

### 3 IMMIGRATION

#### 3.1 THE LABOUR MARKET INTEGRATION OF IMMIGRANTS IN HUNGARY – AN ANALYSIS BASED ON POPULATION CENSUS DATA

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The economic and labour market integration of immigrants is a challenge to several European countries. The labour market indicators of both foreign-born populations – especially those born outside the European Union – and their offspring born in receiving countries, the so-called second generation, are generally worse than those of the native population (with few exceptions).<sup>1</sup>

Although the role of immigration in the replacement of labour force and thereby in economic growth, in the reduction of old-age dependency ratio and in the sustainability of the pension system is an argument often made in favour of immigration, it must be admitted that it can only be achieved through the successful labour market integration of immigrants. However, the lower than average employment rate of immigrant populations (especially among women) may create further “dependence” in receiving countries (Coleman, 2004) and put additional burdens on the social welfare system of the country concerned. Although immigrants, especially from less developed third countries, are likely to be in a worse labour market situation than the native population in most European countries, there are significant differences according to country of origin (and also ethnic groups) (Münz, 2008, Keeley, 2009, Koopmans, 2016).

##### The indicators of labour market integration and the factors influencing them

Labour market integration is one of the key elements of the integration of immigrants in the receiving society, which may be an important step towards social and cultural integration. Labour market integration is most often measured by *employment rate* and *unemployment rate*, i.e. to what extent these indicators converge to those of the native population over time spent in the receiving country. These two indicators not only embody two different approaches to labour market integration but also indicate the two possible causes of segregation: low employment rate may be due to high share of immigrants not entering the labour market (i.e. not trying to find work) and in this case their *activity rate* is also low, while the high unemployment rate reveals that a lot of entrants to the labour market do not find a job.

The aforementioned indicators are the core indicators of labour market integration and are also included in the Zaragoza Declaration adopted in 2010

1 The unemployment rate of the native, 20–64 age group in the EU–28 in 2014 was 9.3 per cent, while in the same age group of the foreign-born population it was 14.4 per cent and among those born outside the EU it was 18.5 per cent (Eurostat, 2015). The opposite – the lower unemployment rate of the foreign-born population – is only true for Cyprus, Lithuania and Hungary.

(EC, 2011, p. 10.). However, successful integration does not only involve access to jobs but also the adequate utilisation of the human capital of immigrants, employment in the primary segment of the labour market as well as rights and opportunities on the labour market equal to those of the receiving population (Eurofound 2008). Accordingly, there are further important indicators of integration in the case of those employed: *overqualification* (the proportion of employees with qualifications higher than those required for their position) and *wage levels* (compared to the wages of similar occupational groups in the receiving population). Attention should also be paid as to what extent immigrants are present on the *secondary labour market* characterised by low wages, bad working conditions, a high degree of uncertainty and the lack of mobility prospects, or choose employment provided by *ethnic businesses* (or *self-employment*). In the case of the unemployed and other inactive groups, important indicators of labour market exclusion include the extent of *long-term unemployment* (the proportion of job seekers who have been out of work for at least one year) and *involuntary inactivity*, which is the proportion of those among the inactive population who are available for work but have given up active job search (and thus are not included among the unemployed) (OECD/European Union, 2015).

The labour market integration of immigrants varies according to receiving countries and the immigrant cohorts arriving at different times (Keeley, 2009, Borjas, 2015). The success of integration is influenced by several factors: on the one hand, the institutional conditions of the destination country (migration and labour market regulations), general economic, labour market and social conditions as well as the integration policy or lack thereof; on the other hand, the composition of the immigrant population, the causes and circumstances of migration as well as the presence and position of the immigrant (ethnic) population in the receiving country.<sup>2</sup> The composition of immigrants in terms of educational attainment and qualification is especially important for labour market integration.<sup>3</sup> However, a survey conducted in 2010 found that the demographic characteristics and human capital of various immigrant groups only partly explain their disadvantageous labour market position, while certain socio-cultural factors play a more significant role: speaking the language of the host country, media consumption in this language, social contacts with natives or attitudes concerning gender roles (Koopmans, 2016). The time spent in the receiving country is also decisive: over time, labour market indicators usually improve, which is linked to acquiring the so-called country specific skills and the improvement of language skills.

