From Slow Convergence to Quick Erosion: Labour Market Trajectories of Immigrants in the Economic Crisis in Spain

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Theme 4: Employment and social divergence in Europe – What implications for welfare state, labour market and employment policy in Europe?

Compared to other EU countries, the impact of the economic and sovereign debt crisis on the Spanish labour market has been significantly stronger. This is partly due to the production structure and growth pattern of the Spanish economy as well as to the character of the labour market. In this paper we explore the impact of the economic crisis on the position and labour market trajectories of foreign-born workers. Previous studies had revealed how in spite of occupying the lower segments of the labour market, the trajectories of immigrant workers were characterized by a slow convergence with respect to native workers. However, there were significant differences within immigrants in this regard. Relying on the longitudinal Continuous Working Life Sample we analyze a number of dimensions of mobility (occupational, earnings) and position in the labour market. The results in this paper show how labour market trajectories of a large group of foreign-born workers have come to a sudden stop in the context of the recent economic crisis. This has been accompanied by higher sectoral and geographical mobility compared to domestic workers. Moreover, the article shows how immigrant workers have been hit harder by the economic crisis in terms of unemployment and the interruption of their trajectories. This negative impact is greater in men than women as job destruction has been more intense in highly masculinised sectors such as construction. Long unemployment spells, persisting over-education and informal work mean that they are subject to a process of de-skilling and makes it increasingly difficult for them to find a job or improve their position. This evidence poses a series of relevant questions about the integration of foreign-born workers in the Spanish labour market.