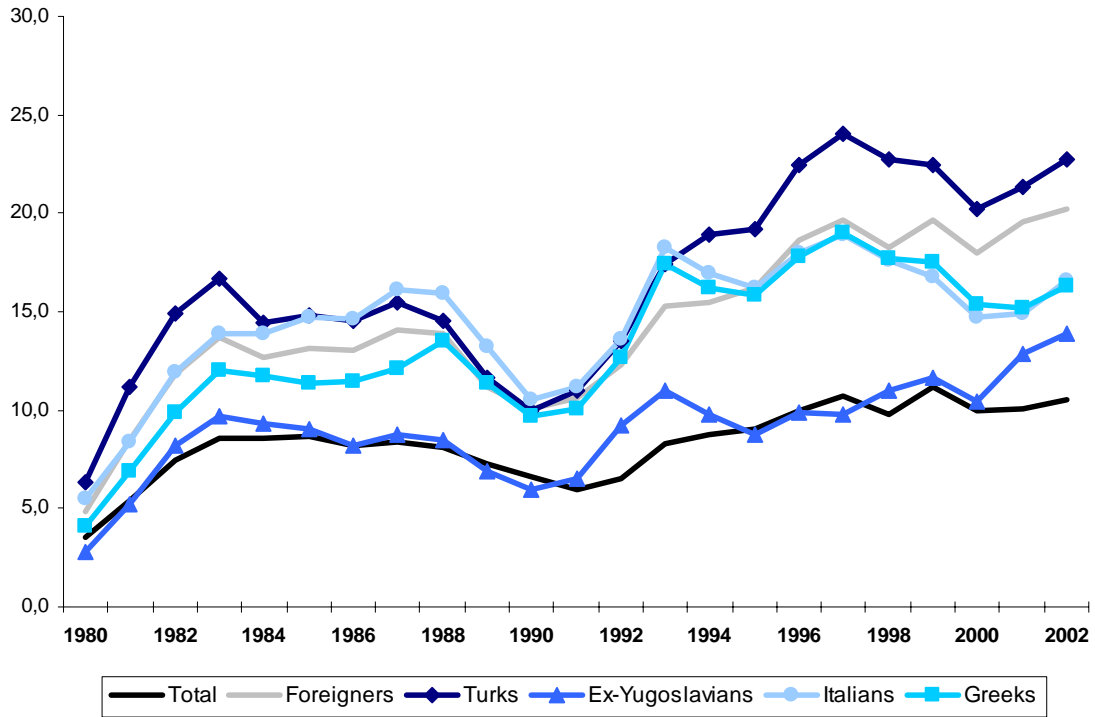
Figure C3.2 Non-Western share of employment in the public and private sectors, Denmark



Source: Danish Employers Association (2006), *International Mobility and Integration*. (In Danish). Copenhagen. Country report.

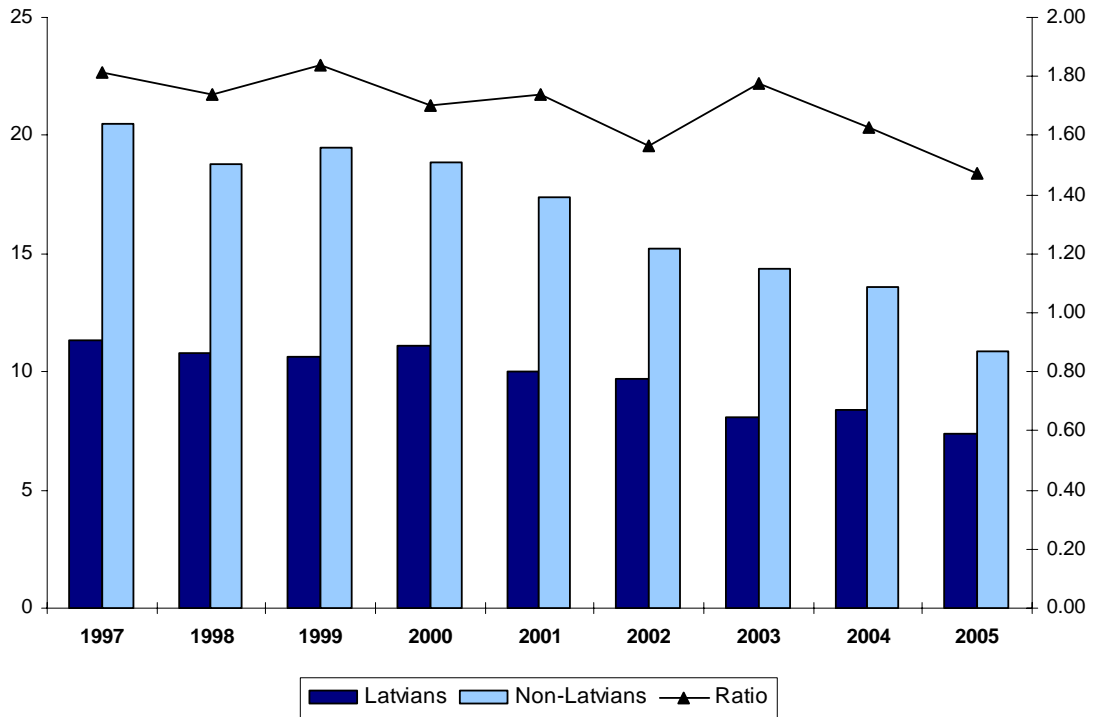
Notes: In percent.

Figure C3.3 Unemployment rates of selected groups by foreign birth status, 1980-2002, Germany



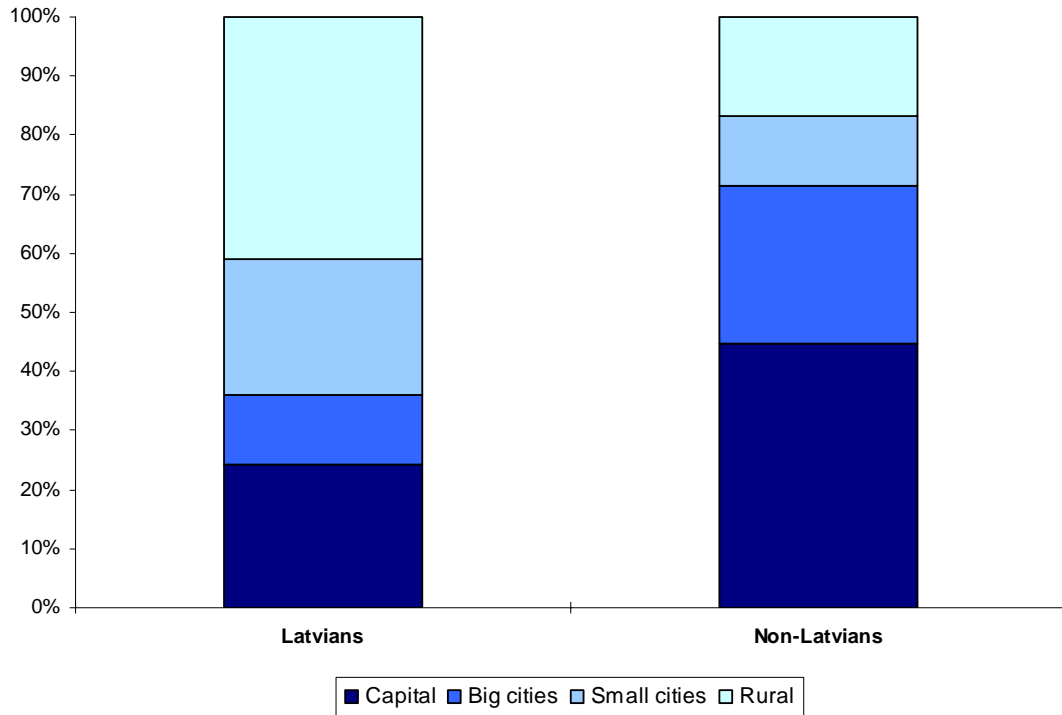
Source: Federal Office of Labour. Country report.

Figure C3.4 Unemployment rates by ethnicity, 1997-2005, Latvia

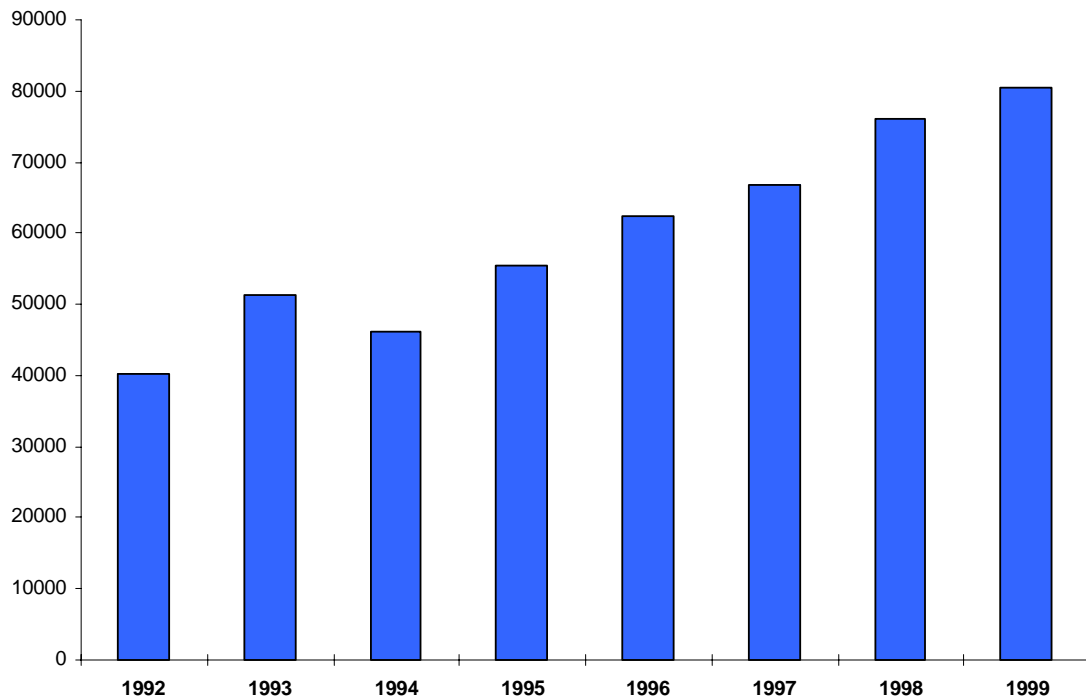


Source: Calculations based on the Labour Force Survey data.
 Left scale: unemployment rates in percent. Right scale: Latvian/non-Latvian unemployment rate ratios. Country report.

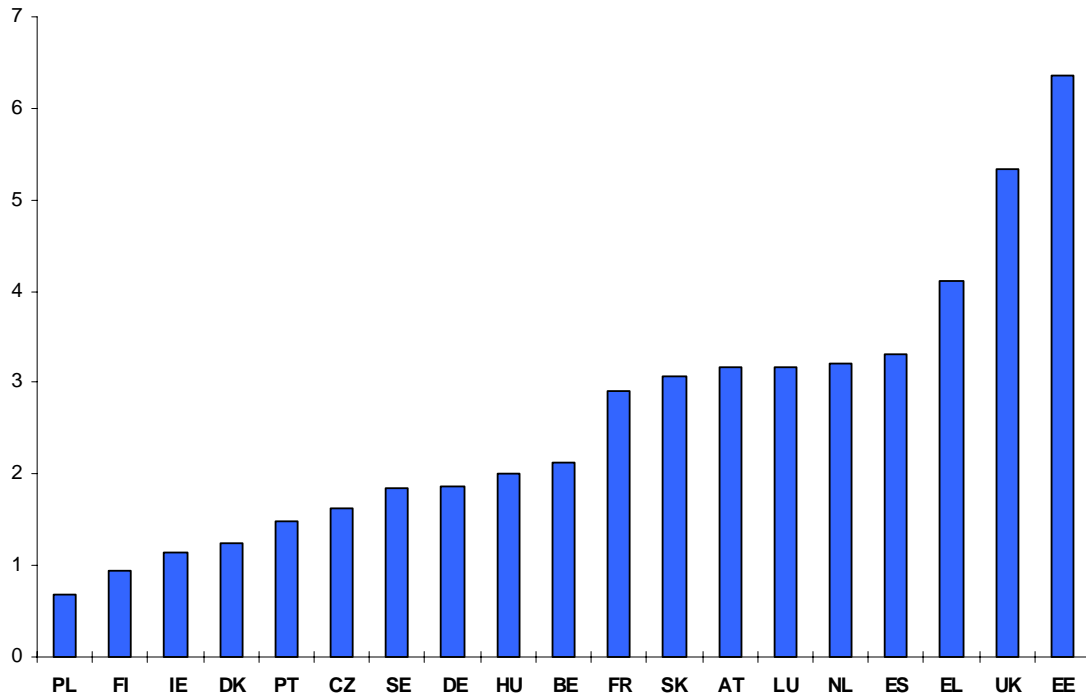
Figure C3.5 Distribution of majority and minority population by type of settlement, 2005, Latvia



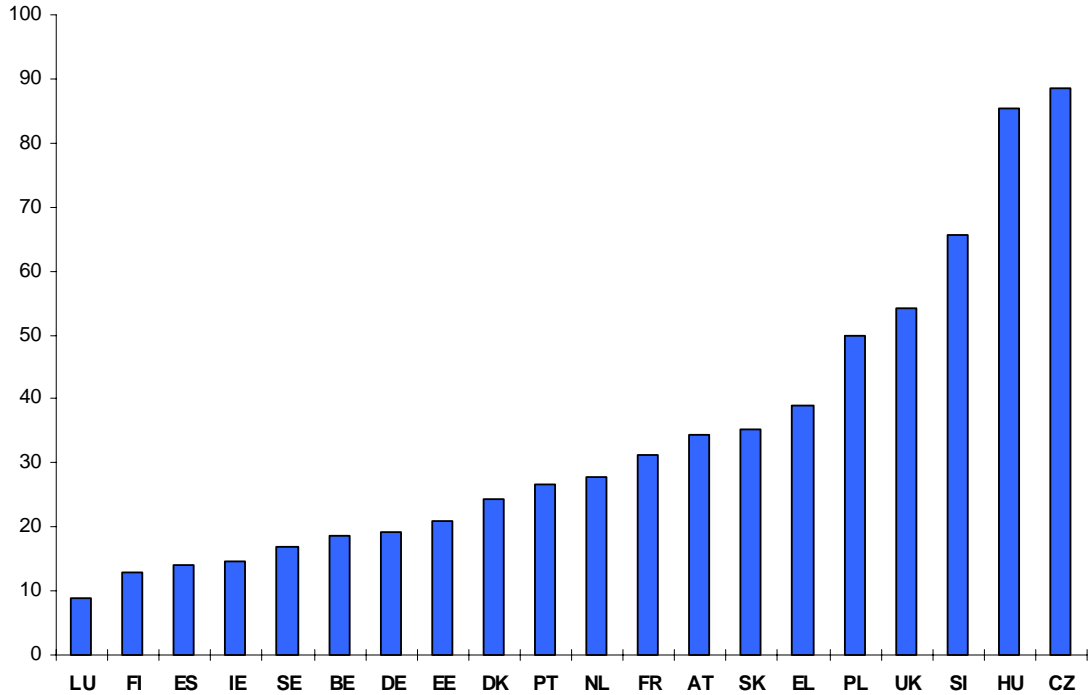
Source: Calculations based on the Labour Force Survey data. Country report.

Figure C3.6 Numbers of unemployed Roma in Slovakia

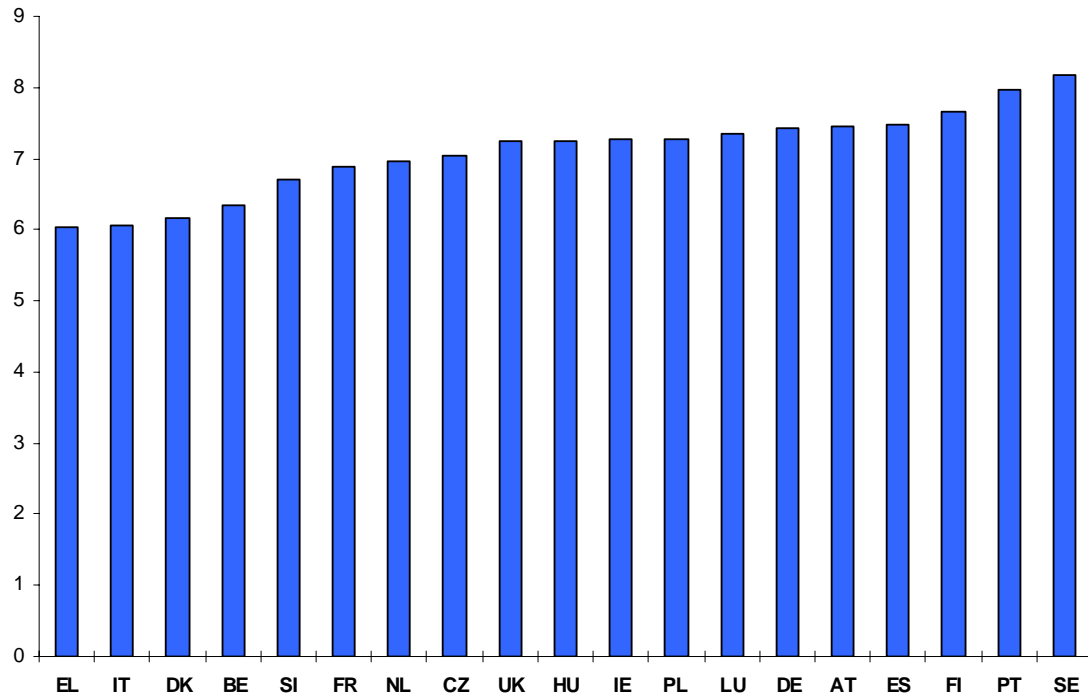
Source: Ministry of Work, Social Affairs and Family of the Slovak Republic, 1999. Country report.

Figure C4.1 Self-reported discrimination in % of total population

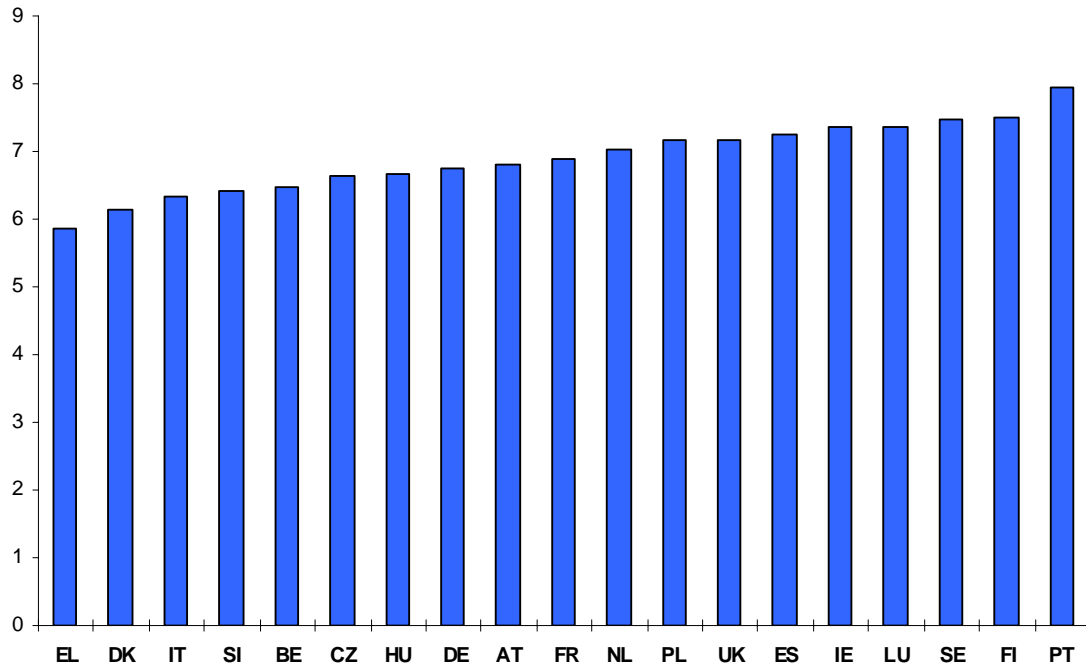
Notes: Data are from the ESS dataset, 2004. The vertical axis reports the percentage of respondents in the total population, who respond positively to the question: “Would you describe yourself as being a member of a group that is discriminated against in this country?” Only discrimination based on colour or race, nationality, religion, language or ethnic group is considered.

Figure C4.2 Self-reported discrimination in % of ethnic minority population

Notes: Data are from the ESS dataset, 2004. The vertical axis reports the % of respondents in the ethnic minority population, who respond positively to the question: “Would you describe yourself as being a member of a group that is discriminated against in this country?” Only discrimination based on colour or race, nationality, religion, language or ethnic group is considered. The definition of ethnic minorities is broad and includes those born in another country, having a citizenship of another country or speaking non-majority language at home.

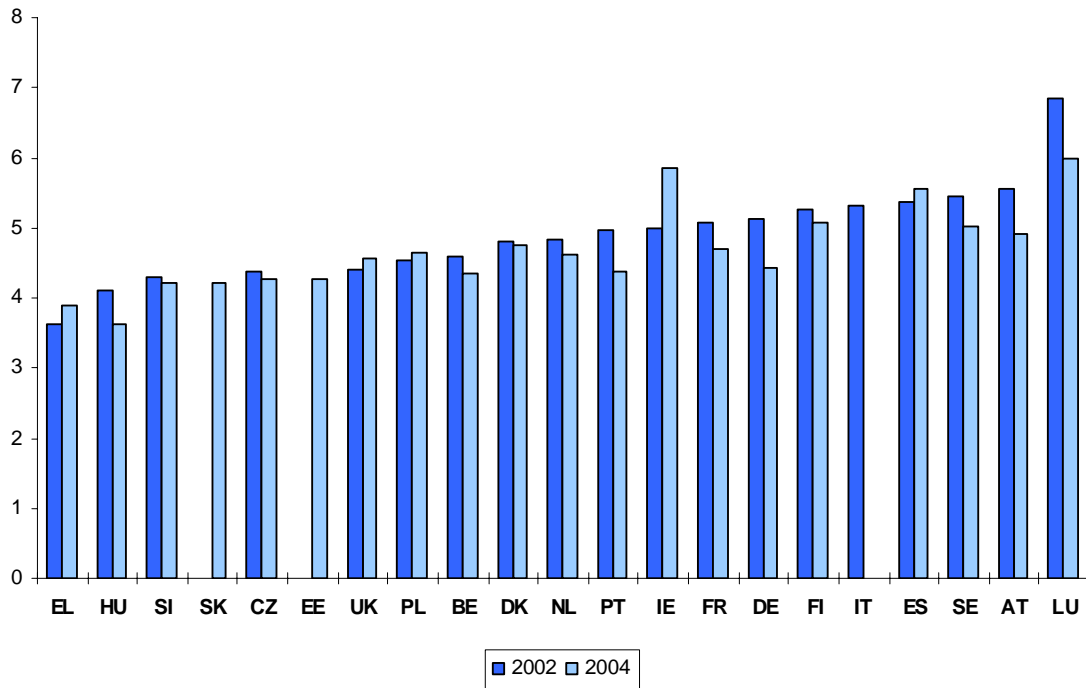
Figure C4.3 Attitudes towards anti-discrimination laws

Notes: Data are from the ESS dataset, 2002. Attitudes towards “Laws against promoting racial or ethnic hatred good/bad for a country”; 0 = extremely bad, 10 = extremely good; means.