### Research questions, data source

The study aims at analysing the labour market situation of immigrants in Hungary compared to the Hungarian population. The descriptive analysis

<sup>2</sup> The latter mainly has significance for ethnic businesses.

<sup>3</sup> The successful integration of immigrants and the positive impact of immigration on the labour market and economy are mainly expected if the composition of the immigrant population in terms of qualifications meets the labour needs of the receiving country.

examines the major indicators of labour market integration (activity rate, employment rate, unemployment rate) in the working age (15–64) population, highlighting differences according to gender, age group and educational attainment on the one hand, and differences between the various ethnic groups on the other. In addition, it briefly discusses the prevalence of self-employment (ethnic businesses) and the issue of over-qualification. The multivariable analysis investigates factors influencing the probability of being employed, especially the role of foreign place of birth and foreign citizenship as well as the role of country of origin, length of residence, citizenship, nationality and the Hungarian language skills among the foreign-born population.<sup>4</sup>

The analysis is based on data from the 2011 Population Census. The census is the most comprehensive data source on immigrants: it constitutes a comprehensive cross-sectional database of both *foreign-born* population and *foreign citizens* staying for over 12 months in the country, which provides unique opportunities for detailed analysis.<sup>5</sup> At the same time, it enables the comparison of the integration indicators of immigrants with the corresponding indicators of the native population surveyed at the same time and in the same way. Nevertheless, it has a disadvantage: it takes place every ten years, thus it is only able to reveal large scale changes.

### Definition of the immigrant population

Identifying immigrants on the basis of their citizenship or birthplace results in two populations differing in size and composition. *Foreign citizens* living in the country constitute only part of the immigrant population and mainly represent those who arrived in recent years. In Hungary, where the rate of naturalisation is high, the immigrant population is significantly underestimated if based on the number of foreign citizens. Furthermore, the population of foreign citizens also includes the children of foreign citizens born in Hungary who have not yet obtained Hungarian citizenship (i.e. the so-called second generation) and the Hungarian-born who emigrated and after obtaining foreign citizenship returned to Hungary (they typically have dual citizenship). The *foreign-born population* is a wider group of immigrants including also immigrants who arrived earlier and obtained citizenship.<sup>6</sup> The 2011 census counted 143,197 persons with foreign citizenship and 383,236 persons born abroad; 78.4 of the former and 69.5 per cent of the latter was aged between 15 and 64. In the following, general labour market indicators are presented for both foreign citizens and the foreign-born population, while the more detailed analysis is only provided for the latter.

### The labour market situation of immigrants

According to both earlier research and the most recent data, Hungary is among the few European countries where the labour market indicators of immi-

4 The impact of composition in terms of gender, age and educational attainment as well as the impact of geographical location (region and type of settlement) are controlled in both cases.

5 The labour market indicators of immigrants are published by the Eurostat on the basis of the harmonised Labour Force Surveys of the countries involved. These data, although suitable for presenting trends over time and by international comparison, in the case of the Hungarian sample – due to the low share of immigrants – do not permit a more detailed analysis.

6 In Hungary this also includes those who were born in former times as Hungarian citizens but outside the current borders of the country and then relocated to the present area of the country by way of internal migration or population exchange. The latter is a very old group, while the second generation included among foreign citizens is a very young group and thus neither are represented in the 15–64 age group relevant for analysing labour market integration. Furthermore, their birthplace identifies also the new immigrants who arrived as Hungarian citizens, mainly from neighbouring countries, after a simplified naturalisation process was introduced in 2011. However, the 2011 census does not yet include this group in great numbers.

grants in the 15–64 age group are on the whole better than those of the native population (*Hárs*, 2010, *Gödri*, 2011, *Eurostat*, 2015).<sup>7</sup> This peculiarity is also observed in the 2011 census data (*Table 3.1.1*).

