

Migrant-native labour inequality across cities. Does size really matter?

Abstract

In the last decades Spain has experienced a process of urban concentration of its population, particularly in the larger cities. The literature explains this phenomenon, among other reasons, due to the advantages in terms of employment offered by big cities. Yet, studies on whether these benefits differ depending on the country of birth scarce. This article analyses to what extent the labour inequality between immigrants and natives varies according to the size of the municipality and, if so, whether it is related with compositional reasons. Based on the Spanish General Social Survey, conducted by the CIS in 2013 and 2015, results confirm a different migrant-native gap across cities. Immigrants do not face a higher risk of unemployment in medium-large cities, however, their net disadvantage in terms of occupational attainment increases the larger the municipality is. Sociodemographic factors are not enough to explain the different gaps depending on city's population size.

Key words: unemployment, social class, occupational attainment, population, internal migration, municipality

The urban concentration in cities, especially large, is a global phenomenon that has been going on since the seventies of the last century (Taylor et al., 2012). Spain has also experienced these changes and in recent decades has undergone processes of suburbanization and metropolitan expansion (Gil-Alonso et al., 2016). One of the main elements defining recent urban growth transformations in this country has been the migratory boom at the end of the XX century (Gil-Alonso and Bayona i Carrasco, 2012). According to the National Institute of Statistics, in 1996 the Spanish population had one million of foreign-born (2.7% of total population), whereas in 2007 this figure reached 5.3 million (representing the 11.6% of the total population). Despite of the moderation of the migrant inflows during the Great Recession, currently the immigrant population in Spain has risen to 6.4 million (that is, the 15.8% total population). Many of born abroad has been established in peripheral municipalities of urban areas.

Before the Great Recession in 2008, the labour integration of foreign-born in Spain was characterized by high levels of precariousness. Although there were little differences in their unemployment rates in compare to natives, the access to employment was through the low-skilled jobs and fixed-term contracts. These labour conditions were decisive to penalized immigrants during the financial crisis, population that faced high levels of job loss (Author). Regardless the economic context, the occupational mobility of the immigrant population in Spain has been limited and the lower social class status does not disappear along time (Bernardi, et al., 2011; Fernández-Macías et al., 2015). Despite of the wide research made on the integration of immigrants in the host societies, the literature in urban economics has largely ignored the heterogeneous effects that city size can have in the labor conditions (whether as they relate to wages or unemployment levels) between the native and immigrant populations. This neglect contrasts with the literature on urban sociology, which has devoted

a significant attention to the analysis of the situation of immigrants in cities, mostly from a theoretical perspective.