Figure C4.4 Attitudes towards ethnic discrimination in the workplace

Notes: Data are from the ESS dataset, 2002. Attitudes towards “Laws against discrimination in workplace good/bad for a country”; 0 = extremely bad, 10 = extremely good; means.

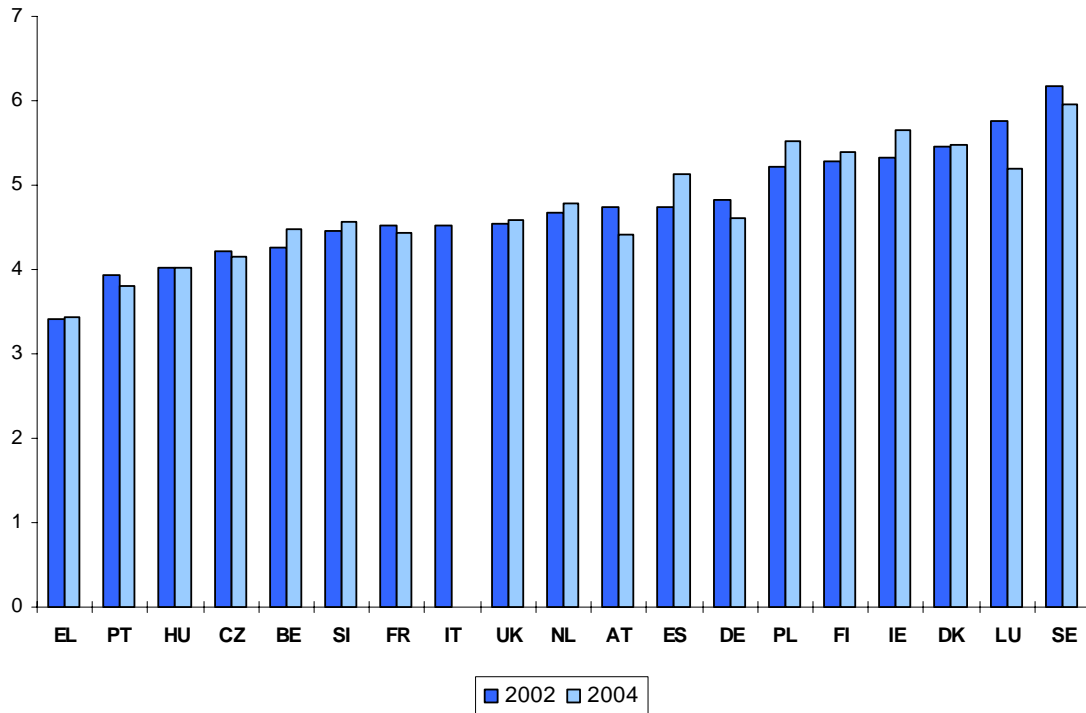
Figure C4.5 Attitudes towards immigrants and immigration as economic phenomena



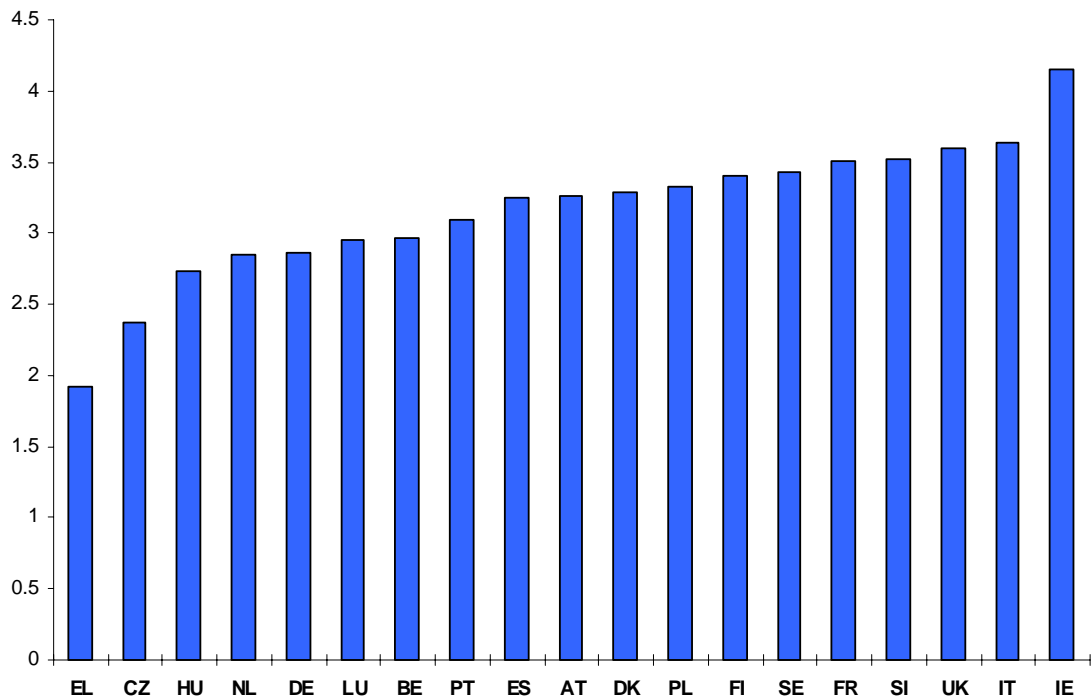
Source: Data are from the ESS dataset, 2004.

Notes: Responses to the question “Is immigration good or bad for your country's economy?”; bad = 0, good = 10; means.

Figure C4.6 Attitudes towards immigrants and immigration as related to the general quality of living

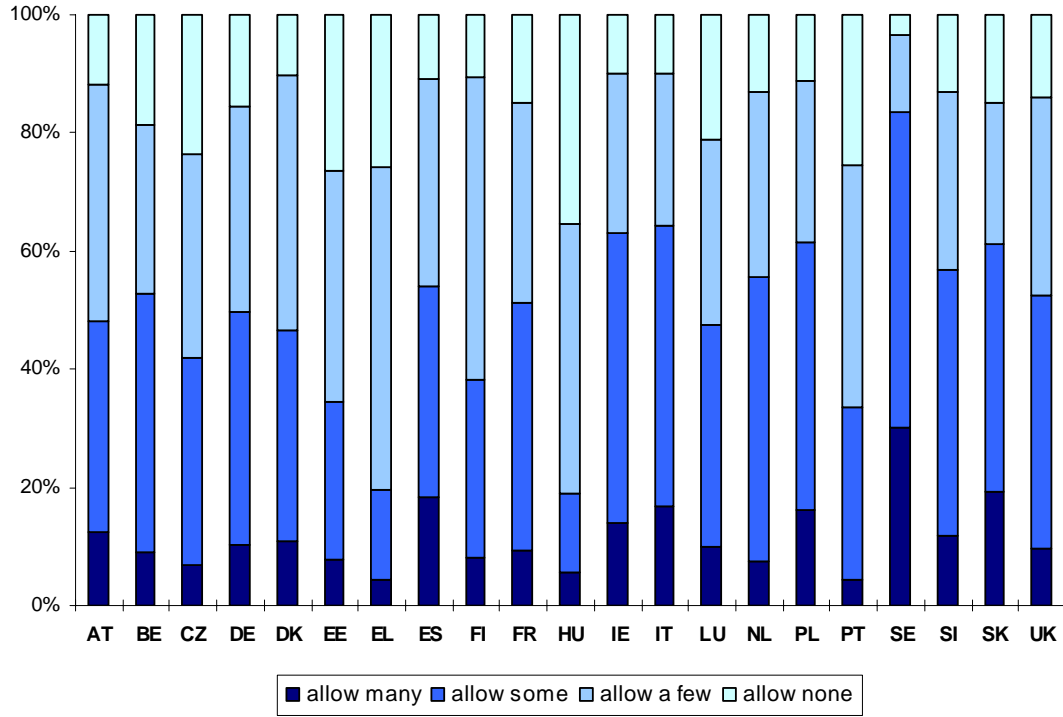


Notes: Data are from the ESS dataset, 2004. Answers to the question “Do immigrants make a country a worse or a better place to live?”; 0 = worse, 10 = better; means.

Figure C4.7 Attitudes towards immigrants and immigration as related to criminality

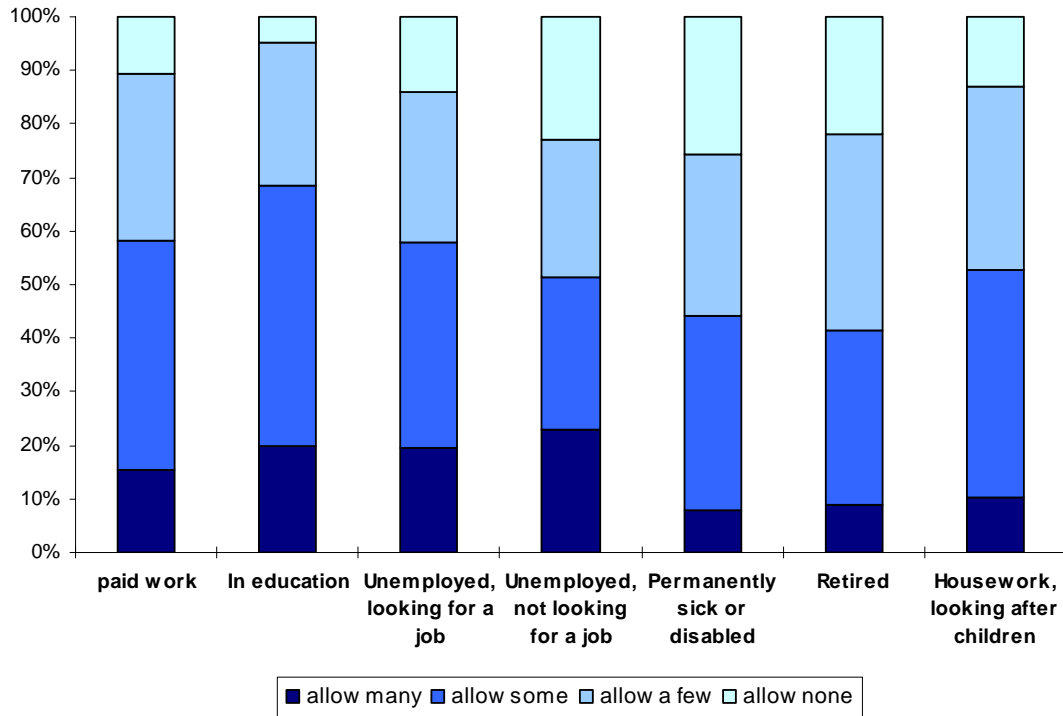
Notes: Data are from the ESS dataset, 2002. Answers to the question “Do immigrants make a country’s crime problems worse or better?”; 0 = worse, 10 = better; means.

Figure C4.8 Opinions on immigrants of different ethnicity: by country



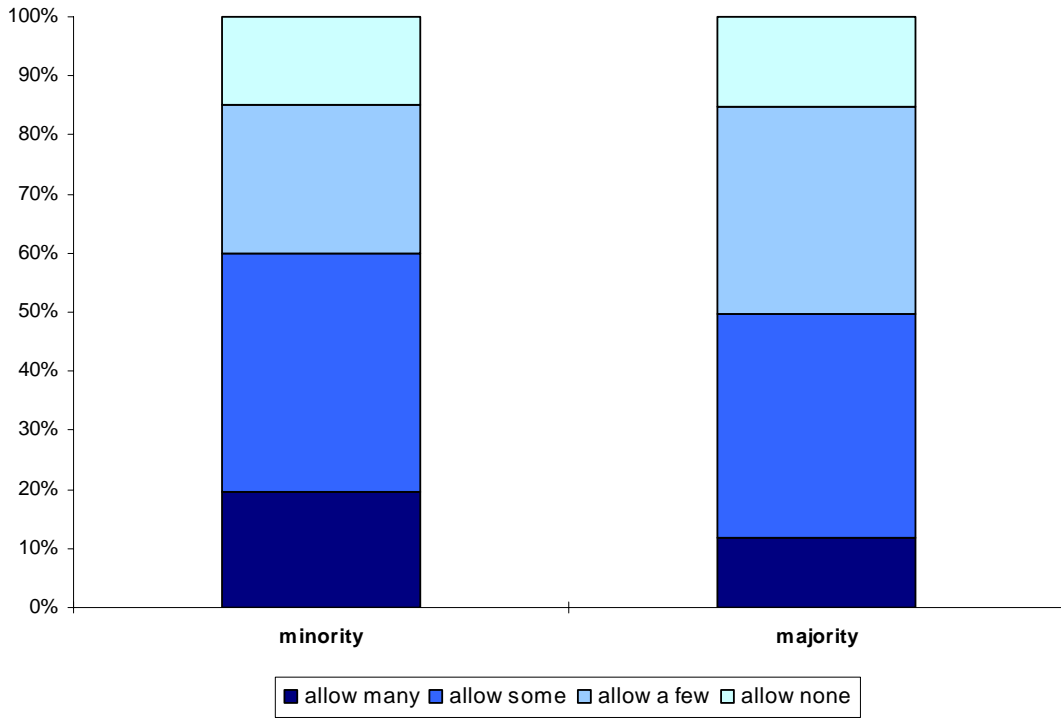
Notes: Data are from the ESS dataset, 2004. Answers to the question “Allow many/few immigrants of different race/ethnic group from majority?” Data for Italy are from 2002.

Figure C4.9 Opinions on immigrants of different ethnicity: by labour force status



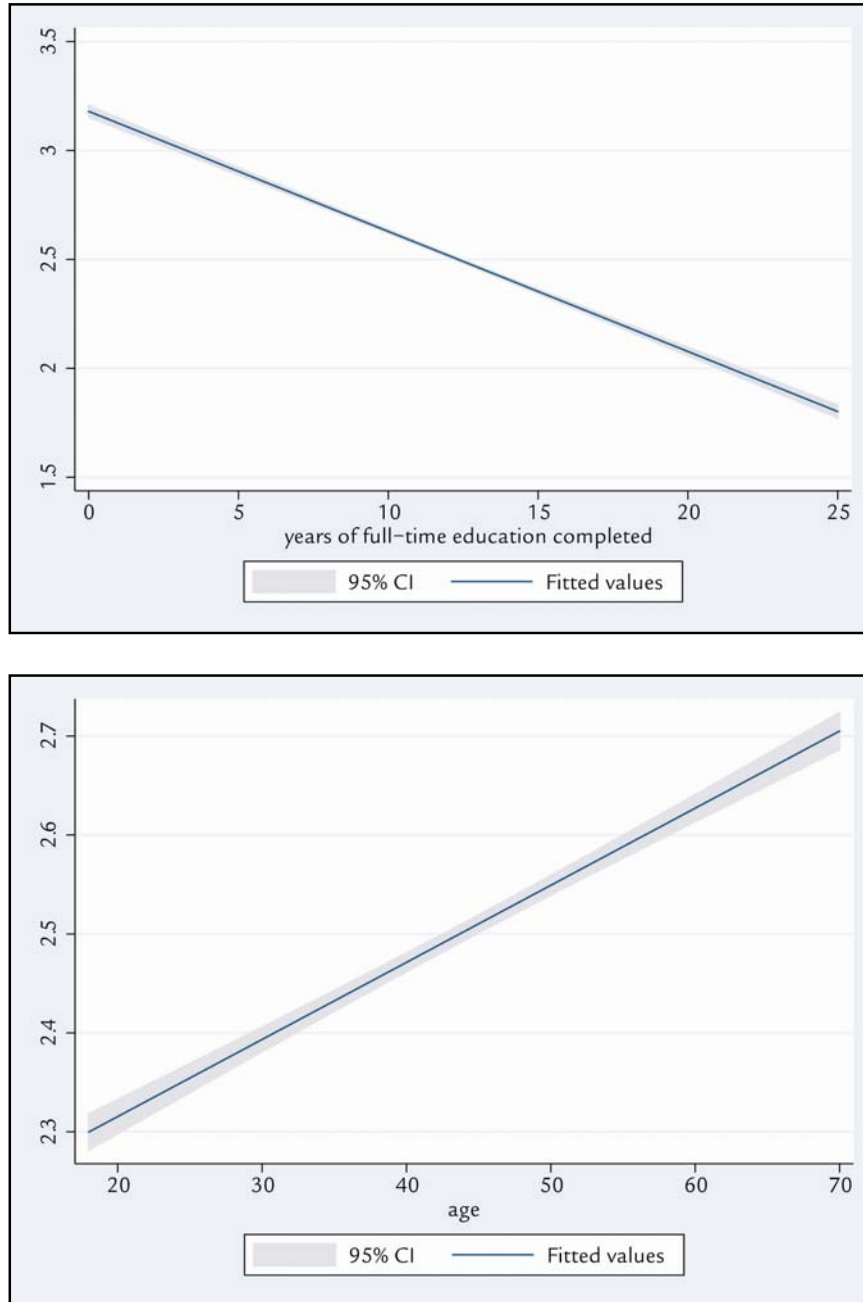
Notes: Data are from the ESS dataset, 2004. Answers to the question “Allow many/few immigrants of different race/ethnic group from majority?”

Figure C4.10 Opinions on immigrants of a different ethnicity: by ethnicity



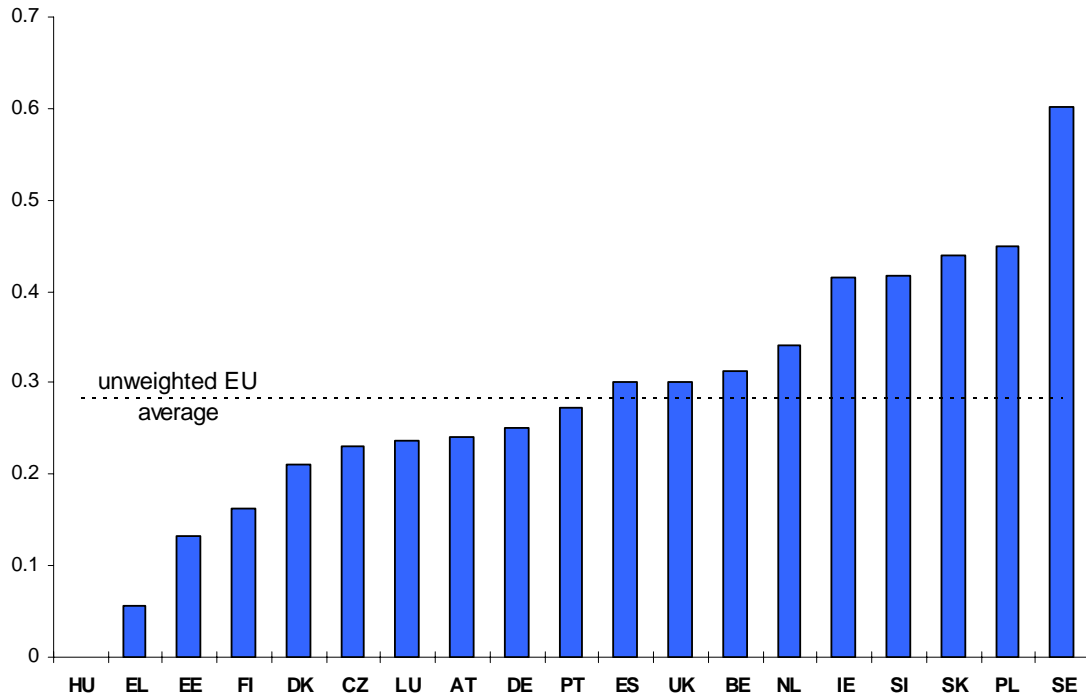
Notes: Data are from the ESS dataset, 2004. Answers to the question “Allow many/few immigrants of different race/ethnic group from majority?” “Minority” refers to those respondents who answer they belong to a minority ethnic group; “majority” refers to those who answer they do not belong to a minority ethnic group.

Figure C4.11 Correlation between attitudes towards ethnic minority immigrants and skills and age



Source: data are from the ESS dataset, 2004. Notes: Attitudes towards ethnic minority immigrants are on the vertical axes and are answers to the question “Allow many/few immigrants of different race/ethnic group from majority?” (1=allow many, 4=allow none).

Figure C4.12 Country differences in attitudes towards ethnic minorities “Allow many/few immigrants of different race/ethnic group from majority?”



Source: Authors' calculations based on data from ESS 2004.

Notes: Country-specific effects from the regression of the binary attitudes variable on individual characteristics are reported. The vertical axis measures the magnitudes of the country effects, that is, the coefficients from the regression normalized such that the Hungary's effect becomes zero and the other countries' effects are measured as differences from that of Hungary. The dependent variable is equal to one if a respondent answers “allow many” or “allow some” to the following question: “To what extent do you think a country should allow people of a different race or ethnic group from most country's people to come and live here?”; it is equal to zero if a respondent answers “allow a few” or “allow none”.