**Table 3.1.1: The labour market indicators of foreign citizens, the foreign-born and the total population aged 15–64 (per cent)**

Population	Economic activity					Activity rate	Unemployment rate
	employed	unemployed	inactive	dependent	total		
<b>Foreign citizens</b>							
EU-27 citizen	62.9	4.8	14.6	17.6	100.0	67.7	7.1
Third-country citizen	61.7	3.6	11.8	23.0	100.0	65.2	5.5
Total	62.4	4.3	13.4	19.9	100.0	66.7	6.5
<b>Foreign-born</b>							
In EU-27 member states	66.7	6.5	14.4	12.3	100.0	73.2	8.9
In third-countries	63.0	5.6	12.5	18.9	100.0	68.6	8.1
Total	65.5	6.2	13.8	14.5	100.0	71.7	8.7
Total population	57.0	8.3	19.7	15.0	100.0	65.3	12.7

Note: The group of the foreign citizens contains those with only a foreign citizenship but not those with dual (foreign and Hungarian) citizenship.

Source: Census 2011, author's calculations.

Both the employment rate and the activity rate are higher in the foreign population, especially among those born abroad, than in the total population, while the unemployment rate is significantly lower (6.5 per cent and 8.7 cent as opposed to 12.7 per cent). The employment rate of immigrants from EU member states (in both immigrant groups) exceeds that of third-country immigrants but the unemployment rate is lower in the case of the latter. It is because the share of dependents, who do not even enter the labour market, is high among third-country immigrants (especially among foreign citizens: it is 23 per cent).

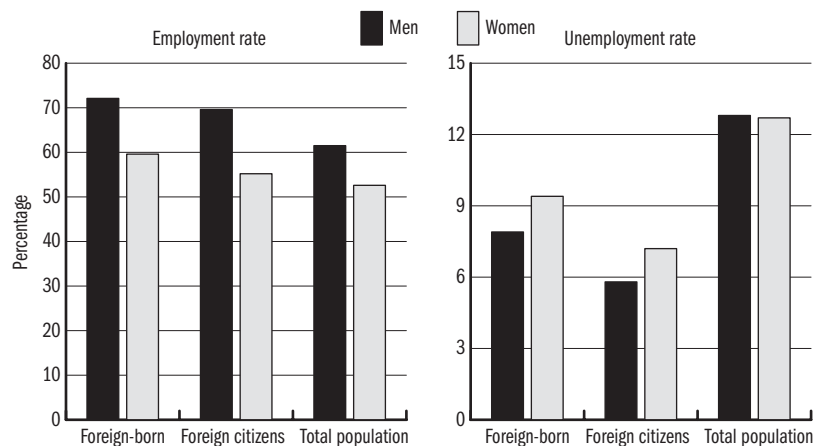
*Gender* is an important differentiating factor.<sup>8</sup> *Figure 3.1.1* reveals that the difference in employment between genders is more marked in the case of immigrants – especially among foreign citizens – than in the total population. The unemployment rate, which does not differ according to gender in the total population, is also higher in the case of women in both immigrant groups. At the same time, the activity rate of women with foreign citizenship is lower than that of women in the native population, which is due to the high rate of dependents.

The labour market indicators of immigrants – similarly to the native population – also differ as regards *age groups*. The highest employment rate is seen among men aged 30–49 and women aged 40–54 but it is also above average among men aged 25–29 and 50–54 as well as women aged 25–39 (*Figure 3.1.2*).

<sup>7</sup> The better labour market indicators of immigrants are primarily explained by their composition: the majority – especially prior to 2008 – arrived from neighbouring countries and were of Hungarian ethnicity. In this way they had no linguistic or cultural obstacles to labour market integration. Their demographic composition was also different from the native population: they were younger and more highly qualified on average.