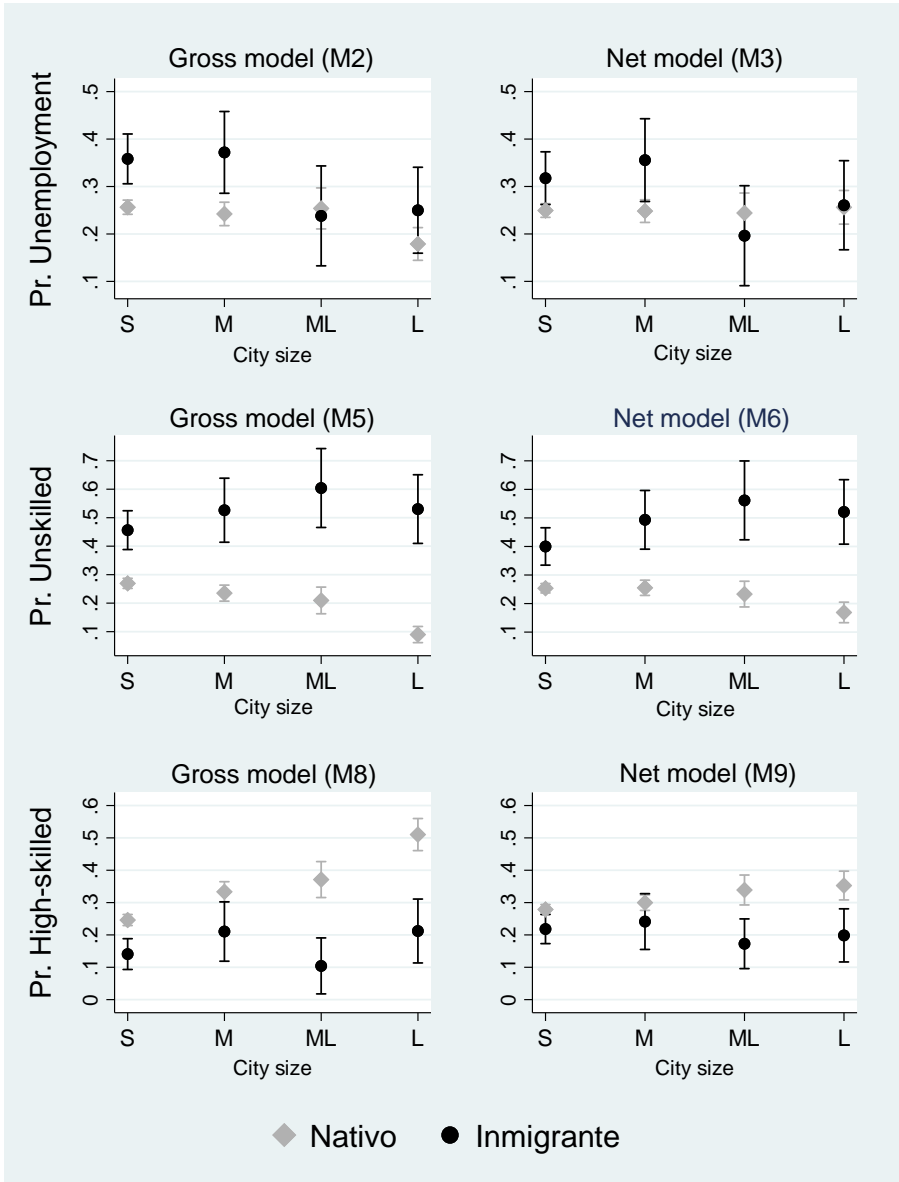
Therefore, the relationship between the magnitude of the city and the impact on immigrants' labor situation needs to be better understood. This paper addresses this need by looking at the impacts of city size on immigrants' labor conditions in Spain. The paper analyzes the heterogeneous effects between native and immigrant populations overlooked by the literature on urban economics. By doing so, the paper provides a potential explanatory variable (city size) not systematically, even less so empirically, analyzed by the literature on urban sociology. The use of the Spanish General Social Survey, conducted by the Centre of Sociological Research in 2013 and 2015, permits us to work with the city of residence, information rarely provided in other national representative surveys. The objective of this article is to analyze the migrant-native inequality across cities by the population size. More specifically, we are interested on find out to what extent the largely documented labour disadvantage of immigrants change depending on the municipality and, if so, to clarify whether this is due to the sociodemographic composition of the populations.

The preliminary results show at least three interesting findings. First, for natives living in larger cities is associated to better labour conditions. For this group, the unemployment rate in cities over one million inhabitants is significantly lower in comparison to people in smaller cities. In the case of job quality, the improvement is more progressive. Basically, the larger the city is, the lower the percentage of low-unskilled workers and the higher the percentage of the service class. Second, for foreign-born this picture is rather different. On the one hand, the difference in the unemployment by city size is established by populations over 400.000 inhabitants (where the percentage of unemployed is clearly lower). On the other hand, the concentration of skilled workers in big cities is less evident. Unlike natives, the percentage of low-unskilled workers increases as the city is bigger, with a peak in medium-large cities. The percentage of the service class grows the larger the city is, but the increment is not as big as for natives, and in the medium-large cities, curiously, the figure is the lowest one. Third, the previous two patterns result in a changing migrant-native gap depending on the city size. Whereas in terms of unemployment the biggest penalty takes place in small cities, the distance between immigrants and natives with respect to the job quality is bigger in the largest cities.

In order to control sociodemographic differences, in Figure 2 we plot the average adjusted probabilities from gross and net models with interactions between country of birth and city size. The picture for our unemployment outcome shows that, in gross terms, there exists a migrant-native gap in all type of cities, except in the medium-large, where the probability of being unemployed is the same for immigrants and natives. Once we isolate the effects of some individual and context-related factors, we can see that the migrant penalty persists in small and medium cities, whereas in the medium-large the disadvantage reverses (i.e. natives are slightly more exposed to unemployment). Although it looks that the inequality ceases in large cities, model 3 in Table 2 indicates that these differences are not statistically significant. Pictures for our two occupational attainment outcomes show a different pattern. Both for the probability of taking part of the unskilled working class and the service class, the migrant-

native gap grows the larger the city is. Although the control of compositional factors explains partially the differences across cities (especially for the likelihood of being at the top of the social structure), the inequality remains bigger in populations above 400.000 inhabitants.

Figure 1. Average adjusted probabilities on the likelihood of being unemployed, low-unskilled and service class*



Source: data from ESGE 2013 and 2015.