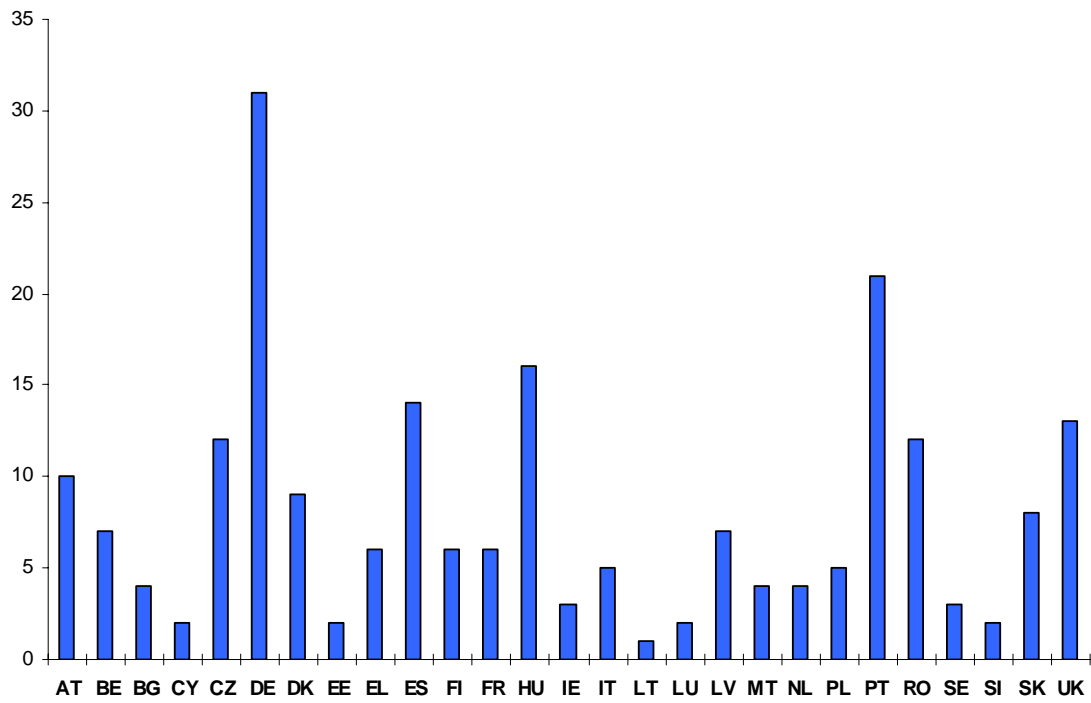
Figure C5.1 Numbers of responses by country

Figure C5.2 Minorities at risk

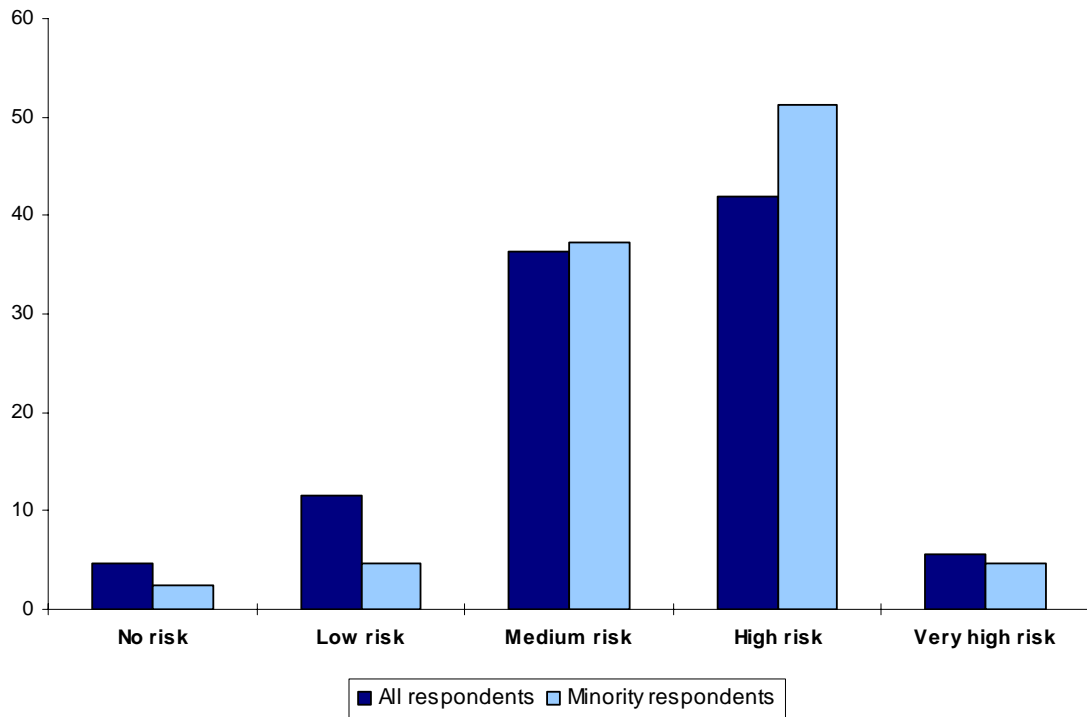


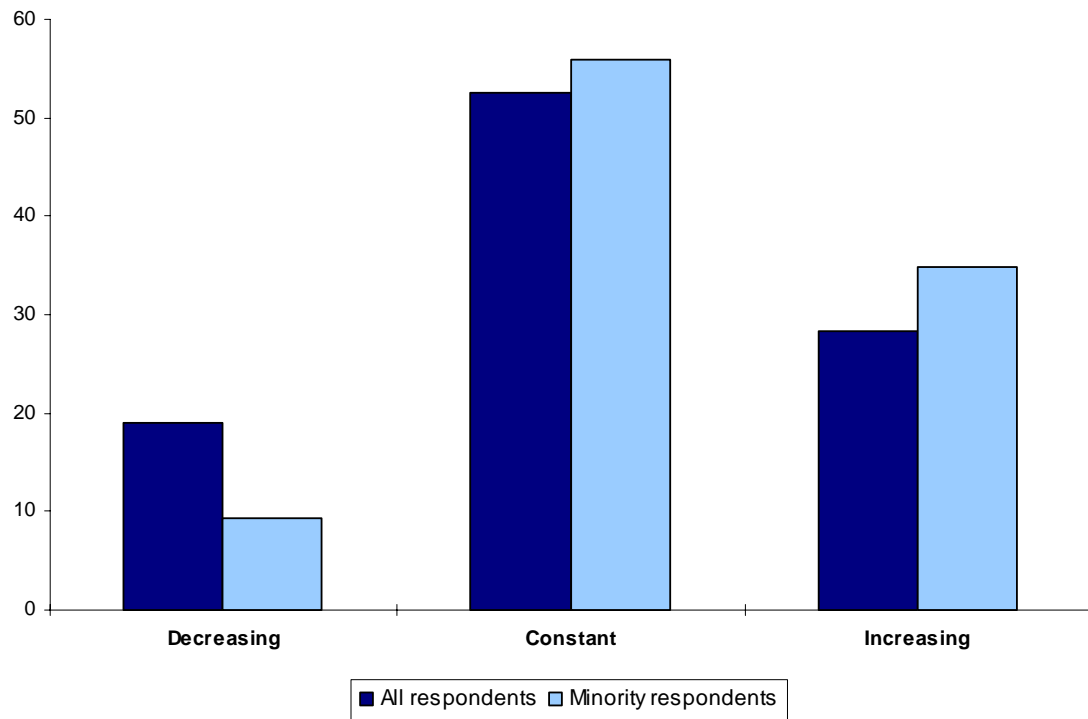
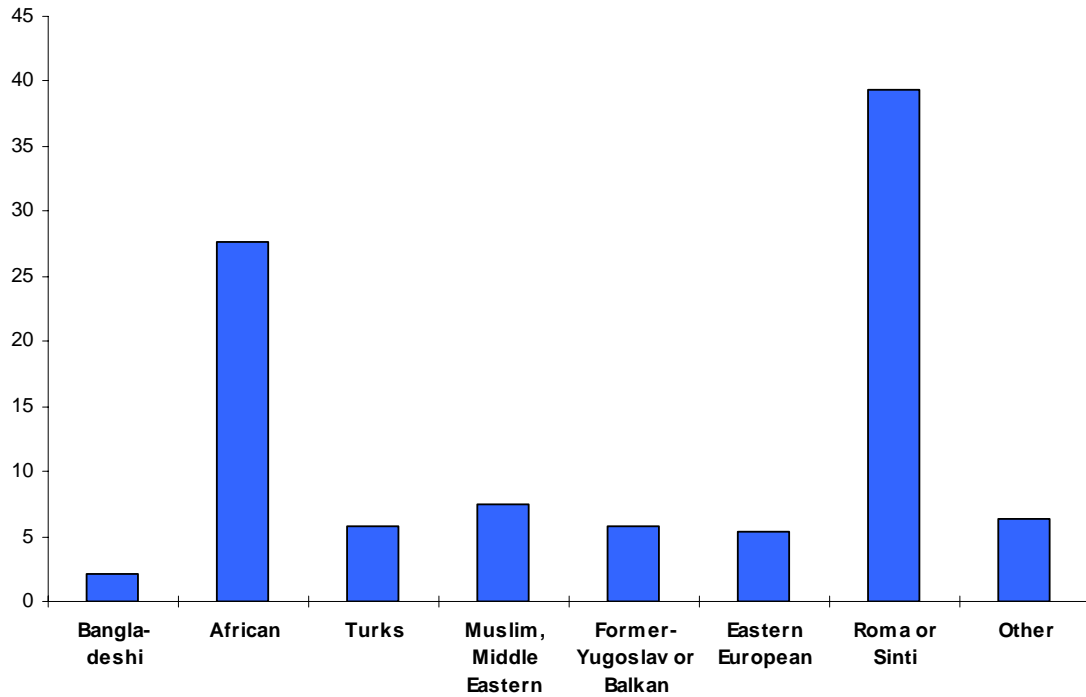
Figure C5.3 The trend of being at risk

Figure C5.4 Minorities at the greatest risk

Notes: “Muslim, Middle Eastern” includes Afghans, Arabs, Lebanese, Iraqis, Pakistanis, and Muslims. “Eastern European” refers to Eastern Europeans outside the European Union. “Other” includes refugees, HIV positive people, Brazilians, Antilleans, Pontic Greeks and Poles.

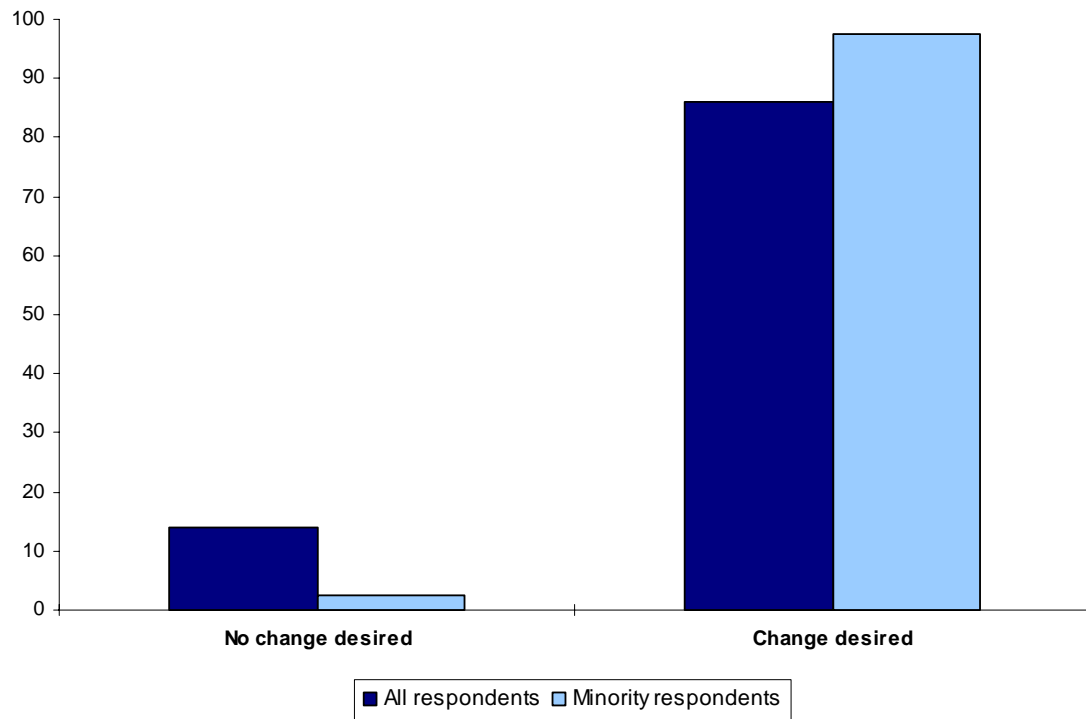
Figure C5.5 Changing the integration situation: Minorities in general

Figure C5.6 Changing the integration situation: Minorities at greatest risk

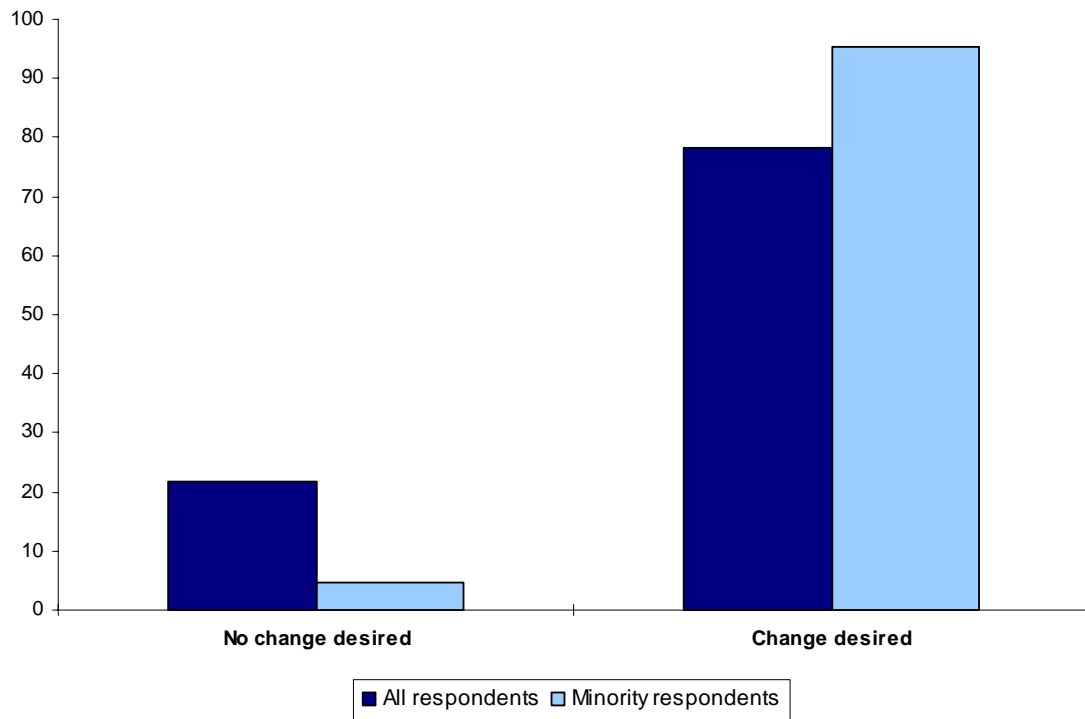


Figure C5.7 Areas where changes are most desirable

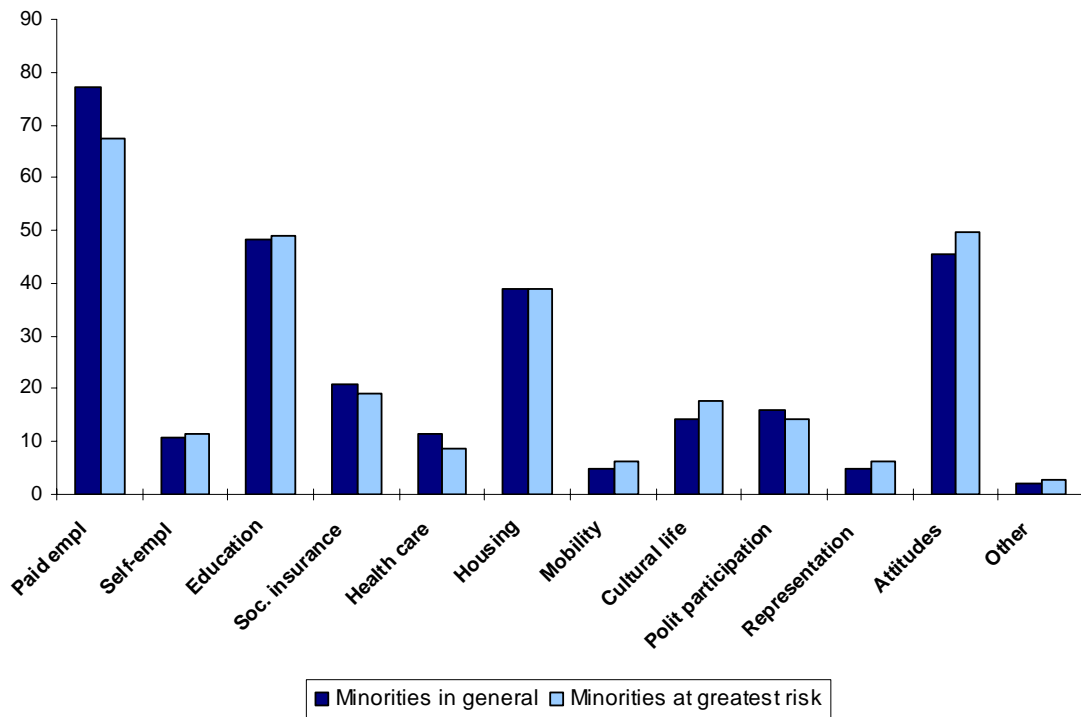


Figure C5.8 Responsible for changes

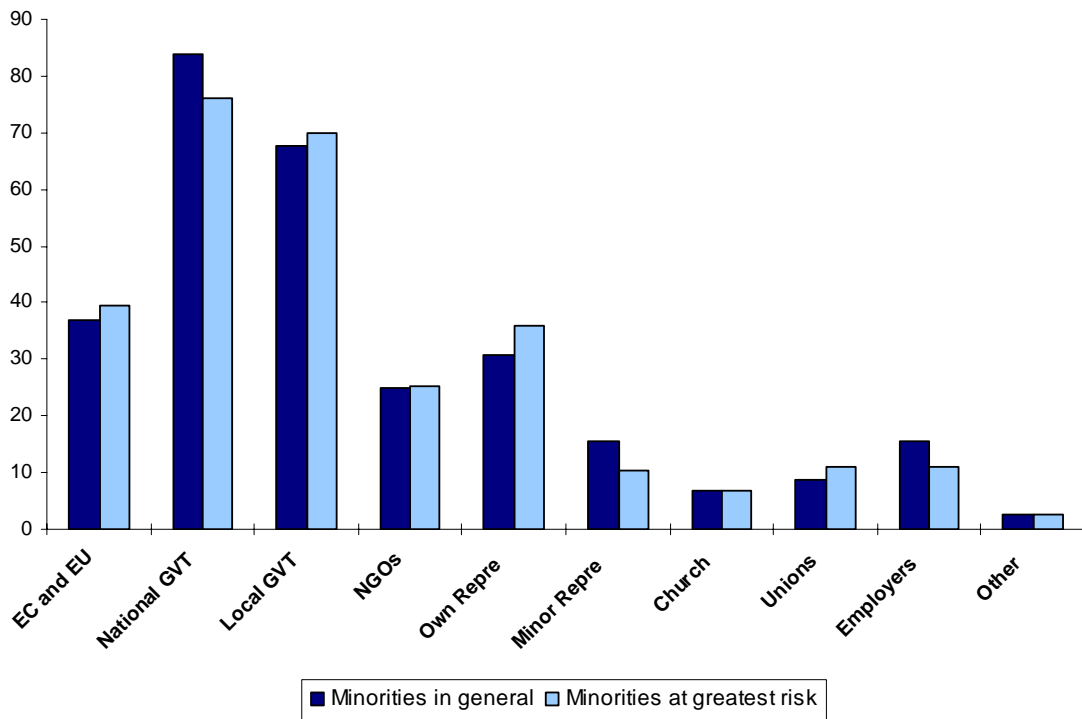


Figure C5.9 Policy principles: Minorities in general

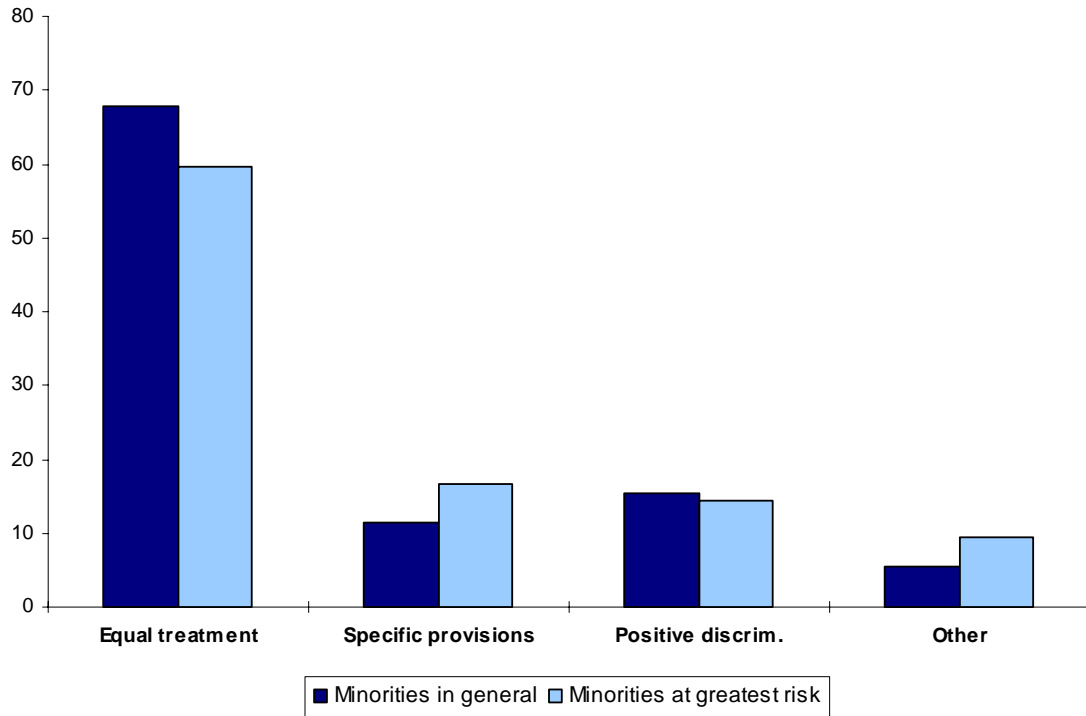


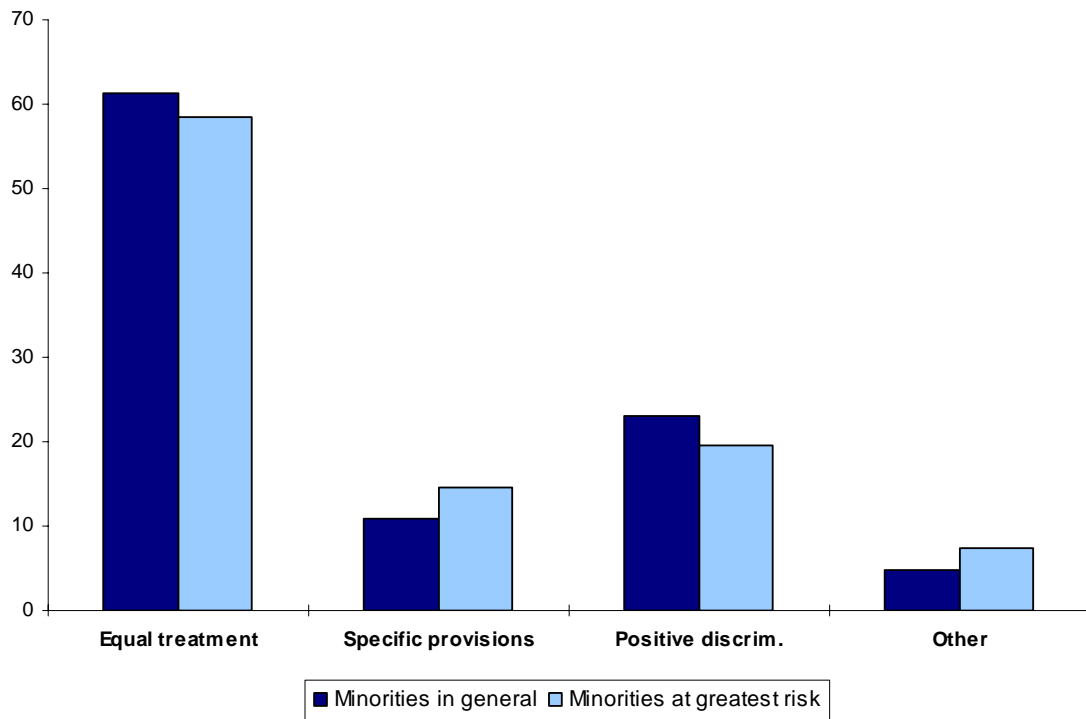
Figure C5.10 Policy principles: Minorities at greatest risk