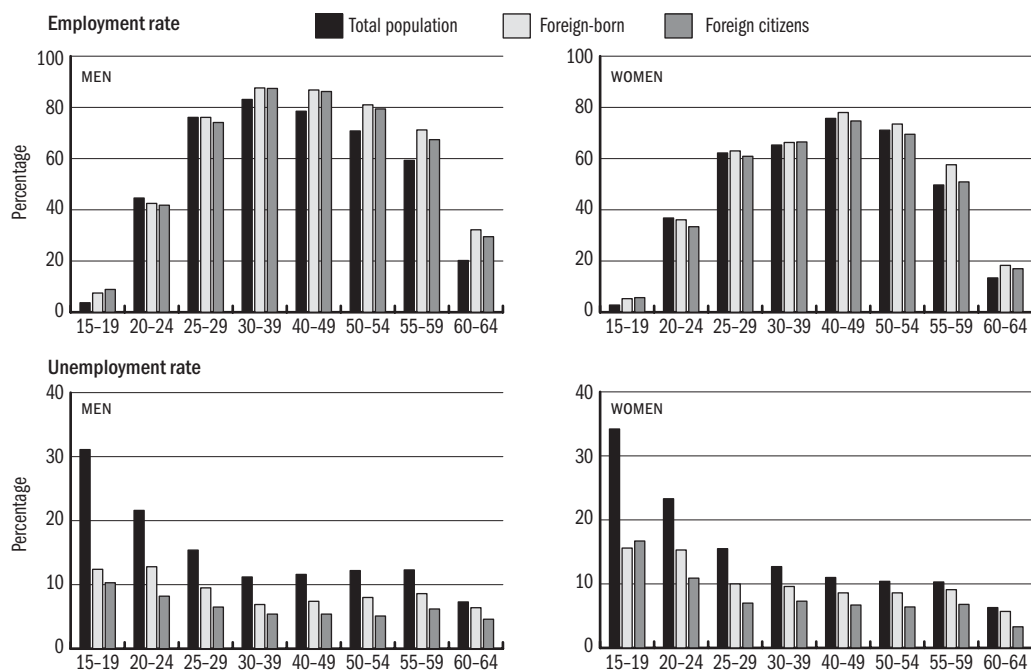
<sup>8</sup> The difference in labour market situation by gender among immigrants is confirmed by analysis of earlier census data too (see *Gödri*, 2011).

**Figure 3.1.1: Labour market indicators of foreign citizens, the foreign-born and the total population aged 15–64 by gender**



Source: Census 2011, author's calculations.

**Figure 3.1.2: Labour market indicators of foreign citizens, the foreign-born and the total population aged 15–64 by age group and gender**



Source: Census 2011, author's calculations.

Compared to the native population, it is conspicuous that the employment rate of both foreign-born and foreign citizen males is higher in all age groups over 30, and the difference increases over age 50. As for women, the employ-

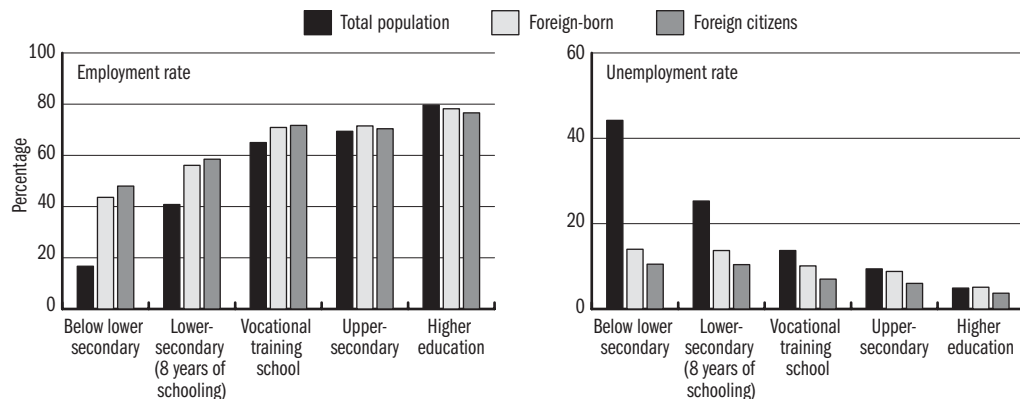
ment rate is higher only in age groups over 40 and among foreign-born persons (except for the age group 60–64, where also among foreign citizens), however, the differences are smaller than among men.