Figure C5.11 Public attitudes

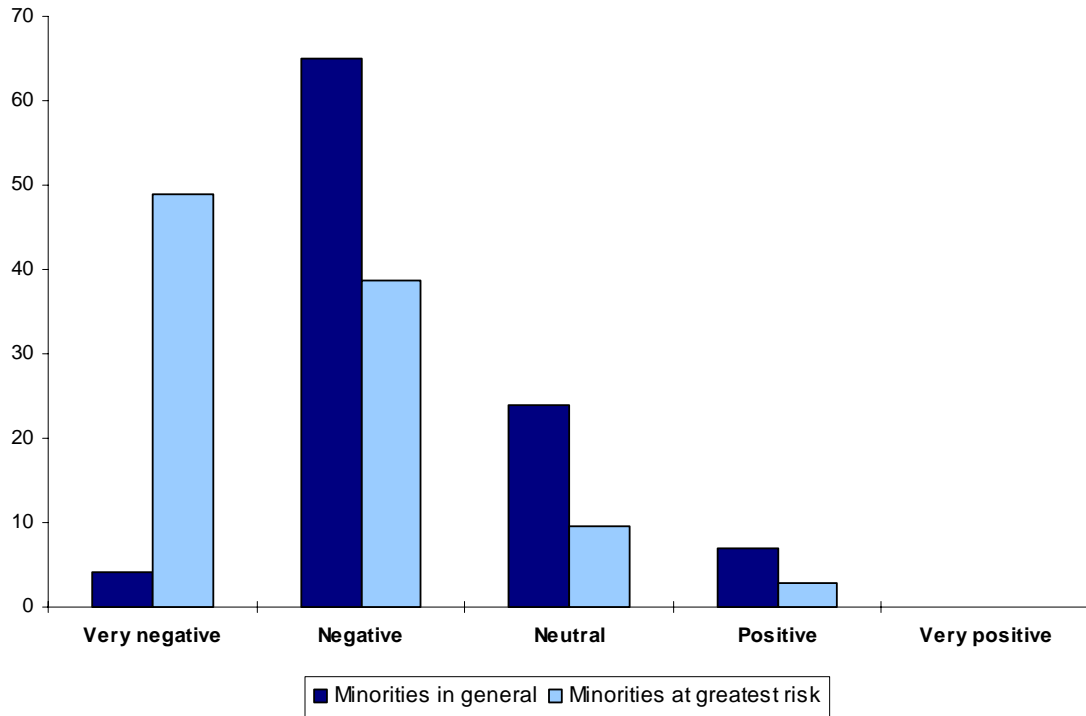


Figure C5.12 Business attitudes

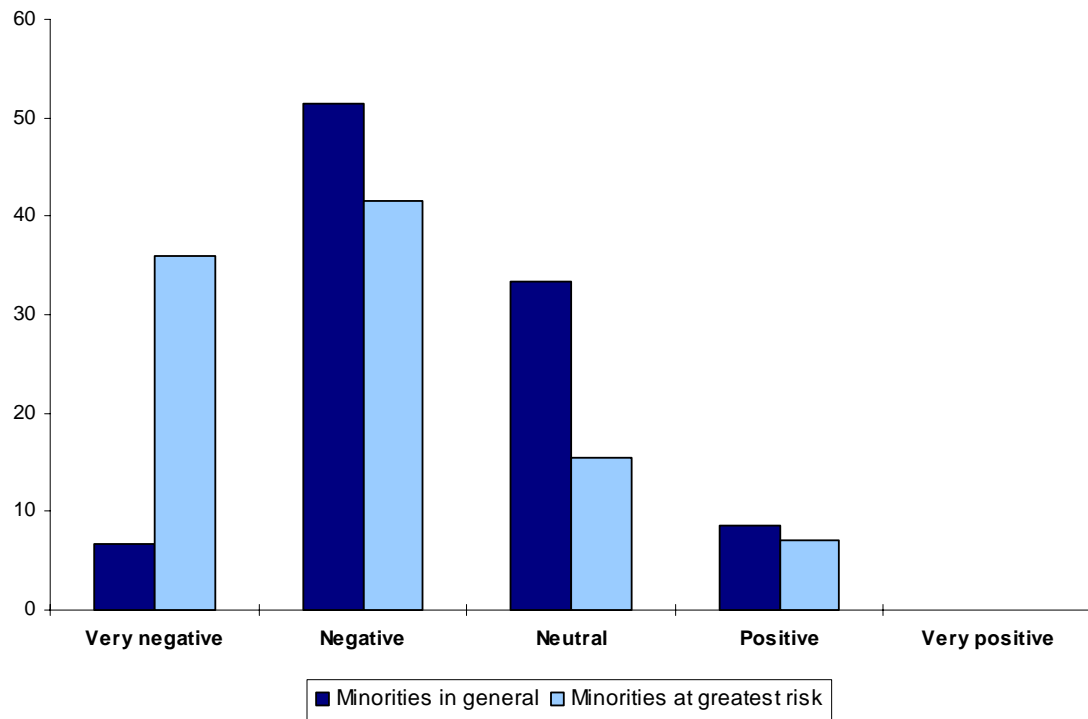


Figure C5.13 Integration barriers

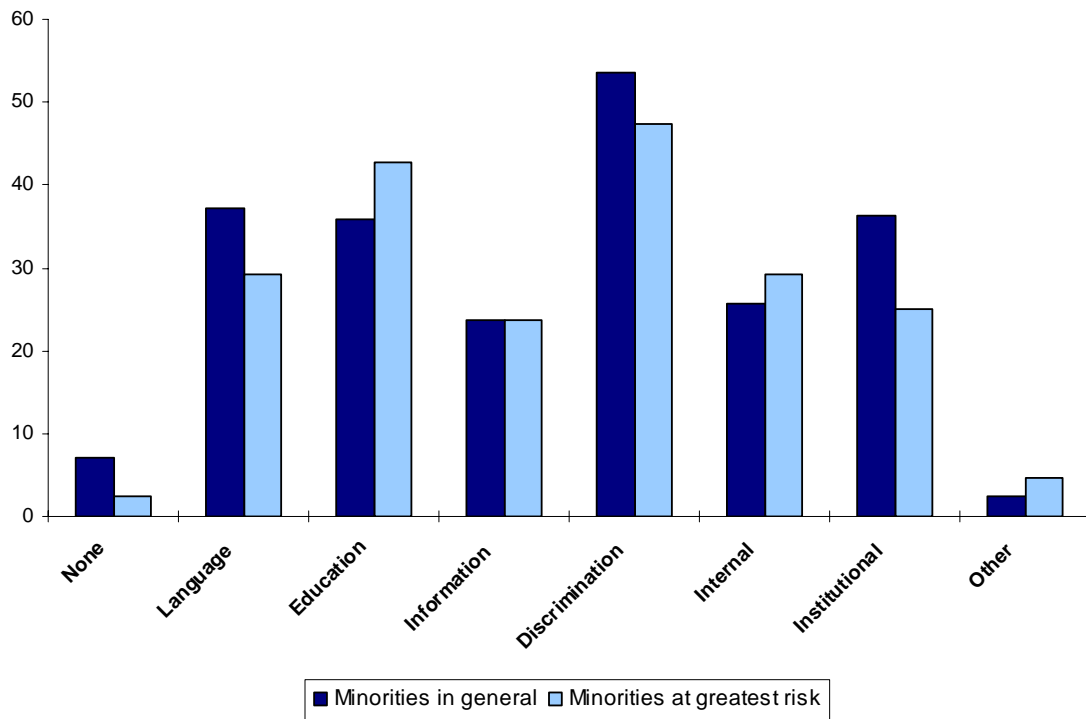


Figure C5.14 Intervention

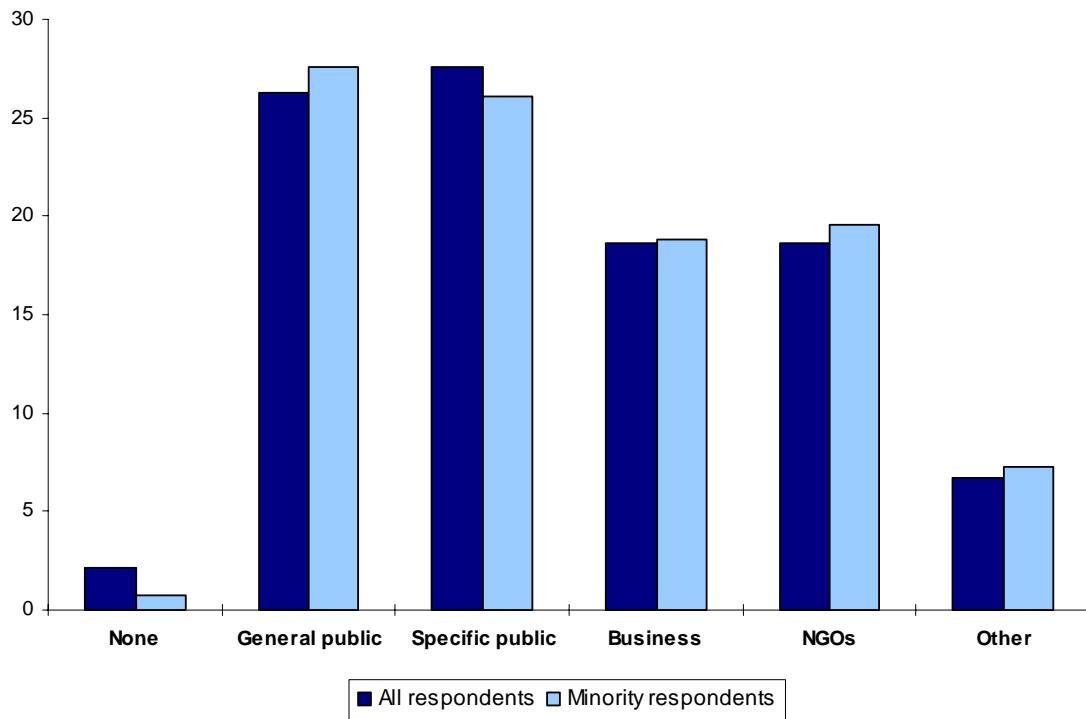


Figure C5.15 Changing the integration situation of the Roma

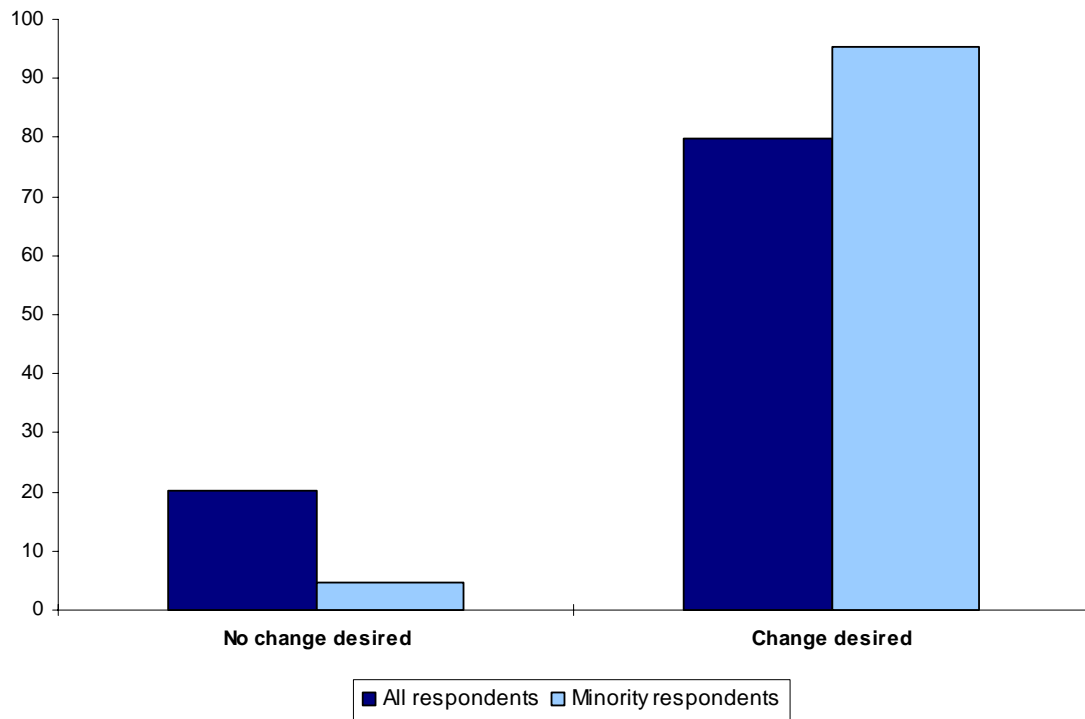


Figure C5.16 Areas where changes are most desirable by the Roma

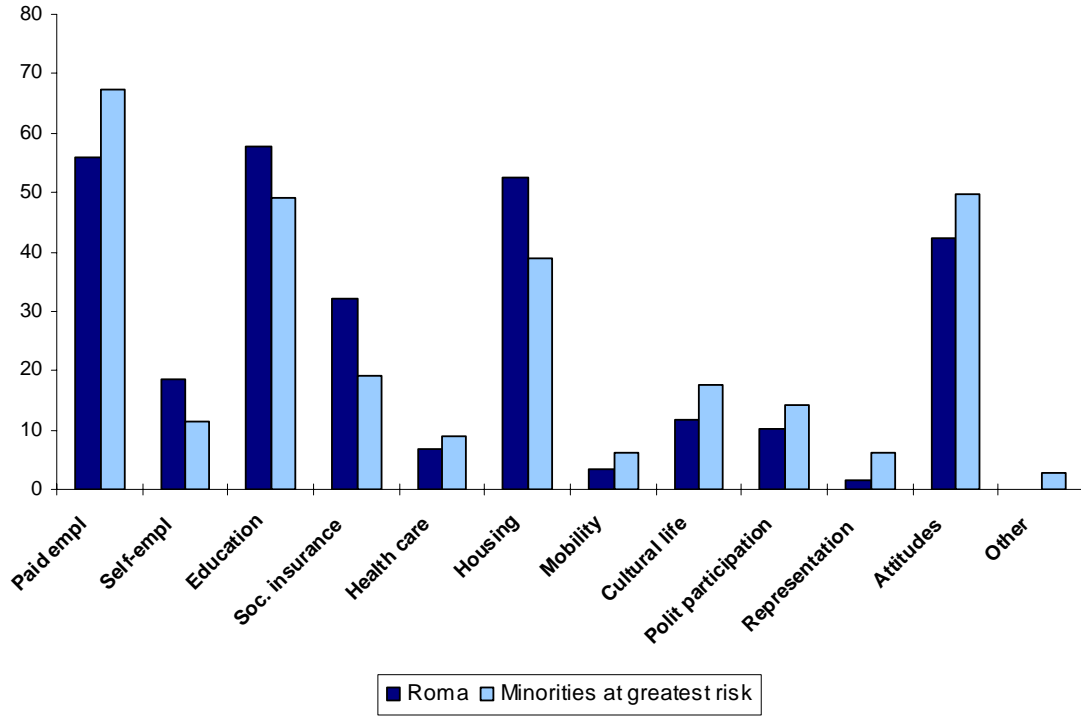


Figure C5.17 Responsible for changes (Roma)

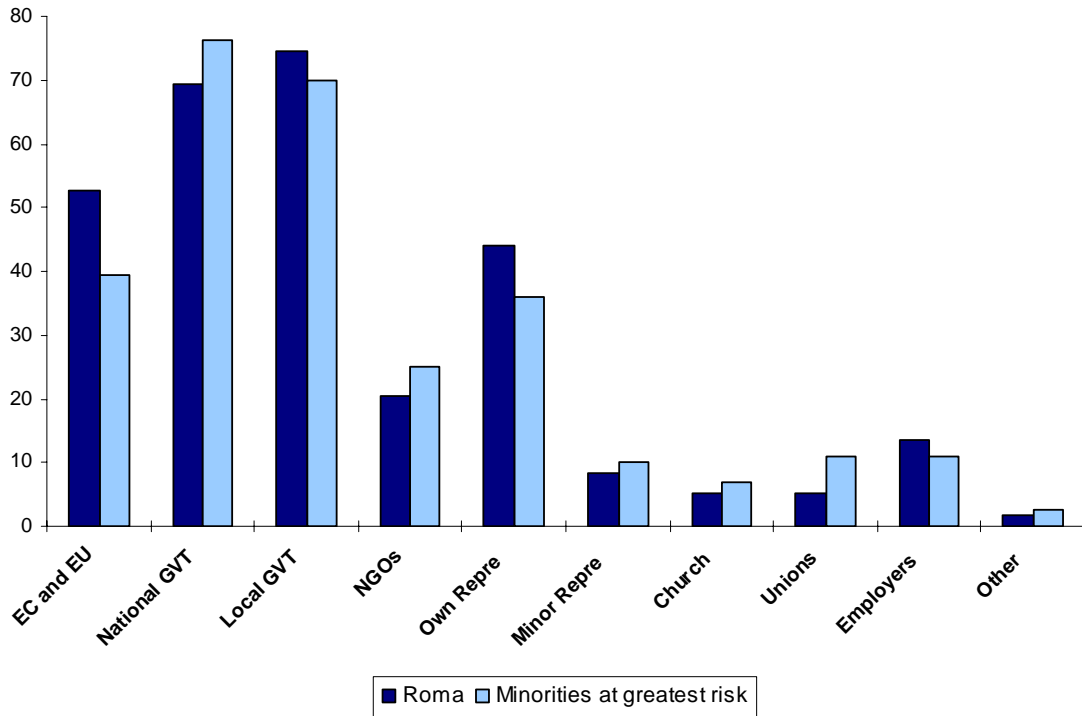


Figure C5.18 Policy principles (Roma)