Unemployment mainly concerns young persons below age 25 and is especially high among women aged 15–19. The unemployment rate is lower for both genders and all age groups of immigrants – particularly among foreign citizens – than in the total population and the differences are larger among men.

Comparison of the share of the economically active population also reveals an important difference: while the activity rate among foreign citizen males lags behind the total population only in the 20–29 age group (mainly as a result of migration for study purposes), the activity rate of foreign citizen females is lower even in the 30–59 age group than that of women in the receiving population.

*Educational attainment* greatly determines labour market prospects. In the immigrant population – similarly to the total population – indicators for economic activity improve with higher educational attainment: the employment rate increases and the unemployment rate declines (*Figure 3.1.3*). Significant differences between the foreign and native populations are only seen at lower educational attainment levels – clearly in favour of immigrants: the employment rate of immigrants with vocational training is slightly higher, while that of those with a lower educational attainment is significantly higher than the relevant indicators of the total population, while their unemployment rate is lower.

**Figure 3.1.3: Labour market indicators of foreign citizens, the foreign-born and the total population aged 25–64 by educational attainment**



Source: Census 2011, author's calculations.

For immigrants, there is a higher risk of devaluation of qualifications. The return on qualifications obtained abroad is usually lower and labour market



inequalities between the foreign-born and native populations increase with educational attainment (*OECD/European Union*, 2015). In Hungary the employment rate of immigrants with higher education degree is hardly lower than that of the total population and their unemployment rate is also identical (in the case of foreign citizens even slightly lower – *Figure 3.1.3*). However, *over-qualification* – the share of highly educated employees employed in jobs that require low or medium-level qualifications – is higher among immigrants: while it is 12.4 per cent in the 25–64 age group of the total population, it is 14.9 per cent in the foreign-born population and 18.4 per cent among foreign citizens (in the latter group it is 19.7 per cent among women). Over-qualification is dependent on age (and age-related earlier experience), country of origin and the type of higher education qualification and there is a good chance it decreases with time spent in the receiving country.

### **Differences in labour market indicators according to country of origin**

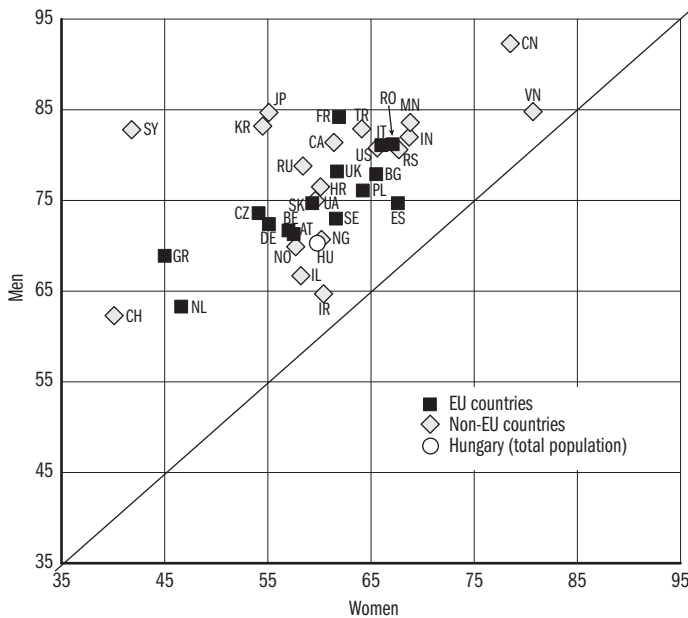
Behind the overall better labour market situation of foreign-citizens and foreign-born population living in Hungary, as compared to the native population, there are considerable differences according to the country of origin. This has already been revealed by the findings of the 2001 census (*Gödri*, 2011) and earlier research conducted among different migrant groups (see *Kováts*, 2013).

After the EU accession of Hungary, there has been diversification according to countries of origin: since 2009, more than half of immigrants have not come from neighbouring countries. As a result, the foreign-born population registered in the 2011 census contains 32 groups according to country of birth with at least one-thousand members each – as opposed to the 17 such groups in 2001. These 32 countries of origin account for 95 per cent of the entire foreign-born population. These groups are remarkably heterogeneous not only in terms of social and demographic composition but also as regards Hungarian language skills, date of arrival, obtaining Hungarian citizenship and place of residence within the country. Accordingly, the labour market situation of immigrants is also characterised by “remarkable differences”, “diversity” and “strong disparities” (*Kováts*, 2013, *Hárs* 2015).

While the employment rate in the total foreign-born population aged 15–64 is 65.5 per cent, in the case of various countries of origin it ranges from 40.5 per cent (Greece) to 79.5 per cent (China). The activity rate also varies to a large extent (between 41 per cent and 81 per cent). The variation of these indicators across countries in the more economically active 25–64 age group is also substantial. Employment rates by gender (*Figure 3.1.4.a*) reveal the higher employment rate of men in the case of all groups by countries of origin. However, while in certain foreign-born groups (e.g. the Chinese and

Vietnamese) women also have a high employment rate, in other groups the high employment rate of men is accompanied by very low employment rate of women (e.g. the Syrians), or the employment rates of both men and women are lower than in the native population (e.g. the Swiss and Dutch).

**Figure 3.1.4.a: Labour market indicators of the foreign-born population aged 25–64 by country of birth and gender (employment rate)**

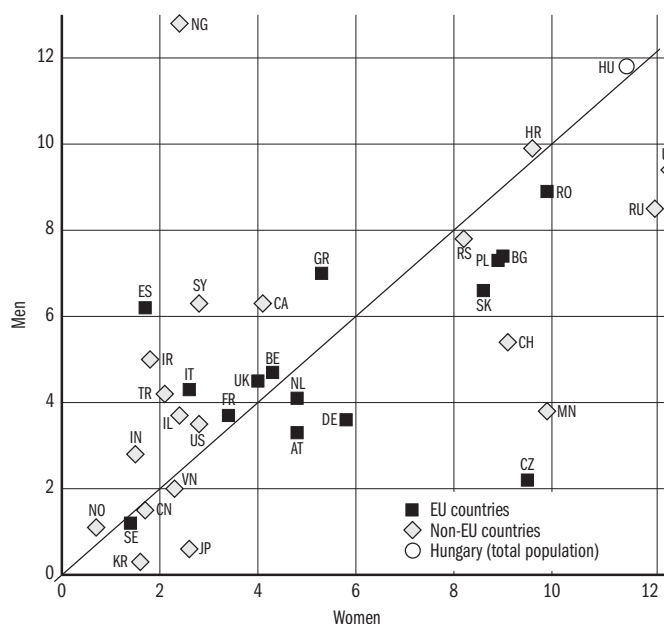


Country codes: AT: Austria, BE: Belgium, BG: Bulgaria, CA: Canada, CH: Switzerland, CN: China, CZ: the Czech Republic, DE: Germany, ES: Spain, FR: France, GR: Greece, HR: Croatia, HU: Hungary, IL: Israel, IN: India, IR: Iran, IT: Italy, JP: Japan, KR: South-Korea, MN: Mongolia, NG: Nigeria, NL: the Netherlands, NO: Norway, PL: Poland, RO: Romania, RS: Serbia, RU: Russia, SE: Sweden, SK: Slovakia, SY: Syria, TR: Turkey, UA: Ukraine, UK: the United Kingdom, US: the United States, VN: Vietnam.