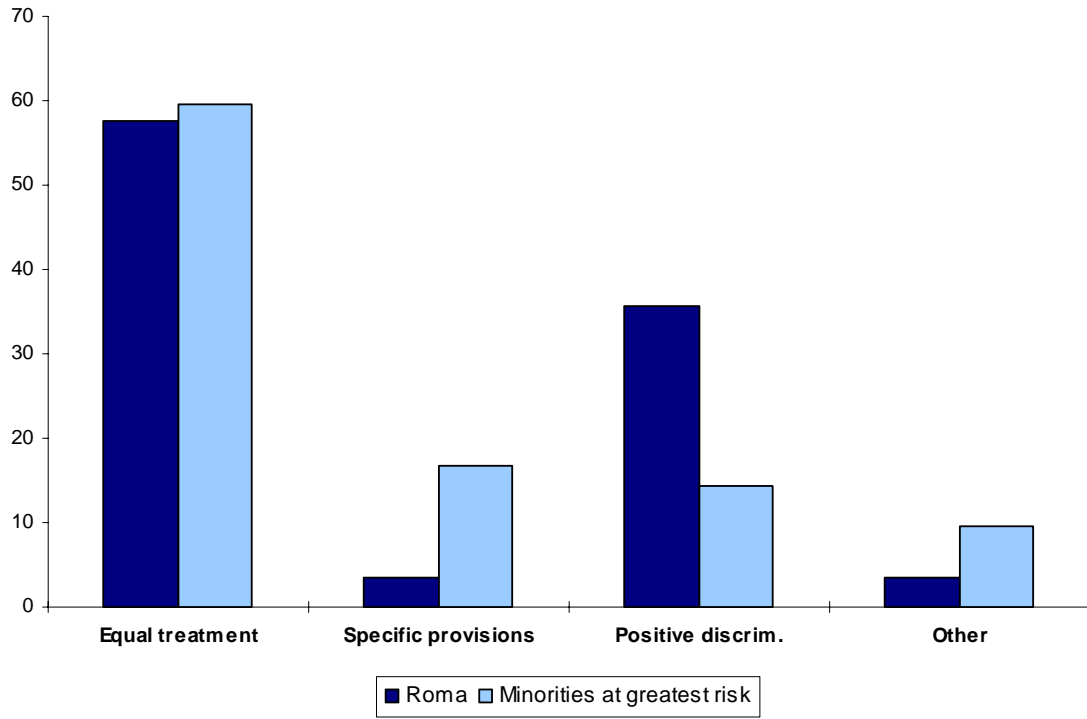


Figure C5.19 Initiatives by type

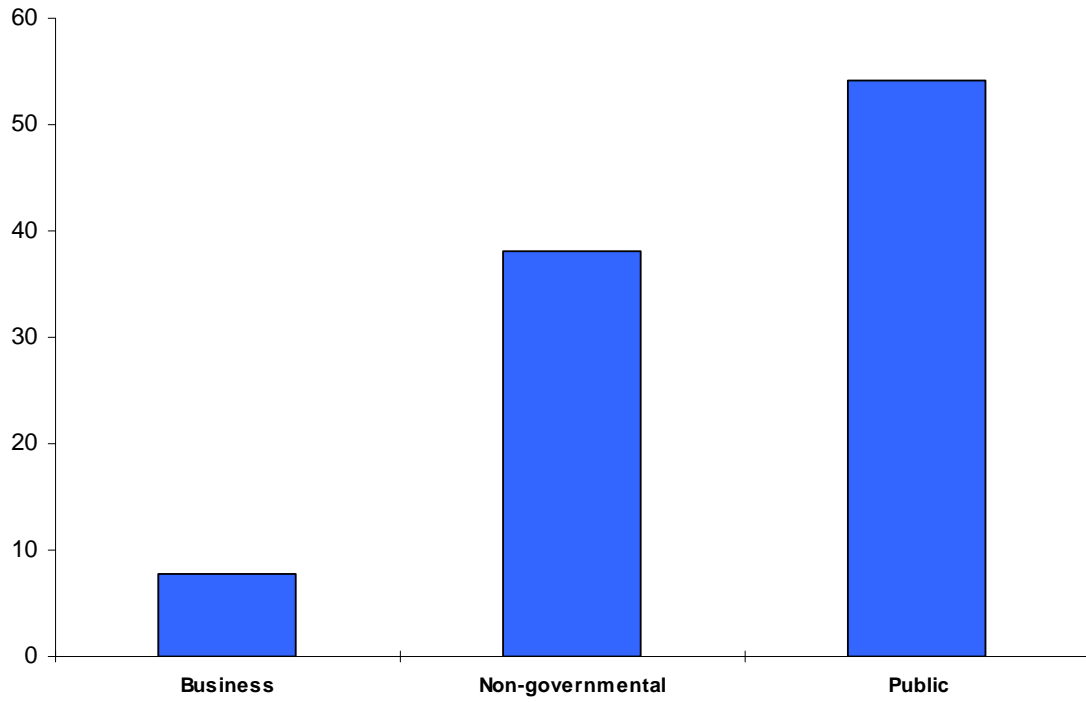


Figure C5.20 Success measures by area of improvement

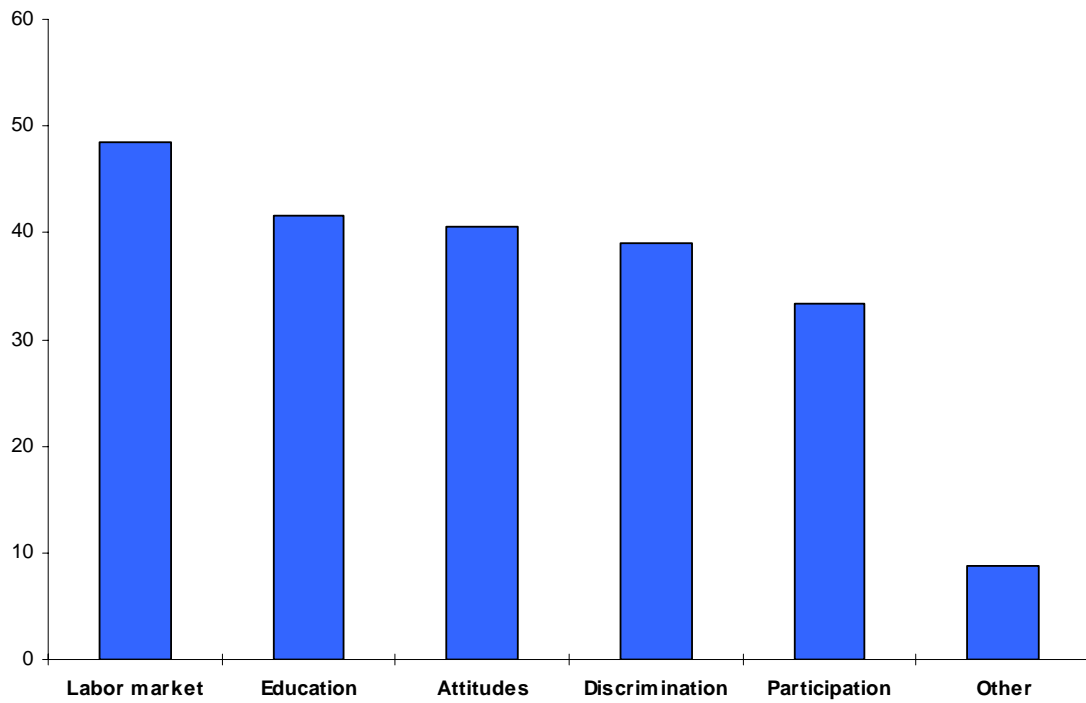


Figure C5.21 Reasons for success

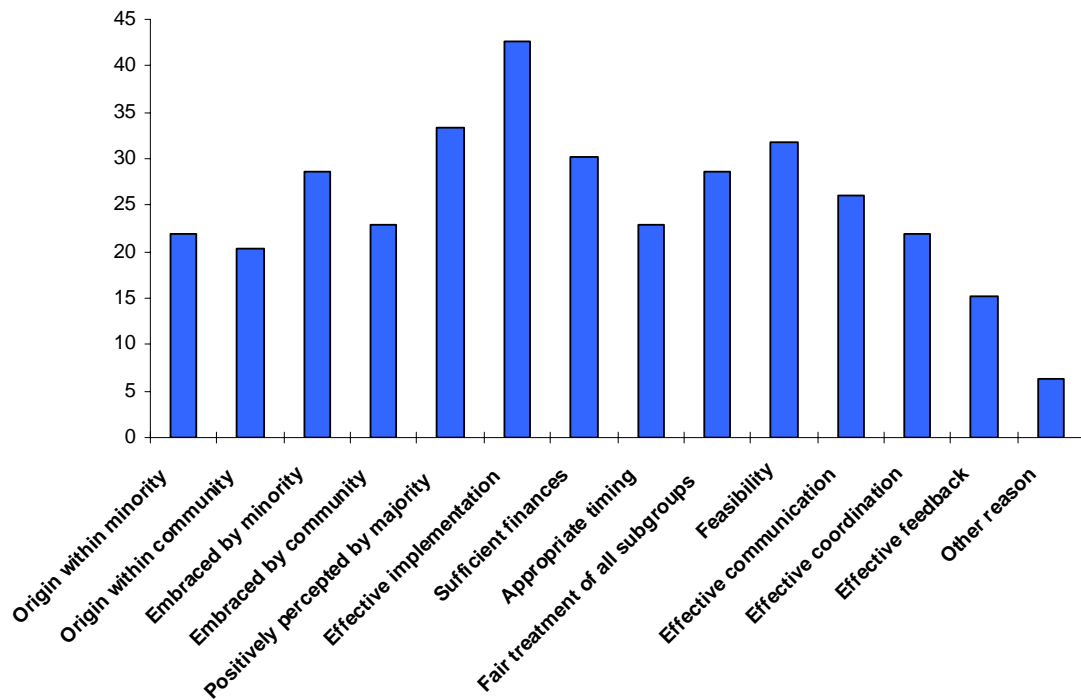
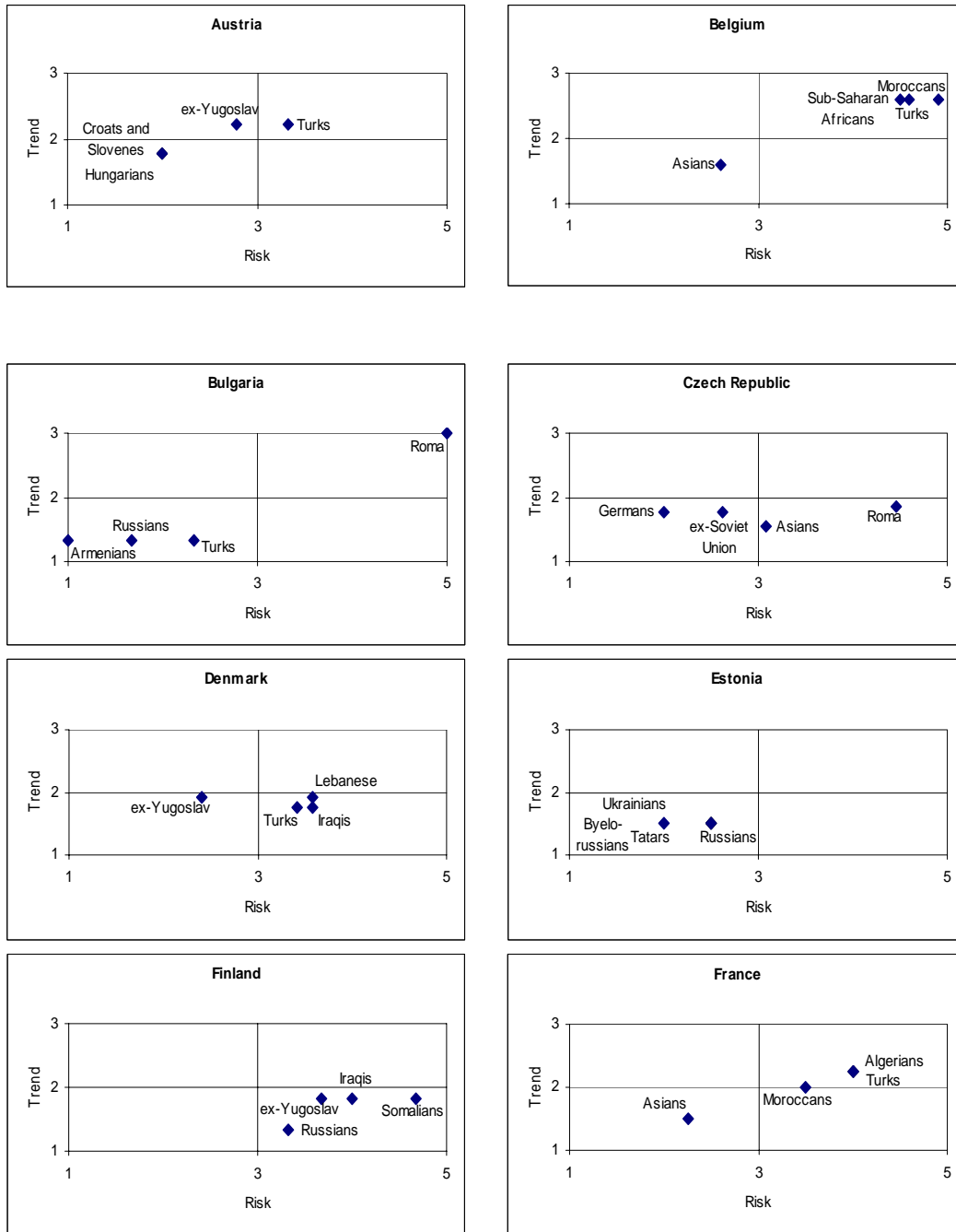
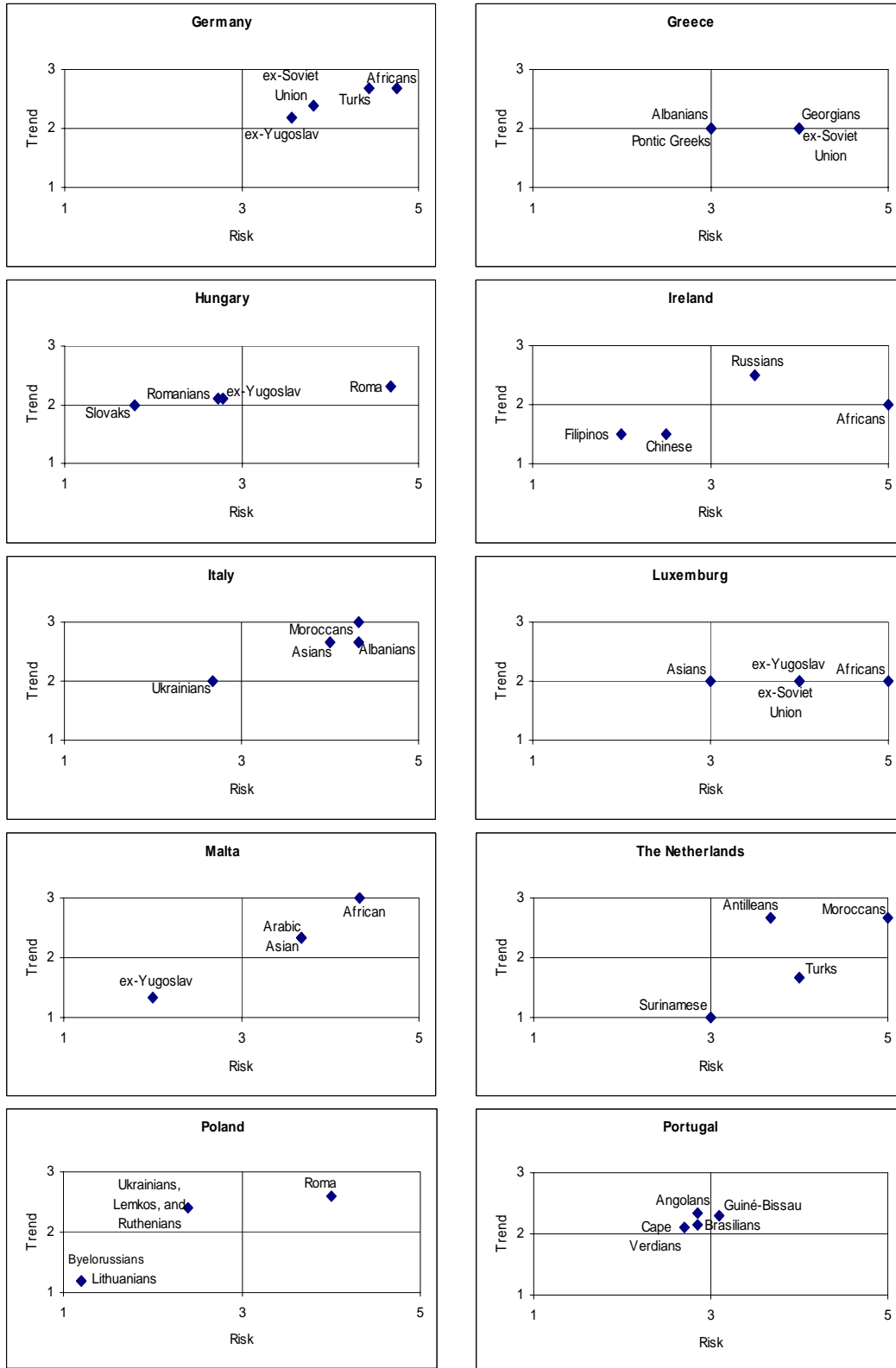
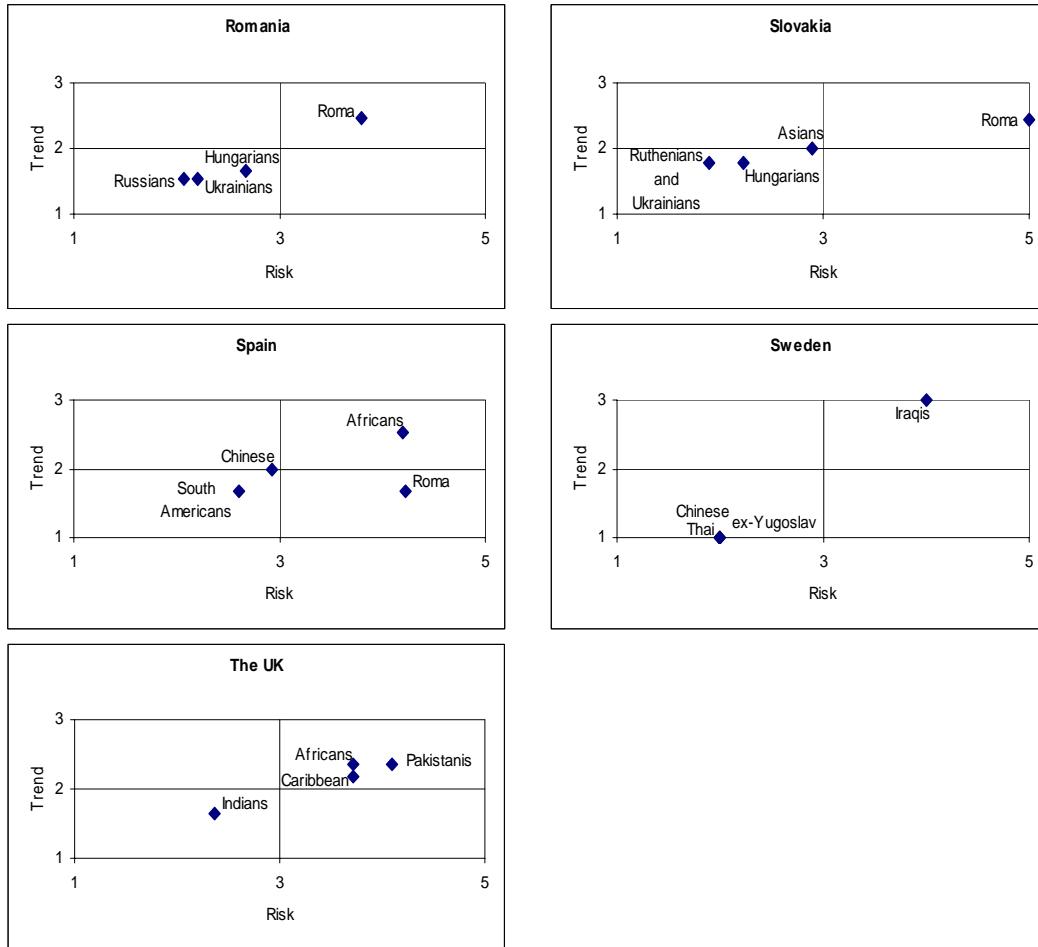


Figure C6.1 Policy matrix, by country







Notes: Based on the IZA Expert Opinion Survey 2007. No or insufficient data were available for Cyprus, Lithuania, Slovenia and Latvia.

Appendix D

D7.1 USSKE projects to support the Romany community, Košice, Slovakia		
Key objective: Labour market integration of disadvantaged groups, especially the Roma.	Target group: Socially disadvantaged groups in the municipalities of Veľká Ida, Košice-Šaca, and Košice-Luník IX; especially the Roma.	Duration: Ongoing, since 2002.
Lead organization: US Steel Košice, s.r.o (USSKE), a subsidiary of the US based US Steel Corporation. (Circa 16,500 employees in Košice).	Partner organizations: Mayor of Veľká Ida, Mayor of Košice-Šaca, Romintegra 7777 civic association (led by priest Jozef Červeň from Košice-Luník IX), Elementary school (Košice-Luník IX), Kindergarten (Košice-Luník IX), Project Schola, Dubnické Opálové Bane Foundation	Funding: US Steel Košice's own funds; a number of donors of the partner organizations, including the municipality of Košice.
Minority representation in project leadership: None. However, the Romany community was involved in decision making through their representation in the partner organizations.		
Initiation stages: This business initiative started in 2002 after discussions between the former president of USSKE (Mr. Goodish) and the Mayor of Veľká Ida. The key motivation behind the effort was the poor socio-economic situation of the Romany community in Veľká Ida (their unemployment rate reaching 100%) and the culture of corporate social responsibility of USSKE. Later the program was extended to include other municipalities (Košice-Šaca and Košice-Luník IX).		
Aims and methods: This local initiative aims at integration of disadvantaged communities into the labour market. USSKE selected a number of company jobs which could be offered to program participants. The character of the available jobs at USSKE dictates the focus on the Roma men. Using the local knowledge of Roma leaders, municipal and non-governmental actors as well as job application questionnaires distributed in disadvantaged Roma communities, a number of participants – clients – were selected. These received job-specific training and were employed by partner municipalities and Romintegra 7777, who leased these workers to USSKE. The most successful individuals were offered full time employment directly at USSKE. Through the project, about 155 Roma people were employed, of which about 10% were offered full time contracts with USSKE. Concerning the selection process, in Romintegra 7777, out of the circa 200 applicants from Košice-Luník IX 100 were selected for the program and worked in the USSKE over the whole duration of the program. The maximum number of leased workers at a time was 35; the current figure is 17. Currently, 6 Roma that participated in the Romintegra 7777 selection process have a full time employment contract with USSKE. According to J. Červeň, a large majority of the 100 selected clients dropped out of the program having found employment elsewhere, possibly enabled to do so by the training they received.		
Key challenges: Lack of trust in the selection process among the Roma. <i>Very low educational attainment of the clients.</i> Low work morale, lack of work habits, fluctuation, absenteeism. <i>Short sighted financial perspective of the clients and attendant vulnerability to predatory lenders.</i> Winning the support of the Roma community.	Strategies to overcome them: Transparent selection criteria. <i>Training, selection of appropriate job positions</i> Rigorous selection process. Training, transparent bonuses and penalties. (+/- 10% of hourly wage in Romintegra 7777). <i>Wages paid out weekly. Later 3 times a month plus food vouchers, eventually monthly payments.</i> <i>Payments intermediated by actors knowledgeable of the Roma community: mayors and NGOs.</i> Respect for cultural differences, transparent rules, involvement (i.e. in Romintegra 7777 clients voted on the frequency of wage payments).	

<p><i>Support of the non-Roma community.</i></p> <p>Lack of social skills of Roma.</p>	<p><i>Equal treatment at the workplace: Roma are valuable members of work teams and are paid a fair wage for what they do.</i></p> <p>The long-run perspective has been adopted and children-oriented socialization activities have been implemented: excursions for Roma children, sports activities, renovation of the workshop in the partner school, showing the children a movie showing the Roma employed through the program at the workplace. Participation in these activities merit based (good educational results).</p>
<p><i>Not losing the interest of non-selected Roma.</i></p>	<p><i>Keeping the doors open.</i></p>
<p>Benefits for the firm: Romintegra 7777 reports benefits for USSKE in terms of gaining positive image in the wider society as well as utilization of invaluable human resources in the context of a tightening labour market. USSKE reports good productivity and remarkable motivation of the Roma employees who highly value their jobs.</p>	
<p>What we learn: Transparent and merit-based rules facilitate the support of both Roma and non-Roma communities. Respect for cultural differences is a necessary precondition for success. Proper phasing out of certain temporary provisions (e.g. weekly wage payments) permits standardization of employment relationships. The American social responsibility model works in the specific conditions. Involvement of the clients in decision-making strengthens their support. While the benefits of workforce diversity are not fully appreciated by the involved parties, the benefits from having skilful and motivated employees highly is understood by all. Cooperation between business, public, and non-governmental organizations and knowledge transfers among them was instrumental for the success of the initiative.</p>	
<p>Selection criteria:</p> <p>Sustainability: Corporate funding and commitment seem to ensure sustainability. The tightening local labour market helps insure this funding and commitment because it increases USSKE's economic benefits of employing Roma workers.</p> <p>Addressing the needs of a vulnerable group: The Roma in the region are at a great risk of labour market exclusion. Although men and women in the Romany community both face such risks, the character of the available jobs dictated a focus only on men.</p> <p>Effective cooperation of the partners: Being led by a strong economic actor made it easier for the involved parties to complement each other at different stages of the integration process.</p> <p>Applying innovative methods and approaches: The involved partners developed interesting transitory adjustment schemes (wage payments) and used successful clients as role models for Roma youth (the movie).</p> <p>Focus on remarkable aspects of the integration process: The initiative addresses a multitude of aspects of the integration process, e.g. starting early at schools.</p>	

D7.2 ACCEDER Program, Spain		
Key objective: Labour market integration of disadvantaged groups, especially the Roma.	Target group: Socially disadvantaged groups in Spain, especially the Roma.	Duration: Ongoing, since 2000.
Lead organization: Fundacion Secretariado Gitano (FSG; Roma Agency Foundation), Madrid, Spain, a non-governmental organization (Circa 600 employees).	Partner organizations: A large number of small and medium size enterprises (SMEs) and a number of larger enterprises. European Structural Funds, Spanish Ministries (especially for education and social affairs), local municipalities, other non-governmental organizations, media, and the financial sector.	Funding: Long term finance: European Structural Funds (50-80%, depending on regional eligibility), Spanish Ministries (especially for education and social affairs). Ad hoc finance: Local municipalities and a number of banks.
Minority representation in project leadership: over 30%, in each office at least one Roma or other ethnic minority, all mediators Roma, some counsellors Roma, 7 of 45 teams led by Roma. The Control Board of the FSG involves Roma members.		
Initiation stages: This initiative was started by a non-governmental organization FSG, whose main objective is socio-economic integration of the Romany community, and facilitated by the European Structural Funds.		
Aims and methods: This nation-wide initiative seeks to facilitate labour market integration of disadvantaged communities, especially the Roma (circa 70% of clients). Specifically, the initiative attempts to create direct relationships between employers and disadvantaged people by facilitating the matching of employers' needs for specific labour types with specific skills of individual clients. To this end, it employs counsellors and mediators who select and train clients. Well-suited clients are sent to employers to apply for the posted jobs. Data are collected for program evaluation. Since inception, 34,000 people have gone through the program, 24,000 contracts signed (this number includes multiple short-term contracts going to some individuals), 11000 individuals currently with contracts, of these more than 7000 Roma and a slight majority of women.		
Key challenges: Perception of the Roma as a social problem. <i>Negative perception of Roma by employers.</i> Outright discrimination of Roma by employers. <i>Selection of clients, their motivation.</i> Perception of Roma and the program by the general society. <i>Low educational attainment of Roma.</i> Lack of labour market habits. <i>Integration of Roma.</i>	Strategies to overcome them: Presenting the issue as also an economic and developmental concern. <i>Integrate Roma and non-Roma in the program. Present ACCEDER as a program helping socially disadvantaged people. Send a mix of Roma and non-Roma clients on first contact. Flexible and case-specific approach.</i> Mediation, bringing the case to court as a last-resort solution. <i>No conditionality, purely voluntary participation helps ensure relatively motivated client pool. More recently selection through family ties.</i> Stress that this is not charity, that fair wages are paid that there is no positive discrimination in employment. Calling the involved people "clients". Positive minority role models, good references. <i>Training. Mediation based on trust and relationships if skills sufficient but formal educational requirements not met.</i> Teach the clients how the labour market works. <i>Integrated training with non-Roma, positive action but not parallel systems for Roma and non-Roma people.</i>	

<p>Program evaluation. <i>Female participation.</i> Building up trust with employers.</p>	<p>Data collection and research. <i>Special efforts to attract women.</i> Always fair approach, e.g. if no skill match, do not send any client.</p>
<p>Benefits for the involved firms: None acknowledged. According to an ACCEDER coordinator, perhaps Roma workforce can generate a positive image in some communities (with sizeable Roma population), but it can also harm the firm image in others.</p>	
<p>What we learn: Fairness vis-à-vis employers necessary. Integration of Roma with non-Roma in training beneficial, also of strategic use. Roma require training in labour market habits and skills. Flexible approach in dealing with employers works well. If the demanded and supplied skills match, formal requirements can be overruled based on trust and good relationships. Voluntary participation and its non-conditionality help to select motivated clients. Program evaluation and data collection to inform possible corrective action and ensure long term success. Long-term finance for the project facilitates establishment of strong ties to employers and creation of the necessary trust. SMEs rather than large companies responsive to ACCEDER. The threat of legal action facilitates enforcement of a non-discriminatory conduct of employers. It is remarkable that the interviewee did not report the substantial benefits in terms of applicant training and screening that the involved business companies, especially the smaller ones that have less resources to screen and train applicants on their own, gain from the ACCEDER initiative. Acknowledgement of these benefits would contribute to the sustainability of the initiative.</p>	
<p>Selection criteria: Sustainability: The initiative has a relatively long history of successful integration action. Nevertheless, it still largely relies on uncertain EU funds. More emphasis on diversification of funding would contribute to the long-term sustainability of the program. Remarkable scale of success: This is one of the largest initiatives covered in this study. The initiative has produced a large number of employment opportunities. It would be desirable, however, to perform a cost-benefit analysis. Applying innovative methods and approaches: A well-developed implementation procedure, which includes data collection and evaluation. Flexible approach facilitates initiative's success.</p>	

D7.3 SVIK Roma employment program, Svidnik, Slovakia		
Key objective: Fill job positions by integrating Roma minorities.	Target group: Roma minorities in Svidnik and the Svidnik region.	Duration: Since the company was established (1993).
Lead organization: SVIK, textile producer (900 employees of which circa 140 (15.5%) Roma)	Partner organizations: None.	Funding: Company's resources.
Minority representation in project leadership: None.		
Initiation stages: The company sought to fill a number of manual labour positions in 1993 when it was founded. The large number of Roma women in the surrounding area offered a natural labour pool from which to draw employees.		
Aims and methods: The company manages a large number of low-skill job positions in sewing and ironing. Given the skill distribution in the local labour market, the integration of Roma minorities is considered vital for company's human resource management. Careful selection including a three-month probation period is seen as very important in ensuring the success of the initiative. The principle of equal treatment is applied to Roma and non-Roma employees. While the integration scheme lacks clear formalization, the involved personnel managers actively manage diversity and integration of Roma employees in the company		
Key challenges: Selection of sufficiently skilled and motivated employees. <i>Financial strain during the first month of employment of new hires. (Social benefits stopped upon employment and salary paid at the end of the month).</i> Integration of Roma employees into the team. <i>Timeliness and work habits.</i> Reconciling work and family and commuting.	Strategies to overcome them: Careful selection including a three month probation period. <i>No action taken.</i> Ethnically mixed teams and mutual support and counselling among Roma employees. The relatively large number of Roma employees strengthens their self-esteem and confidence. <i>Selection of motivated employees, piece-rate wage.</i> Contribution to child day care and commuting costs.	
Benefits for the firm: Motivated and skilled employees, improved image of the company.		
What we learn: This case serves as a stark reminder that the strongest force for labour market integration is a tight local labour market and open minded managers. The probationary period, which helps the company select highly-motivated workers, would appear to be a key to the success of the program. This factor is also highlighted by the interviewee's opinion that commuters, who probably face larger opportunity costs of employment (and are thus more severely selected for motivation), were "better employees". An important lesson is that the relatively large number of Roma employees strengthens the self-esteem and confidence of Roma employees. Integration of Roma and non-Roma in the workplace and mutual counselling among the Roma employees helps in the adaptation process, and suggests that hiring minorities in substantial numbers may have unexpected benefits in terms of worker retention, motivation and mental health. A potential role for the state would be to ease the transition to work by gradual phasing out of social benefits upon commencement of employment. The interviewee felt strongly that the common prejudice against the Roma was entirely unjustified, which demonstrates that interaction with minority employees often helps to uproot prejudice.		
Selection criteria:		
Sustainability: The labour market conditions and the pragmatic approach of the employer are promising in terms of initiative's sustainability. The general difficulties of the textile industry in Europe threaten initiatives' sustainability, however.		
Remarkable scale of success: In the economic and social environment where the Roma are by and large excluded from employment opportunities having 15.5% Roma employees is a remarkable achievement.		

D7.4 Freesoft Roma integration initiative, Nógrád region, Hungary		
Key objective: Provide skilled work and continuous on-the-job training for Roma people in the field of software testing and development.	Target group: Roma ethnic minority in the Nógrád region.	Duration: Ongoing, since May 2003.
Lead organization: Freesoft – software development company, private sector	Partner organizations: No partner organizations. In the initial stages, however, there was cooperation with municipalities and media in advertising the initiative.	Funding: No special funding, no state support.
Minority representation in project leadership: One ethnic manager in the company		
Initiation stages: Personal experience of the directors’ family living in a Roma community motivated the company to hire Roma people, offer them training and skilled job positions. Cooperation with municipalities and media facilitated advertising the initiative.		
Aims and methods: The key objective is to employ Roma workers and in so doing convince the public that it is worth investing in the skills of Roma people because one can find very talented individuals among them. Standard employment contracts serve most objectives. In case of low demand, no lay off but training. Two kinds of training: general training in IT and specific training to face the newest innovations in software development, in order to comply with customer requirements i.e. from foreign countries.		
Key challenges: Lack of demand for software, thus lack of work for employed Roma despite their high skills and the demand for digitalization. <i>Overcoming the negative public image of the Roma.</i>	Strategies to overcome them: Using a variety of measures, including personal contacts, to get more contracts from Freesoft customers. <i>Participation in the local public debate and showing good examples.</i>	
Benefits for the firm: Not so much in better firm reputation; rather in more qualified and motivated workforce, more diverse human capital available at the company and improvement in corporate social responsibility. There is, unfortunately, no particular interest of the company’s customers in this initiative.		
What we learn: Personal circumstances of company leader have led to the initiative to hire ethnic minorities despite lacking a clear association with improved profits. It is a rare initiative in the private sector in Hungary to offer qualified jobs and to “create” a qualified minority workforce from among unskilled applicants. An important spillover effect is that the employed Roma people spread their knowledge received in training in their families and community and thus the computer skills in the community are expanding. The difficult economic conditions of the company underscore the risk one runs in relying only a few firms or single industry in integrating a minority: if those firms or that industry falls on hard times, the minority will find itself in a similarly hard position. Of course, the aided minorities will, ideally, be able to take their learned skills on to the next employer.		
Selection criteria: Sustainability: The business-oriented approach of the employer to diversity of its markets is promising in terms of initiative’s sustainability. However, the difficult economic conditions and the limited realization of the benefits of employing ethnic minorities pose a threat to the initiative’s long term sustainability. Focus on remarkable aspects of the integration process: This initiative helps ethnic minorities to integrate into the labour market and acquire skills highly valued in the knowledge economy, helping them to avoid marginalization via the “digital divide”.		

D7.5 Agentia Impreuna program to facilitate Roma access to the labour market, Romania		
Key objective: Facilitating Roma access to the labour market.	Target group: Roma ethnic minority in Romania; 60 Roma communities.	Duration: The initiative exists since 2005. The Agentia Impreuna operates since 1999.
Lead organization: Agentia Impreuna, Community Development Agency. One of largest Romanian NGOs. (7 permanent employees, 40 collaborators, 8 consultants, 12 volunteers)	Partner organizations: From Romania: government and public agencies, i.e. the National employment agency, town councils, trade unions, employer associations. Mainly in touch with clients of the state (not private companies). From abroad: Agencia por Lavoro (Italy), employment agencies from Spain and Ireland, research organizations from Poland, the association of small and medium enterprises in Sofia, Bulgaria, Occupation Caravan, World Bank, UNDP, OSI.	Funding: International donors, i.e. EC, WB, Japanese development bank, Unicef, UNDP, the German Marshall fund.
Minority representation in project leadership: 90% of all the involved persons are of Roma minority. 100% of permanent employees and the majority of collaborators and volunteers are Roma.		
Initiation stages: The original motivation for the initiative was the adverse social and economic situation in Roma communities. Roma do not have good access to health care, education, housing or jobs. The goal was to help members of the Romany community to get registered with the national employment agency, start earning stable incomes and avoid living on social benefits.		
Aims and methods: The chief aim is to create successful role models of Roma life and labour market inclusion, other than the accepted stereotypes that Roma are lazy, dirty and thieves. By 2010 the NGO wishes to make the issue of Roma inclusion part of a European-level policy. The instrumental objectives include registering Roma as job-seekers and claimants of social benefits with the National employment Agency, establishing professional "inclusion centres" aiming at Roma labour market integration, facilitating training and craftsmanship certificates to enable labour market access, educating Roma on their citizenship rights, preparing them for a working life, mentoring in initial stages of employment. The applied methods include identifying the needs of Roma, active community work and a network of inclusion centres. Community facilitators went among the Roma in their community to ground the planning in reality. They identify the need for jobs and develop a strategy, such as training the Roma in preparation for work life and convincing employers to hire Roma. Some of the successes include facilitation of labour market access for 220 Roma by issuing craftsmanship certificates and training (40 persons trained as waiters, 40 as cooks, 28 as butchers, 10 as computer operators, 28 as leather workers, 28 as shop assistants). Over half (120) of the program participants actually obtained employment. Six Roma students in their final year (Faculty of Sociology and Social Welfare) participating in the program by providing advice and consultancy to district Employment Agencies. A database containing about 700 unemployed Roma has been set up. Registering about 170 Roma as job-seekers with the National Employment Agency. Another 45 Roma were included in the professional re-qualification schemes of the National Employment Agency. Roma-targeted social policies were implemented with the active involvement of about 150 Roma persons. From November 2007 Price Waterhouse Coopers will employ and pay for 2 full-time Roma interns for six months each.		
Key challenges: To avoid the passivity of the Roma people and overcome their discrimination and marginalization. To prepare the Roma people for the work life outside of their home.	Strategies to overcome them: Active approach towards the Roma clients and towards labour agencies, employers and trade unions.	

<i>To improve NGO professionalism and sustain its independence.</i>	<i>Rely on experienced international donors and partners.</i>
<p>Benefits for the firm: The NGO maintains it is beneficial for employers, because minority communities are potential markets. A multicultural work environment should be part of companies' social responsibility and it helps to sell their products in the minority communities (i.e. the idea of a Pepsi advertisement showing an old Roma man with a moustache drinking Pepsi). Most private firms in Romania do not recognize this effect. The state as an employer is more open. Currently over 400 Roma work in public functions paid by the state in Romania.</p>	
<p>What we learn: The state and public employers are more advanced in realizing the necessity to employ disadvantaged minorities than private employers in Romania. It may be easier for an NGO operated by and for Roma to identify Roma needs and to attract the attention of public and international donors and collaborators than for other kinds of NGOs.</p>	
<p>Selection criteria: Sustainability: The long-run perspective and diversifying of the sources of funding promising in terms of sustainability. Remarkable scale of success: One of the main strengths of the initiative is that it comprehensively addresses a number of channels of ethnic minority integration, such as their integration into public labour market institutions.</p>	

D7.6 OZT social integration of pre-school Roma children initiative, Prešov, Slovakia		
Key objective: Help pre-school Roma children to integrate into the standard educational system.	Target group: Initially, socially disadvantaged people in the city of Prešov. Eventually Roma only.	Duration: Ongoing, since 2002.
Lead organization: Občianske združenie Tobiáš (OZT; Civic Association Tobias), civic association, 11 members of which 5, who all are women, actively participating.	Partner organizations: The city of Prešov, Open Society Foundation (OSF)	Funding: The city of Prešov, Open Society Foundation.
Minority representation in project leadership: None. Desired by the OZT, but no suitable candidates. One active member speaks the Romany language.		
Initiation stages: At a Christian Democratic Party meeting a group of women discussed the possibility of helping the socially disadvantaged in the city. The predominantly Roma community in Prešov-Solivar became their target group. In order to be eligible for funding, the activists legally established a civic association OZT. Then they won the financial grant from the OSF and the city of Prešov provided the OZT with a cubicle where they started with their first project “Mobilná škôlka” (Mobile Kindergarten).		
Aims and methods: The key objective was to help the socially disadvantaged people in the city, primarily the Roma, to integrate into the society and the educational system in particular. To achieve this, OZT established a kindergarten (initially in a small cubicle provided by the city of Prešov, later, after receiving a state accreditation for a kindergarten in 2005, in rooms provided for a symbolic payment by the city of Prešov) where the socially disadvantaged Roma children were motivated to achieve the necessary social, hygienic, and general skills to be able to enter and succeed in the standard educational system. Initially 20 Roma children involved, currently 53. Most of the alumni successfully entered the standard educational system, but precise measures of success are not available.		
Key challenges: Financial support. <i>Motivation of the voluntary activists, reconciliation of the family life with the OZT's activities, hard work.</i> Very poor social and hygienic skills of the Roma children. <i>Language difficulties (circa 10% of Roma children).</i> Support of the Roma community and motivation of the children. <i>Preparing Roma children for integration in the standard educational system.</i>	Strategies to overcome them: Look for grants; seek cooperation with the local public authorities. <i>The Christian spirit, team spirit and mutual help, individual endurance and strength.</i> Step by step educational and social activities. <i>General educational and social activities suffice to overcome the difficulties and acquire a good command of the Slovak language.</i> Long-term commitment facilitates trust between the OZT and the Roma. Roma children extraordinarily motivated in the friendly and amiable environment of the kindergarten, as contrasted to the reserved approach in standard schools (e.g. school-age Roma children ardently seeking admission to the kindergarten). <i>In a Roma-only pre-school institution Roma children taught cognitive skills (colours, vocabulary) and social and hygienic norms and habits. This in order to enable them to integrate well with the non-Roma children in the standard educational system.</i>	

Cooperation with business companies.	The OZT has been discouraged to seek such cooperation by the general unwillingness of business companies to cooperate.
Benefits for the firm: No business company involved in this case.	
What we learn: Grassroots activism achieves success despite the difficult conditions, if strong and enduring motivation is present. Generally unsupportive attitudes of the business world discourage any attempts to seek cooperation. The support and long-term commitment of a foundation and local public authorities indispensable. Roma children respond to friendly attitudes very well. Short-term Roma-only education in a pre-school institution may be facilitating integration and healthy social interaction with non-Roma children in the standard school. This two-step integration approach may help to avoid stereotyping and sidelining of the Roma children at school that would otherwise be likely to be incited by the differences between Roma and non-Roma children.	
<p>Selection criteria:</p> <p>Focus on remarkable aspects of the integration process: This initiative addresses one of the crucial turning points of Roma's (non-)integration: the pre-school integration barriers.</p> <p>Specific actors and initiation: The initiation was initiated by a group of women who themselves have experienced the hardship of labour market integration in an underdeveloped region of Slovakia.</p> <p>Sustainability: The Christian spirit seems to be one of the key motivating factors, but the strength of the female team facilitates sustainability. However, the lack of resources and the missing involvement of a broader portfolio of non-governmental, public and private organizations make the initiative vulnerable to financial and human fluctuation.</p> <p>Applying innovative methods and approaches: The heterodox two-step integration approach appears to be successful.</p>	

D7.7 Foxconn minority integration initiative, Pardubice, Czech Republic		
Key objective: Reduce labour shortages by integrating of ethnic minorities into employment at Foxconn.	Target group: People of Mongolian descent and immigrants from the former Soviet Union in the Czech Republic but also other ethnic minorities in the Czech Republic, including the Roma.	Duration: Ongoing, since the establishment of the company (2000).
Lead organization: Foxconn CZ, s.r.o., a subsidiary of Hon Hai Precision Industry Co., Ltd., Taiwan, a contract electronics manufacturer with circa 5000 employees in the Czech Republic.	Partner organizations: Most pro lidská práva (Most LP; Bridge for Human Rights), civic association; Higher Vocational School Pardubice; the Pardubice municipality; the Pardubice District; the regional job agency	Funding: Company's funds; the partner organization Most LP funded by the Czech ministry for social affairs and the Pardubice district.
Minority representation in project leadership: None at Foxconn, an immigrant accountant at Most LP.		
Initiation stages: The Foxconn initiative started in 2000 when the company was established and the challenge of filling some positions (stemming from skill shortages in the labour market) emerged. The participation of Most LP commenced in 2006 after the need for mediation of employment opportunities for Mongolian immigrants was recognized. For Most LP, the prime motivation was to prevent abuse of immigrants in the mafia-like "client" system. This system involves a person, usually an experienced immigrant, who heavily charges other immigrants for "services" in mediating employment. Most LP obtained a grant from the sponsors and established contacts in Mongolia (through an ethnic Mongolian).		
Aims and methods: The initiative aims at integration of ethnic minorities into long term employment with the objective of filling in positions at Foxconn that are difficult to fill given the skill shortages in the Czech labour market. The specific initiatives include language courses, intercultural social activities for employees, counselling and mentoring. Selection of employees and adjustment to the Czech environment are seen as particularly important. Most LP specifically focuses on immigrants from Mongolia and the former Soviet Union. Most LP informs immigrants of their rights, immigration procedures, employment opportunities, and employment chances using the Web, regional media, flyers and posters distributed at key spots of immigrant concentration such as foreign police, business register and the municipality. Most LP has a contract with Foxconn to intermediate contact between the firm and immigrants, including administrative tasks such arranging work permits for immigrant employees. This is done prior to immigrants' arrival to the Czech Republic. Most LP also assists the immigrants with finding accommodation. Of the approximately 100 immigrants, 76 found employment and the rest are still in the Most LP's program.		
Key challenges: Foxconn: Skill shortages in the Czech labour market. <i>Tight housing market in Pardubice.</i> Immigrants have a limited knowledge of the Czech language. <i>Intercultural differences between majority and minority employees.</i> Adaptation of immigrants upon arrival. Most LP: Tight housing market in Pardubice. <i>A restrictive legal framework, immigration law.</i>	Strategies to overcome them: Integration of ethnic minorities into employment. <i>Providing temporary housing.</i> Language courses, training. <i>Intercultural social activities for employees co-organized by ethnic minority employees.</i> Human Resource Mentors. Searching for housing through social relationships with involved parties, immigrants and business companies in particular. <i>Finding loopholes in the legal framework.</i>	

<p>Immigrants have a limited knowledge of the Czech language. <i>Lack of will on the side of politicians to improve the legal framework.</i></p>	<p>Language courses, training. <i>Direct lobbying.</i></p>
<p>Benefits for the involved firms: Large. Alleviates labour force shortages. Strengthens their reputation.</p>	
<p>What we learn: Labour shortages and immigration from developing countries is on the rise in Eastern Europe, as in Western countries. A number of benefits of immigration are well understood in this case. Trust and social relationships with immigrants initiated prior to their immigration, intermediated by co-ethnics actively involved in the initiative, facilitate their integration into the host society. A strong labour market give integration initiatives a natural constituency in the businesses exposed to upward wage pressures. This also reduced opposition by natives. The indication that lack of housing is a problem raises questions about what sorts of regulations are preventing the construction of new housing, and how such regulations might have more negative impacts on un-established immigrants than natives.</p>	
<p>Selection criteria:</p>	
<p>Sustainability: The appreciation of ethnic minorities as potential employees by the business company facilitates long-term sustainability.</p>	
<p>Focus on a specific or newly emerged group at risk: The focus on new immigrant ethnic minority in this early stage of immigration creates potential for successful integration.</p>	

D7.8 Hansabanka diversity management initiative, Latvia		
Key objective: To provide the best services to the customers by being an equal opportunity employer and having an ethnically mixed team in an ethnically (and linguistically) diverse society.	Target group: Russian speaking population in Latvia.	Duration: Ongoing, since the establishment of the Bank in 1992 (as Hansabanka since 1999).
Lead organization: AS Hansabanka, a Latvian bank owned by the Swedish Swedbank (2,367 employees at the end of 2006)	Partner organizations: Language training providers	Funding: AS Hansabanka's own funds.
Minority representation in project leadership: 15% of all employees in all Hansabanka branches are ethnic (linguistic) minorities. Among middle level managers the figure is 12%, while among high-level managers it is 18%.		
Initiation stages: The initiative is inherent in the Bank's business as a necessity since it started its operations in the linguistically diverse Latvian market.		
Aims and methods: Having an ethnically mixed team helps to meet three objectives of the bank: achieving the highest customer satisfaction, being the most profitable bank in each product market, being the most attractive employer in each geographic market. Having branches in every part of Latvia requires assuring that every customer at every level is served in the language he or she prefers. The policy to promote ethnic diversity comes naturally as a result of rational business strategy and selecting the best candidate for each job. The Bank applies equitable, systematic and fair recruitment principles in its recruitment routines. For example, certain positions (such as credit specialist) require fluency in both Latvian and Russian, while others (such as IT) require a good knowledge of English language only. In addition, the Bank promotes and motivates financially both Russian and English training courses. Knowledge of Latvian is, however, required for applying to the job (apart the IT specialists) and the candidates are required to pass Latvian language test.		
Key challenges: To eliminate language barriers when serving the Latvian and non-Latvian customers.	Strategies to overcome them: To hire ethnic minority employees proficient in the minority language and to train those that are not. For example, 15% of the language courses costs for employees are covered by the Bank.	
Benefits for the firm: Improved firm reputation, a more qualified and motivated workforce, more diverse human and cultural capital, innovation, better marketing opportunities, and improved customer satisfaction.		
What we learn: The benefits of workforce ethnic diversity is one of the main driving forces in satisfying customers' needs as well as company's corporate social responsibilities. Realizing that ethnic minorities are customers as well as potential employees is an important aspect of minority integration. The initiative would benefit from providing greater support to those Russian-speaking employees and selected job candidates who have difficulties with the Latvian language.		
Selection criteria: Sustainability: The pragmatic and economic approach of the Bank to the needs of the ethnically diverse society, ethnic minorities being seen as customers as well as potential and necessary employees, promising in terms of the sustainability of the initiative.		