The variance of unemployment rates is even more striking (*Figure 3.1.4.b*); however, in most ethnic groups (with the exception of Russian and Ukrainian women and Nigerian men) the unemployment rate of both genders is lower – and in the majority of cases significantly lower – than the rate of the total population. Nevertheless, the low employment rate of women is not accompanied by a high unemployment rate in all groups, which implies that many of them do not even enter the labour market. It is also confirmed by the large share of dependents in various groups of women (e.g. Syrian, Norwegian, South-Korean, Japanese, Iranian, Israeli and Turkish women), which may be partly due to traditional female roles and partly other causes related to motivations and the circumstances of migration.



Figure 3.1.4.b: Labour market indicators of the foreign-born population aged 25–64 by country of birth and gender (unemployment rate)



Country codes: See Figure 3.1.4.a.

The above figures also indicate that although the employment indicators of immigrants from EU member states are on the whole better than those of immigrants from third countries, there are considerable differences even among countries within the two groups.

Another important indicator of the labour market integration of immigrants is the share of *self-employed and entrepreneurs*, which shows to what extent and in which migrant groups setting up (ethnic) businesses is widespread instead of entering the primary labour market. In the establishment of migrant businesses – and the formation of ethnic enclaves – cultural factors and ethnic networks also play a role, in addition to the constraints due to the lack of language skills, difficulties in getting one's qualifications acknowledged or difficulties in finding employment because of discrimination.

Based on the census, in 2011 the proportion of self-employed and entrepreneurs in the 25–64 age group of the foreign-born population was somewhat higher (10 per cent) than in the total population (8 per cent), however, in certain ethnic groups it was outstandingly high: among the Vietnamese (34 per cent), the Chinese and the Syrian (27 per cent) as well as the Turkish (18 per cent). In these groups the share of those working as *members of a company* were also high in addition to self-employed entrepreneurs, thus,

on the whole, 35–60 per cent of those employed presumably worked in the so-called *ethnic economy* and in this way their integration does not imply entering the primary labour market of the receiving country. Other studies reveal that these enterprises typically conduct trade, and not manufacturing, activities (Várhalmi, 2013).

### Factors explaining the probability of being employed

In the following we provide a multivariable analysis on:

1. How employment prospects in the active age group<sup>9</sup> of the total population are influenced by a *foreign birthplace* and *foreign citizenship*, after controlling for socio-demographic composition (gender, age, educational attainment) and place of residence (region, type of settlement).
2. How employment prospects in the active age group of the foreign-born population are influenced by *country of origin*, the *length of time since arrival*, *holding Hungarian citizenship*, *ethnicity* (Hungarian vs non-Hungarian) and *Hungarian language skills*, also after controlling for socio-demographic composition and place of residence. The aim is to examine to what extent the differing probability of being employed of various ethnic groups are explained by their composition in terms of the above characteristics or whether these country-specific peculiarities exist regardless of the above characteristics.

The factors determining the probability of employment have been analysed using logistic regression. The value of the dependent variable is 1 if the interviewee was in employment and 0 if he/she was either unemployed or dependent (but not in education). The aim of this definition was to also include hidden (passive) unemployment, which in the case of immigrants – especially immigrant women – is often masked by the dependent status.

The findings indicate that within the 25–64 age group of total population – after controlling for socio-demographic composition and place of residence – both foreign citizenship and foreign birthplace have a modest (though significant) impact on the probability of employment: the former slightly increases, while the latter decreases this (Table 3.1.2).