D7.9 SIA Maxima Latvia minority integration initiative, Latvia		
Key objective: To help non-Latvian ethnic minorities in Latvia learn Latvian, especially potential employees.	Target group: Ethnic minority (Russian-speaking) actual and potential employees.	Duration: Ongoing since the beginning of 2006.
Lead organization: SIA Maxima Latvia, one of the largest Baltic retail chains with circa 6500 employees.	Partner organizations: NVA (State Employment Agency), BUTS (Private Training Centre)	Funding: The language courses are free of charge for potential employees and cost circa 3% of employees' salary. Courses are financed by state budget funds as well as funds from the EU.
Minority representation in project leadership: None, but around 1/3 of Maxima Latvia's employees belong to ethnic minorities.		
Initiation stages: The practice to promote language training is recent at the company. Earlier it was not implemented both because of the lack of funds from outside and the lack of the initiative from within the company.		
Aims and methods: Being the largest Baltic retail chain, Maxima's mission is to achieve maximum benefits for their customers by fully satisfying their daily shopping needs. This goal necessitates a perspective which includes the general public, customers and Maxima's employees. The company promotes and provides language training courses for its employees and for potential employees in the hope of both improving the service at their stores and of encouraging the integration of ethnic minorities. Maxima uses BUTS and NVA to discover potentially beneficial matches, and NVA provides the actual training. Maxima also seeks out back-room positions within its company so that they can hire employees that do not speak Latvian, although these tend to be less desirable positions.		
Key challenges: Internal barriers and lack of motivation of the ethnic minority employees. These are usually low-skilled workers with in general low motivation, since "all the rest have already learned the Latvian language".	Strategies to overcome them: A number of measures were applied, such as language courses and selection of appropriate job positions.	
Benefits for the firm: No direct benefits reported, although, believably, the company benefits from the training that its employees have received and that was co-financed by other parties such as the European Union.		
What we learn: Different policies may be necessary for different portions of the immigrant community. While a certain portion will be able to learn the new language relatively quickly, others who are more recently-arrived, less able or less motivated might need additional support. In this case, free classes and a good chance at a job with a well-known firm induce some additional integration. We also see in this case that when firms need employees, there is a natural constituency for integration measures.		
Selection criteria:		
Sustainability: The pragmatic and economic approach of the lead organization to the needs of the ethnically diverse society, where ethnic minorities are seen as customers as well as potential employees, is promising in terms of the sustainability of the initiative.		

D7.10 Westminster Small and Minority Business Council , London, UK		
Key objective: Economic and Community development in poor wards in Westminster (London) by encouraging growth of small and minority-owned businesses.	Target group: Poor minority groups.	Duration: Ongoing, officially opened as a council in October 2006.
Lead organization: Westminster Small and Minority Business Council, company limited by guarantee (non-profit organization)	Partner organizations: Westminster City Council; 35 Large Companies/Firms from the Westminster area.	Funding: Westminster City Council for 2 years, intention to seek more private funding for the following years.
Minority representation in project leadership: Board members have minority and female representation.		
Initiation stages: The council was begun in 2005 by the leader of Westminster City Council in order to improve economic conditions within the poor areas of London, specifically within Westminster. This business council is modelled after a highly successful project in Houston, Texas, that has been in operation for 30 years.		
Aims and methods: First, to encourage large, established firms and companies to purchase and subcontract with small and minority-owned businesses (up to 10 staff members and up to annual sales of 250,000 pounds) in the local area. Examples include the purchase of locally produced intermediate inputs or sub-contracting for smaller activities or services. Second, to train and mentor the small businesses in the area through new relationships with the established firms. The network of large firms includes a variety of industries: transportation, education/college, interior design and small-scale construction, cleaning companies, and car parks and garages. Additionally, the council also intends to attract more large-scale retail firms in the future for the council network. The key endeavour is to conduct outreach activities to attract small and minority-owned business. The council has identified key groups in the community and intends to advertise in ethnic newspapers for recruitment of these small enterprises. Additional contacts will be made through local politicians and contacts with their constituents. The WSMBC also attends and presents at local civic club type events. Finally, the WSMBC will hold a large conference in November 2007 for both small and large firms from Westminster.		
Key challenges: Find and motivate large firms to (sub-) contract small and medium size ethnic enterprises. <i>Find and educate small ethnic businesses to cooperate with large firms.</i>	Strategies to overcome them: Public relations activities to find such firms. Communication of the benefits of such subcontracting (see below). <i>Public relations activities to find such firms. Mentoring and training activities.</i>	
Benefits for large firms: Social and Corporate responsibility in the local community. There are no explicit monetary incentives here. The large firms benefit from improved interaction and participation with their local communities and also increased goodwill. The firms may also benefit from local sources of inputs that may have lower costs due to lower transportation costs. The firms also benefit if the communities develop and create better overall social conditions in the area; it becomes a more safe and sustainable community.		
Benefits for small and minority-owned firms: The most important advantage for a small, minority-owned start-up business from participating in the council is access to potentially large market in which to sell its goods and services. The second advantage is the advising and mentoring relationship that is integral to the business council network.		
What we learn: We find that there is substantial interest by large firms from several different sectors in promoting small and minority business development, despite the fact that no monetary incentives are provided here for large firms to participate in the council. The firms find it in their long-run inter-		

ests to assist in community development, especially business development for minority-owned businesses in central London. The case emphasizes the intra-metropolitan nature of the integration process, where businesses and minorities are often clustered in certain areas. This might indicate that similar opportunities exist in other large metropolitan areas around Europe and that knowledge transfer is possible.

Selection criteria:

Focus on remarkable aspects of the integration process: This initiative addresses creation of demand for goods and services produced by ethnic businesses, thereby creating demand for ethnic labour.

Sustainability: The sustainability of this initiative is difficult to judge given its short duration, nevertheless, the business relationships it facilitates are likely to perpetuate themselves.

D7.11 VIP2 integration initiative, Copenhagen, Denmark		
Key objective: Integration of unemployed ethnic minorities into the labour market.	Target group: Any unemployed person not born in Denmark	Duration: Just started in Summer 2007, planning over previous 6-months.
Lead organization: Confederation of Danish Employers, a private industry organization employing roughly 200-250 people, of which a few are ethnic minorities.	Partner organizations: Confederation of Danish Employees Confederation of Danish Municipal Governments A large number of employers.	Funding: Danish Ministry of Integration.
Minority representation in project leadership: None.		
Initiation stages: Danish unemployment is extremely low (less than 4%). In this context, Danish employers have an interest in increasing the supply of labour especially in certain labour market “bottle necks.” Local municipal governments would like to get unemployed people off their public assistance rolls. Unemployed persons naturally want to work. This coincidence of interests made the collaboration between the three main partners in this initiative stable and relatively harmonious.		
Aims and methods: The initiative aims to provide local governments and employers with an appropriate set of tools to help unemployed people find work. To this end, the initiative selects test municipalities to implement different integration strategies, and the initiative monitors the implementation, and outcome of these more local sub-initiatives. These tools include language skills as well as training and certification in certain “job packages.” An important aim of the initiative is to publicize the “best practices” information gained through the evaluation of the different programs’ success in the various test municipalities. The aims of the initiative are primarily to promote labour force success among unqualified and unemployed workers, and to help ethnic minorities integrate into the Danish labour market. The extremely healthy labour market at present offers a strong opportunity to make gains which will hopefully be persistent.		
Key challenges: Staffing for implementation. <i>Planning for distribution of findings.</i> Worries that good practice advice will not be followed.	Strategies to overcome them: Seeking grant support from the ministry of integration. <i>Cooperation among the involved partners.</i> Energetic publicity.	
Benefits for the lead organization: An altruistic desire to help in the labour market integration of ethnic minorities, which is seen as a social responsibility of all Danish citizens. To the extent the program is well run, the organization gets additional status as a reliable recipient of government grant money, although their reputation is already strong.		
Benefits for the member businesses: The strong economy and tight local labour market have made the program more palatable to the businesses which this organization represents. Given the low unemployment rates, qualified workers are hard to find. The initiatives, which seeks to increase the supply of qualified workers, especially in certain occupations with low labour supply and reasonably low barriers to entry (bus drivers was an example given) the initiative can reduce cost pressures to these firms.		
Benefits for the municipalities: For municipalities, the staffing assistance from the grant and opportunity to use the tight labour market to reduce their social assistance costs made this an attractive and beneficial program.		
What we learn: A strong economy provides many opportunities that should not be ignored. The low unemployment rate lessens the at-need population, so that this program is open to all ethnic minorities, regardless of race or ethnicity. Such openness increases the attractiveness and support for the initiative. It is also reassuring to know that attention is being paid to the careful evaluation of integration tools and the propagation of best practices to interested parties.		

Selection criteria:

Applying innovative methods and approaches: The heterogeneous approach whereby different methods are applied at different places and upon their evaluation good practices are identified, transferred, and applied is in itself a good practice, if circumstances permit.

Sustainability: Albeit too early to judge, given the short history, the alignment of the interest of the involved parties is promising in terms of initiative's sustainability.

D7.12 MBB projects to support the refugees and asylum-seeker in Berlin, Germany		
Key objective: Labour market integration of refugees through vocational training.	Target group: Refugees and asylum-seekers who were already inside Berlin, Germany	Duration: Mid-2005 through end of 2007.
Lead organization: Migrationsrat Berlin-Brandenburg (MBB; Migration Council Berlin Brandenburg), a union involving 59 nongovernmental minority organizations.	Partner organizations: Fourteen of the member NGOs, public organizations (Federal Bureau of Immigration and Federal Ministry for Work and Social Affairs) and political decision makers. A large number of large and small businesses.	Funding: The European Social Fund The Federal Ministry for Work and Social Affairs.
Minority representation in project leadership: None from refugees but there are representatives from different minorities in commissions.		
Initiation stages: This initiative has been planned and coordinated with 14 different institutions, Federal Bureau of Immigration and Federal Ministry for Work and Social Affairs. A commission consisting of 7 representatives prepared proposals and won a grant in 2004. The key motivation is to integrate the asylum seekers and especially refugees who have been living in refugee villages in Berlin for a considerable period of time		
Aims and methods: The initiative's aim is to help the refugees gain permanent employment and improve their qualifications to a level compatible with the German labour market. In the first stage refugees are invited to talk about their situation; while their qualifications are checked. Then a number of methods are used to prepare them for working life. These include the provision of vocational training, interview preparation and advice about job seeking practices such as the completion of job application documents. More recently, effort has been directed towards explaining recent changes in immigration law to refugees as well as motivational and emotional counselling.		
Key challenges: Before the new more liberal immigration law enacted, motivating refugees. <i>Getting permission from police to participate in the program.</i> Convince companies that refugees can legally work at their firms. <i>Convince firms about the qualification of refugees.</i> To benefit from new law, refugees should have passport. But 90% of refugees do not have.	Strategies to overcome them: Invite and explain the law. <i>Work with lawyer and explain the benefits of the program to the police. Prepare refugees to defend themselves in front of police officers.</i> Get appointment and go to firm with lawyer, and explain the new law. <i>Prepare some evaluation forms to show the qualification of the refugees.</i> Lobbying for law amendment.	
Benefits for the firm: While no direct benefits were reported, firms can get funding for training and education (e.g. long term vocational training) of low skill workers, including refugees and asylum seekers, from the state.		
What we learn: Although firms can benefit from refugees' and asylum seekers' qualifications (one third of them are college graduates, another third born in Germany and went to school in Berlin), it is difficult to convince firms about refugees' qualification. Screening and testing mechanisms can alleviate these difficulties. While the new immigration law is an improvement, its practical application requires major efforts on the side of the non-governmental organizations to amend the law such that it better facilitates the participation of refugees and asylum seekers in the integration initiatives and the labour market. The situation of asylum seekers is very vulnerable to government policies, as these directly govern their chances to seek employment opportunities.		
Selection criterion: Focus on remarkable aspects of integration: The role of the governmental regulation is of extraordinary importance for integration of asylums seekers and refugees. Focus on a specific or newly emerged group at risk: Refugees seekers are a particularly vulnerable group that deserves attention.		

D7.13 Equal Ariadna, Arrasate, Spain		
Key objective: Promotion of entrepreneurship among disadvantaged groups, ethnic minorities in particular.	Target group: Disadvantaged groups such as ethnic minorities, unemployed, women and mature people.	Duration: The duration of this specific initiative is 3 years (from January 2005 to December 2007), but the involved parties have enduring commitment.
Lead organization: MIK, the management research centre of Mondragón Corporation, the 6th largest corporation in Spain, Arrasate, Spain.	Partner organizations: Non-governmental organizations such as Caritas Bizkaia, Elkarlan, Gaztenpresa Fundazioa, and Garapen; Basque Government, County-level governments of the Basque Country, County-level chambers of commerce of the Basque Country, and SAIOLAN, a training centre for entrepreneurs.	Funding: European Social Fund.
Minority representation in project leadership: Ethnically mixed composition of the lead organization (Brazilians, Colombians, Paraguayans and Basques).		
Initiation stages: This initiative came about through initiative of one of the partner organizations, MIK private research centre.		
Aims and methods: The primary aims are to facilitate the socioeconomic integration of the disadvantaged by promoting self-employment among them; to mitigate the factors disadvantaging the clients; to offer support and consultancy to disadvantaged people who are interested in creating a firm; to learn from this experience so they can do better in possible future initiatives. To achieve these aims, the lead organization organizes conferences and workshops to explain the project to ethnic minorities and women and to provide them with the know-how necessary to establish an enterprise. Specific effort was taken to contact unemployed and young people (e.g. two week workshop). To those people who participated in the initiative and decided to start up a firm, Saiolan offers support and consultancy (in 2006 circa 1270 participants). But these people have to bear the responsibility for their business projects themselves.		
Key challenges: Winning the support of the target population. <i>Lack of experience with working with disadvantaged people.</i> Lack of commitment of the participants and cultural differences (punctuality, willingness to reach compromise)	Strategies to overcome them: Enduring communication. <i>Learning by doing, cooperation with project partners.</i> Enduring commitment on the side of the lead organization, enforcement of the rules.	
Benefits for the firm: Self-employment as an employment opportunity for the involved entrepreneurs.		
What we learn: Cultural differences between the people conducting the initiative and the clients are a major challenge. Enduring long-term commitment is a precondition for success. In particular, lack of experience of one partner in the initiative consortium can be overcome, if there is commitment and effective communication of good practices within the consortium.		
Selection criteria: Focus on remarkable aspects of the integration process: This initiative targets an important aspect of minority integration: self-employment. Effective cooperation among the partners: Experience and knowledge transfer among the partners enables this initiative.		

D7.14 CEJI-A Jewish minority integration initiative, Belgium		
Key objective: Encourage tolerance and diversity in all aspect of social life, including labour relations.	Target group: Youth, educators, communities, including ethnic minorities. Focus mostly on students, but also on any one meeting a EC definition of „young” which includes anyone up to age 35.	Duration: Organization has been at work since 1991. A program lasts about one year.
Lead organization: CEJI-A Jewish Contribution to an Inclusive Europe, A small non-profit firm (5-6 employees).	Partner organizations: Schools, teachers groups, advocate organizations (for minorities). Organization operates programs in 11 EU countries, mostly (but not entirely) in Western Europe.	Funding: The European Commission, Private Donations, Foundation Money.
Minority representation in project leadership: Employees are about ¾ Jewish, and come from all over (America, EU and Russia)		
Initiation stages: This initiative came into being as an initiative of a small number of motivated people whose intrinsic values include tolerance for diversity.		
Aims and methods: Diversity training, encouraging tolerance and decreasing classroom and community tensions. Over the course of a school year (generally these initiatives occur in schools) facilitators meet with students or group members, helping them become more accepting and open to ethnic minorities. The hope is that the increased openness and tolerance will make it easier for disadvantaged groups to assimilate and integrate through better performance in school (where tensions have been lowered and acceptance has increased) and eventually in the workplace, because majority members of the local society will be less discriminatory.		
Key challenges: Short term funding: no money for follow-ups or continuing successful programs. Grants always need to be new and exciting. <i>No money for evaluation in grant packages.</i> Tolerance message is often not reinforced by the media, parents and local culture. It is a hard battle to win. <i>The different actors in the field are not well connected or cooperating. For instance, they would love to do work with labour unions, which would be very important for labour market integration of minorities.</i> Changing attitudes is not something that is easy to do, yet this is the organization’s goal.	Strategies to overcome them: Development work to keep new grants coming in (although this does not allow for continued programming in the same areas, generally). While the organization values working with the EC and greatly appreciates the support it gets from the EC, they feel that a longer time horizon on these projects would greatly increase their effectiveness and our ability to know what works and what does not. <i>Have squeezed money into a recent grant for a large-scale academic evaluation. More of this would be very welcome, as it is important to make sustained effort in some areas. To some extent, they would like to work with the EC to improve the funding priorities.</i> Organization is experimenting with a new focus on entire community instead of just on the classroom in hopes of making the parents and neighbours more supportive of the tolerance message. <i>No solution to this challenge at this time, according to interviewee.</i> The programs run by CEJI are not one-day seminars, but represent a long commitment of a year. This gives participants time to adjust their attitudes gradually, which is hopefully both easier and more permanent.	

Benefits for the firm: This organization exists for the sole purpose of doing this kind of work. The workers thus feel it is important and do the work for intrinsic benefits.

Benefits for the client organizations: The client organizations (schools, mostly) come to them for this help for their own reasons. Interviewee speculated on the possible things their client organizations gain. In some cases, there is racial or ethnic tension in the school or classrooms. Or, it may be the case that there are perceived problems of this nature. In other cases, the school or community intrinsically values such programs. In other cases, the client (often a school) considers such programs as part of the product being offered to their own “customers” (the parents) and offers the programs in order to become more attractive to parents.

What we learn: Some of the problems that ethnic minorities face come in the form of (labour) market discrimination and so-called pre-market discrimination in schools. This organization focuses on the reduction of the effects of such discrimination by improving the inclusiveness of European schools and changing the attitudes of youths. Making such changes in attitudes is not easy and cannot be done in short bursts. Instead, long-term commitments are necessary. Attitudes are also a product of local and national culture, which also are difficult to change. An approach which addresses these issues must be sustained and broad. Changing young people’s attitudes is not trivial. A longer term commitment from the EC and other funding organizations would only be a good investment if we know what kinds of programs work and what kinds do not. The lack of funding for evaluation thus can be seen as reducing efficacy in two ways: it slows adoption of best practices (because they are unknown) and possibly reduces the commitment of funding organizations (because the investments seem more risky than if best practices were known). The discrimination that this organization attempts to reduce is not limited to schools, but exists in the labour market as well. Programs such as the ones carried out by CEJI may be fruitfully attempted in other contexts, such as labour unions.

Selection criteria:

Sustainability: The relatively long history of the initiative proves the strong and enduring motivation of the activists.

Focus on remarkable aspects of the integration process: This initiative addresses a crucial aspect of ethnic minority (non-)integration: negative attitudes which prevent full integration even in the school environment.

D7.15 The Vinge's diversity project – Working life on equal terms, Stockholm, Sweden		
Key objective: To be a work place that attract the most competent and driven collaborators no matter their ethnic background, age, sex or other such characteristics.	Target group: Disadvantaged social groups in Sweden and ethnic minorities in particular.	Duration: Ongoing, since 2002.
Lead organization: Advokatfirman Vinge, a law firm specialized in Commercial Law with 450 employees.	Partner organizations: Tensta Grammar School, Farsta Grammar School and S:t Botvid's Grammar School in Stockholm; Angered's Grammar School in Gothenburg and Latin-skolan, a grammar school in Malmö.	Funding: The project is financed by Vinge and the largest cost is the work load for the collaborators.
Minority representation in project leadership: No statistics available.		
Initiation stages: The initiators of the project are the partners of the firm: Fredrik von Baumgarten (Stockholm), Olof Jisland (Gothenburg) and Anders Forkman (Malmö). The interviewee reports: "When we looked at our own firm, the competing firms and the judicial power in Sweden we realized that the people working in our field of profession did not mirror the composition of the population in the country. We found that there existed relatively few jurists with a foreign background. We also noted that there was a lack of initiatives targeting this situation. It was with this in mind that we decided to start working more actively in order to get a more ethnically diverse work force."		
Aims and methods: Vinge realizes that in order to reach the goal of a more ethnically diverse composition of people working in the judicial field more students with foreign background must apply to law school. The firm's initiative is basically an outreach program. By meeting students at grammar schools and giving them a chance to see what it is like to work at a law firm, Vinge hopes to encourage students to continue in a field that they might not have proceeded otherwise. Through close cooperation with the chosen grammar schools, Vinge's Diversity Project gives presentations at the schools and offers their students tutoring, scholarships and summer internships at Vinge Law firm. The students are also invited to participate in "theme days" at Vinge. The students do accompany Vinge lawyers to the court, the prosecutor's office and to Vinge Law firm offices, where Vinge lawyers explain the legal profession. This is a way to give the students insight into the everyday life of a jurist and the kinds of work that he does. Vinge's engagement with the specific students will continue for about five years, from the first year at grammar school until they start the Law programme.		
Key challenges: This was a new type of project for the organization. <i>A fear that they would not be able to live up to what they had committed to. To get the "middle management" to accept that the work they do with this project is as important as the other work they do.</i> To uphold a satisfying and effective relationship with the schools.	Strategies to overcome them: Commitment of the project leaders and efficient management systems. <i>Internal marketing of the project, management participation, and external support from media and clients.</i> Efficient communication and marketing of the project.	

Benefits for the firm: Positive image of the company among the employees, improved reputation, more qualified and motivated workforce, better marketing opportunities, corporate social responsibility goals fulfilled, partly also improved customer satisfaction.

What we learn: It is remarkable how the law firm went far beyond the regular hiring procedures and reached out to students at the time when they make some of the most important career decisions, thereby attacking the problem of under-representation of ethnic minorities right at its origin. This case study also highlights the crucial role of internal marketing and communication of the project.

Selection criteria:

Sustainability: The long-run perspective, the pragmatic business approach to diversity and appreciation of the benefits of minority inclusion for the company by the initiative leaders promising in terms of sustainability.

Focus on remarkable aspects of the integration process: This initiative reaches out to students, prospective employees, at the time when they make important career decisions.

Applying innovative methods and approaches: This initiative highlights the importance of internal marketing of its objectives.

D7.16 The Randstad's integration initiative, Amsterdam, The Netherlands		
Key objective: To promote the interests, and values of different cultures, social responsibility and to improve the company's network worldwide.	Target group: Minority groups, ethnic minorities in particular.	Duration: Since 2003.
Lead organization: Randstad, a temporary employment company, 125 employees in Amsterdam of which 10% ethnic minorities, 60,000 employees worldwide .	Partner organizations: A large number of other business companies.	Funding: Fundraising and own company's money.
Minority representation in project leadership: None.		
Initiation stages: The company desired to address the interests of different cultures and improve its image. It started as a pilot-project and was developed when the pilot project was deemed successful.		
Aims and methods: The company monitors the representation of ethnic minorities and other cultural and social groups in its workforce and uses this representation as one of the indicators of company's business success. "Local integrity officers" appointed to handle disputes and complaints regarding application of the company's non-discriminatory policies.		
Key challenges: Winning the support of the target population. <i>Maintaining high motivation.</i> Communicating the connection between the initiative and the company's business and image to the employees, it was hard to explain to them why to spend money on the initiative. <i>Integration of specific subgroups, e.g. refugees.</i>	Strategies to overcome them: Communication campaign. <i>Multicultural social activities (parties, evenings).</i> Internal communication campaign. <i>Special programs, e.g. "Randstad Rentree" for refugees.</i>	
Benefits for the firm: Improved image and, in turn, marketing opportunities.		
What we learn: Application of non-discrimination principles especially effective if the performance in terms of workforce diversity and non-discrimination used as a measure of business success. Of a company that provides temporary employment services, this can be especially important.		
Selection criteria: Sustainability: The long-run perspective and the pragmatic business approach acknowledging diversity management as an important performance measure promising in terms of sustainability. Applying innovative methods and approaches: Inclusion of the measures of performance in terms of workforce diversity and non-discrimination used as a measure of business success is a promising approach to integration of ethnic minorities. Internal and external communication is an important determinant of initiative's success.		

D7.17 West Bromwich Building Society integration initiative, West Midlands, UK		
Key objective: Reaching out to minority customers as well as recruiting minority members for employment.	Target group: The Black and minority populations in the region.	Duration: Since 2001.
Lead organization: West Bromwich Building Society, the 8 th largest building society in the UK, operates a mortgage lending business and savings accounts, with close to 1000 employees (25% ethnic).	Partner organizations: None.	Funding: Internal funds of the building society.
Minority representation in project leadership: No statistics on ethnic leaders, but 25% of the workforce ethnic minorities.		
Initiation stages: Initiative came into being as a part of the company's business strategy.		
Aims and methods: The Building Society operates as a business providing mortgages and savings accounts in the West Midlands area. It is a mutual building society with community members. The building society has also been able to reach out to other clients and customers in London and to Ireland through the internet and phone services. The two principal activities within the initiative are: 1) Community outreach – customer: the building society has created through its marketing department brochures and information packets regarding mortgages and lending opportunities in several different languages: Punjabi, Hindi, Urdu and Welsh. The intent is to make the West Bromwich Building society accessible to these minority communities. Approximately 30% of the residents in this area are ethnic minorities. Therefore, they are a large component of the community and customer base. 2) Community out reach – employment: The second aim of the diversity initiative is to highlight the West Bromwich Building society as a potential employer for the talented ethnic minority community members in the West Midlands area. There is a commitment to diversity in employment and increasing the information about West Bromwich Building society as a potential place of employment in the future.		
Key challenges: Reaching out to the potential ethnic minority employees. <i>Reaching out to the potential ethnic minority customers</i> Sustainability and long run effectiveness of the company.	Strategies to overcome them: Targeted recruitment campaigns. <i>Targeted marketing campaigns in minority languages.</i> The outreach program as a whole.	
Benefits for the firm: The West Bromwich Building Society is making its loan and savings products available to a larger customer base than previously possible. The inclusion of information in several languages and community out reach serves to integrate these ethnic minority communities into the existing financial system. For the building society, this means more sustainability and long-run effectiveness in serving all of its customers. Indeed they have earned record profits in the past year alone. Currently about 9% of revenues come from the ethnic minority customers with expectations of this to increase in the future. Additionally, the West Bromwich Building Society has found that their targeted marketing and radio ads have been successful in increasing customer base by 5% in the ethnic communities.		
What we learn: Community building by firms means a commitment to reaching out to new customers as well as inclusion for employment opportunities. The West Bromwich Building society has done both here. It has pushed to be relevant for many of the ethnic minority communities in the West Midlands region by making products accessible for these customers. Additionally, the building society takes seriously the notion of diversity in the workplace and practices this by having a large pro-		

portion of BME employees, approximately 25% of its workforce; this percentage approximates the local community minority composition. In this way, the West Bromwich Building Society accurately reflects the community in which it operates. Firms provide and have provided the best support for minority integration by actually employing minorities.

Selection criteria:

Sustainability: The business-oriented approach of the employer to diversity of its markets and appreciation of the benefits of minority inclusion for the company are promising in terms of initiative's sustainability.

Applying innovative methods and approaches: Comprehensive approach to diversity promising in terms of results (currently 25% of the company's employees are ethnic minorities) and also sustainability.

D7.18 CEAR Equal Employment Paths initiative, Spain		
Key objective: First, labour market integration of disadvantaged groups; second, to regenerate an impoverished neighbourhood in Bilbao; third, to promote multicultural work teams and to promote the appropriate management of cultural diversity at the work place.	Target group: Disadvantaged groups such as immigrants, unemployed, women and the long-term unemployed who live in the impoverished neighbourhood of Bilbao, called <i>San Francisco</i> .	Duration: 3 years (January 2005 – December 2007).
Lead organization: CEAR (The Spanish Commission for the support of the Refugees) – an NGO founded in 1979; 6 employees; no minority employees or managers.	Partner organizations: A large number of small and medium size enterprises and several larger enterprises. The Basque Government, the Country Council of the Basque province of Bizkaia, the town hall of the city of Bilbao, local business associations, CEAR.	Funding: European Social Funds.
Minority representation in project leadership: No statistics, but the ethnic composition of the involved personnel is diverse, including mainly Africans and Latin Americans and a few Eastern Europeans.		
Initiation stages: By the initiative of one of the participants, the town hall of the city of Bilbao, which aimed to fight the high unemployment level in one of its neighbourhoods and aid the area's regeneration.		
Aims and methods: Through working with voluntary program participants and communicating with firms, CEAR finds out what kinds of jobs are being demanded. Voluntary program participants from the depressed neighbourhood are then offered training (in Spanish language skills, labour rights and obligations, work rules and specific job-related skills). Subsequently, CEAR creates a labour exchange with those who participated in the training activities. When partner business companies contact CEAR asking for candidates, CEAR interviews people who fit the job and send a few candidates to the company for a second interview. Finally, when somebody who participated in the project is employed, CEAR follows up on the trajectory of this person in the company.		
Key challenges: Local business owners' non-familiarity with international migrants. Since international migration rates are relatively low in the Basque Country, companies initially did not trust immigrants and were reluctant to employ them. <i>The lack of tradition of multicultural groups at the workplace. Firms initially do not know how to manage a culturally diverse staff.</i> Cultural differences, especially the difficulties of immigrants coming from certain African and Latin-American countries to adapt to the new work habits. Punctuality is usually the main problem.	Strategies to overcome them: Constant communication programs to make companies aware of convenience and the increasing significance of employing immigrants. <i>CEAR intervenes as a mediator offering consultancy when the occasional problems arise.</i> CEAR has included a training course in work habits and eventually intervenes as a mediator between the worker and the firm.	
Benefits for the firm: Partner firms benefit from participating in this project both from the economic viewpoint and from the corporate social responsibility viewpoint. Economically, the firms increase their productivity by employing highly motivated workforce (i.e., people who do not mind working long hours, working at Christmas, etc. such as Muslims). In addition, partner firms improve their		

external image and reputation. CEAR also provides significant services to the firms by training and screening job applicants for the firms.

What we learn: Immigrants and local firms need each other. Once the first obstacle of approaching new partner firms is solved, both sides report to be satisfied with the relationship. The initiative facilitates this initial introduction. CEAR has recognized that part of the problem of integration has to do with skills, both specific to the job in question and general work skills like punctuality. By offering training in both kinds of skills, they can potentially have greater impact and make the eventual employment relationship more satisfying for both parties. It bears consideration, however, that many of the jobs the immigrants get are jobs that the native population finds distasteful in some dimension.

Selection criteria:

Focus on remarkable aspects of the integration process: This initiative addresses one of the crucial aspects of ethnic minority integration: employment in small and medium-size enterprises.

Applying innovative methods and approaches: Following up the clients placed through the initiative is an important feature of the initiative that facilitates evaluation of the methods applied and, possibly, corrective action.

D7.19 L'Oréal hairdressing schools support initiative, Italy		
Key objective: To have culturally diverse staff and to help socially disadvantaged groups integrate into the labour market.	Target group: Disadvantaged groups, including ethnic minorities, in the Turin area.	Duration: Since 2001/2002.
Lead organization: L'Oréal Italia S.P.A., the Italian subsidiary of one of the largest beauty and cosmetics companies in the world.	Partner organizations: Non-governmental organizations, such as "Piazza dei Meistieri," with similar objectives.	Funding: L'Oreal Italia does not specifically finance this initiative, but collaborates with governmental and non-governmental organizations that provide the funding.
Minority representation in project leadership: No statistics.		
Initiation stages: Initiated within the broader program of corporate social responsibility within the company.		
Aims and methods: Diversity is one of the main values of the company. One of the aims of The Human Resources policy is constructing the so-called " <i>équipe multiculturale</i> ", multicultural teams composed of graduates from multiple disciplines. It implements that via active presence at the universities as well as via Internet. Since positive discrimination in hiring is illegal in Italy, the principle of equality applies and the best graduates are chosen on the basis of qualifications, without discriminating on the grounds of ethnicity or religion. The mission of the company includes, among others, social commitment as one of its aims (other elements are customer satisfaction, quality, security and respect for the environment). As part of this strategy the company aims at socially disadvantaged groups (a so-called „disagio sociale”), such as ethnic minorities and immigrants. For example, cooperating successfully with Professional Training Centres, internships aiming at integrating young people from socially disadvantaged groups have taken place since 2001. These internships allow students to reconcile study and work. Within this particular initiative, L'Oreal supports different schools for hairdressers across the country that hire young talented persons, who are often ethnic minority immigrants from the so-called Immigration Centres. This support is via providing teaching, materials, and cosmetic products to the schools and networking opportunities to the school graduates.		
Key challenges: The main difficulty is low education level of the clients especially for more skilled positions, such as marketing jobs. (Knowledge of Italian is not as much a problem, because English and French are working languages in the company as well.)	Strategies to overcome them: Cooperation with Professional Training Centres and Immigration Centres.	
Benefits for the firm: Having culturally diverse staff increases productivity of the company via increased creativity, new perspectives, and better capacity to foresee new trends, as well as by satisfying their diverse customer base.		
What we learn: The company illustrates an interesting point: the adoption of more commonly spoken languages in the workplace (instead of the local language) could facilitate the company's objectives as well as minority inclusion. Integration of minority and majority workers at the workplace seen as instrumental in achieving company's objectives of minority integration <i>and</i> increasing productivity in the globalising business environment.		
Selection criteria: Sustainability: The long-run perspective and appreciation of the benefits of minority inclusion for the company is promising in terms of sustainability.		

D7.20 Integration initiative of The Association of Professional Engineers and Geoscientists of British Columbia, Canada

<p>Key objective: To assist engineers and geoscientists who wish to become registered.</p>	<p>Target group: Individuals who search for assistance, specific focus on ethnic minorities.</p>	<p>Duration: Since more than 10 years.</p>
<p>Lead organization: Association of Professional Engineers and Geoscientists – a body which regulates and governs the professions under the authority of the Engineers and Geoscientists Act by setting and maintaining high academic and professional practice standards for all members. Approx. 35 employees.</p>	<p>Partner organizations: The members of the association.</p>	<p>Funding: The Association.</p>
<p>Minority representation in project leadership: No statistics.</p>		
<p>Initiation stages: Several years ago a fact-finding initiative in conjunction with the provincial government showed that some newcomers/immigrants faced obstacles in establishing themselves in the engineering/geoscience workforce. Useful employment advice has been collected and presented at the website.</p>		
<p>Aims and methods: The key objective is to ensure that all potential applicants receive the information they need regarding the Association and the requirements for registration. Responding to all enquiries for presentations to special interest groups such as SPEATBC, SITE, MOSIAC and CCBIS and giving presentations to their clients on the whole registration process. In the past these groups have included single ethnic groups, mixed ethnic groups and service providers/employment counselors. The methods applied include presentations, brochures and leaflets as well as newspaper articles. Parts of the presentations have been shown on multicultural TV programs.</p>		
<p>Key challenges: Unwillingness of employers to hire new immigrants observed by some job seekers.</p>	<p>Strategies to overcome them: No specific strategies, but general information campaigns facilitating job matching.</p>	
<p>Benefits for the firm: Being known among interested individuals and among potential employers. The job seekers know where the association is, what services it provides and that it is willing to help in obtaining registration and thus facilitating labour market entry.</p>		
<p>What we learn: While the discussed approach to inclusion of ethnic minorities into the labour market pays little attention to ethnicity of the clients, it is precisely the disadvantaged groups, including ethnic minorities, who can most benefit from this initiative.</p>		
<p>Selection criteria:</p>		
<p>Sustainability: The commitment of the professional organization to involve the relevant professionals is promising in terms of initiative’s sustainability.</p>		
<p>Focus on remarkable aspects of the integration process: This initiative helps especially the disadvantaged individuals to integrate into the professional organization and thus into the labour market.</p>		

D7.21 CIBC's initiative within the Bridging Program for skilled immigrants, Canada		
Key objective: Bridging programs for skilled immigrants – newcomers to Canada with university education or training in trade and work experience but currently unemployed or underemployed.	Target group: Skilled immigrants to Canada. Main source countries: China, India and Philippines. Approx. 78% of Canadian immigrants from China, India and Philippines countries were heading to Ontario. BC was the second destination of choice (10% points higher for clients in China) and Alberta the third.	Duration: The broader framework of the initiative (EASI) was initiated in early 2003.
Lead organization: CIBC, a financial institution with over 37,000 employees worldwide.	Partner organizations: EASI, a broad-based coalition of community-based agencies, post-secondary institutions, professional and trades associations, regulatory bodies, employers, unions and the three levels of government. Community partners include Career Bridge, JVS, COSTI or Skills International.	Funding: Directly from business.
Minority representation in project leadership: The respondent organization does not track the percentage of ethnic minority employees.		
Initiation stages: The key motivator was the diverse Canadian business and labour force. By 2011, immigrants will make up 100% of Canada's labour force growth; 70% of the labour force are visible minorities. Necessity to think outside of the box when recruiting.		
Aims and methods: CIBC is committed to create an inclusive diverse environment. An underlying premise of the initiative is that the individual wants transition to paid employment in the trade or profession for which he/she has been trained outside Canada. CIBC assesses candidates, and then referred to community partners where they are provided with an opportunity to gain relevant work experience in Canada, usually through 9-month or 1-year internships.		
Key challenges: Aligning foreign and Canadian work experience. <i>Verbal and written communication.</i>	Strategies to overcome them: Develop internship roles for newcomers. <i>Help immigrants with gaining Canadian work experience.</i>	
Benefits for the firm: A multitude of benefits acknowledged, i.e. improved firm reputation, more qualified and motivated workforce, improved customer satisfaction.		
What we learn: The Canadian company realizes the need to address the growing diversity of its customer base as well as the Canadian labour force. In this changing environment it tackles the challenges in the way that is similar to some of the European cases listed above. Experience in the Canadian labour market is seen as the key remedy to the integration challenges.		
Selection criteria:		
Sustainability: The business-oriented approach of the initiative is promising in terms of initiative's sustainability.		
Focus on remarkable aspects of the integration process: This initiative focuses on disadvantaged individuals, helping them to integrate into their professional organizations and communities and thus into the labour market.		

D7.22 Spectra Energy Immigrant Engineer Orientation Program, Canada		
Key objective: Pilot program to increase the competitiveness and job-readiness of immigrant engineers in British Columbia.	Target group: Foreign-trained engineers who have immigrated to Vancouver.	Duration: The broader S.U.C.C.E.S.S framework program initiated in 1973; the current pilot program started in the beginning of 2007.
Lead organization: Spectra Energy (805 employees), operating in the Oil and Gas sector.	Partner organizations: Partnership with an immigrant settlement organization (S.U.C.C.E.S.S.) to replicate a similar program in Alberta.	Funding: Provincial government and the Oil & Gas training initiative.
Minority representation in project leadership: Yes; 9% of employees are ethnic minorities; the Diversity Manager belongs to an ethnic minority.		
Initiation stages: Large population of under-employed or unemployed immigrant engineers in the Vancouver area - 170 applied to the program that only had room for 12 participants. Managers/employees were supportive because of the need for skilled engineers in the workforce.		
Aims and methods: The key objective is labour market integration of immigrant engineers. This is achieved through a ten week classroom training program (English language training, cross-cultural communication, oil and gas 'lingo' and culture, job safety, driver safety, company orientation) as well as 6 week work experience program to apply classroom learning in a Canadian work setting and acquire "Canadian job experience" and references. Program creation, development and delivery took 7 months. For participants, the training takes 16 weeks in total.		
Key challenges: Capacity to absorb all 12 candidates into the company at once for six week work experience. <i>Ability to find employment for all 12 candidates after the program (meet expectations).</i>	Strategies to overcome them: Tap into an underused resource of professional engineers to lower recruitment costs. <i>Source candidates for available positions.</i>	
Benefits for the firm: Filling sometimes difficult-to-fill job vacancies; creating 'brand loyalty' of immigrant engineers (through media exposure, community profile, word-of-mouth) who may now be more likely to work at Spectra Energy. This could create a more qualified and loyal workforce in the long run, which in turn could lower employee turnover rates. The program also broadened Spectra Energy's experience from international perspective.		
What we learn: Experience with the Canadian labour market seen as an important integration device that the initiative facilitates. Benefits of the program for the lead organization well understood.		
Selection criteria:		
Sustainability: The business-oriented approach of the initiative is promising in terms of initiative's sustainability.		
Focus on remarkable aspects of the integration process: This initiative helps especially the skilled immigrant ethnic minority individuals to integrate into the skilled labour market.		

D7.23 The list of interviews

Case number	Name and position
D7.1	Juraj Bača, Director for External Relations, US Steel Košice, Jozef Červeň, Leader, Romintegra 7777.
D7.2	Belen Sanchez, Employment Coordinator, Fundación Secretariado Gitano.
D7.3	Viera Drimáková, Personnel Manager, SVIK.
D7.4	László Kis, Subsidiary Leader in the Nógrád Region, Freesoft.
D7.5	Gelu Duminița, Executive Director, Agentia Impreuna.
D7.6	Helena Kahancová, Activist, Občianske združenie Tobiáš.
D7.7	Jitka Kratochvílová, Personnel Manager, Foxconn, Milan Daniel, Activist, Most pro lidská práva.
D7.8	Andželika Berga, Head of Personnel Department, Hansabanka.
D7.9	Kaiva Besmitniece, Head of Recruitment Department, Maxima Latvia.
D7.10	John Arathimos, Executive Director, Westminster Small and Minority Business Council.
D7.11	Carina Høgred, Program Coordinator, Confederation of Danish Employers.
D7.12	Elena Brandalise, Program Coordinator, Migrationsrat Berlin-Brandenburg.
D7.13	Argiñe Larrea, Coordinator of the initiative Equal Ariadna, Mondragon Corporation.
D7.14	Gidon van Emden, Program Coordinator, CEJI-A.
D7.15	Maria Hansson, Program Coordinator, Vinge.
D7.16	Monica Mauri, Program Coordinator, Randstad.
D7.17	Bina Desai, People Support Advisor – Diversity, West Bromwich Building Society.
D7.18	Raúl Hernández, Coordinator of the Initiative, CEAR.
D7.19	Filippo De Caterina, Director Corporate Communication, L'Oréal Italia.
D7.20	Caroline Westra, APEGBC Supervisor – Internship & Experience Assessment, APEGBC.
D7.21	Ross Johnston, Senior Director, Staffing Operations, Resourcing & Corporate Areas, CIBC Human Resources, CIBC Head Office, CIBC.
D7.22	Danny Strilchuk, Manager of Diversity and Employment Equity, Spectra Energy.

Notes: Interviews were conducted between August 17 and September 28, 2007, in the language of the interviewee, whenever possible. Otherwise the English language was used.