It seems that the better labour market indicators (higher employment rate) of the foreign citizens and foreign-born population are in fact due to their composition – mainly their higher educational attainment. However, when examining the impact of the two factors in the gender-based models, it becomes clear that both foreign citizenship and foreign birthplace improves the employment prospects of men but reduces the employment prospects of women. This implies that immigrant women (regardless of their socio-demographic composition and place of residence) are more likely to be excluded from the labour market than both immigrant men and native women – even though it is not reflected by their unemployment rate. In addition to gender inequalities, in the case of some ethnic groups it may result from cultural and

<sup>9</sup> The analysis is restricted to the more economically active 25–64 age group (who are likely to have completed their studies).

social norms as well as traditional gender roles which limit the labour market opportunities and strategies of women.

**Table 3.1.2: The effect of foreign citizenship and foreign birthplace on the probability of being employed in the population aged 25–64 (the odds ratios of logistic regression models)**

Explanatory variables and categories	Model 1	Model 2	Model 3		Model 4	
			men	women	men	women
<b>Gender (reference category: men)</b>						
women	0.763***	0.763***				
<b>Age group (reference category: 25–29)</b>						
30–39	1.449***	1.449***	1.503***	1.404***	1.502***	1.405***
40–49	1.620***	1.620***	1.493***	1.781***	1.490***	1.786***
50–54	1.691***	1.690***	1.397***	2.031***	1.394***	2.034***
55–59	1.581***	1.580***	1.341***	1.867***	1.339***	1.868***
60–64	1.848***	1.847***	1.726***	1.993***	1.723***	1.995***
<b>Educational attainment (reference category: lower secondary education at most)</b>						
Vocational training school	2.406***	2.405***	2.575***	2.307***	2.571***	2.309***
Upper secondary	3.865***	3.865***	4.165***	3.706***	4.148***	3.718***
Higher education	7.991***	7.993***	8.299***	7.946***	8.261***	7.974***
<b>Foreign citizenship</b>	1.079***		1.550***	.817***		
<b>Foreign birthplace</b>		0.975***			1.243***	0.812***
Nagelkerke $R^2$	0.104	0.104	0.099	0.113	0.099	0.113

Note: Controlled for the region and type of settlement of the residence.

Significant at \*\*\*0.1 per cent, \*\*1 per cent, \*5 per cent.

In the followings, the variables *length of time since arrival* and the *country of origin* (covering twelve countries) have first been added to the above model explaining the employment prospects of the foreign-born population (Table 3.1.3).<sup>10</sup> Subsequently, the variables of *citizenship*, *ethnicity* and *Hungarian language skills* were added one by one.

Since integration is usually a longer process, the length of time spent in the receiving country is an important factor, which is confirmed by the findings: with the *length of time since arrival* the probability of employment increases. Compared to those who arrived two years ago, immigrants living in Hungary for 6–10 years are 60 per cent more likely to be in employment, while those living in Hungary for 20 years are twice as likely to be employed. Differences by *country of origin* are also conspicuous: compared to the Romanian-born population, the probability of employment of the Chinese-born is twice as high, that of the Vietnamese-born is 80 per cent higher and that of the Slovakian-born is 20 per cent higher. At the same time, immigrants born in Germany, Ukraine, Serbia have is slightly lower, and those born in Russia, Nigeria, Syria or Iran have significantly lower probability of employment.

10 Since the date of arrival was unknown in the case of some of the foreign-born persons, in order not to reduce the sample, the category “not known” was included in the variable. The twelve countries of origin included in analysis cover 85 per cent of the age group concerned of the foreign-born population.

**Table 3.1.3: Factors influencing the probability of being employed in the 25–64 age group of the foreign born population (the odds ratios of logistic regression models)**

Explanatory variables and categories	Model 5	Model 6	
		men	women
<b>Gender (reference category: men)</b>			
Women	0.523***		
<b>Age group (reference category: 25–29)</b>			
30–39	1.185***	1.402***	n. s.
40–49	1.207***	1.360***	n. s.
50–54	1.115***	1.214***	n. s.
55–59	0.937*	n. s.	0.846***
60–64	0.879**	n. s.	0.734***
<b>Educational attainment (reference category: lower secondary education at most)</b>			
Vocational training school	1.577***	1.618***	1.613***
Upper secondary	2.063***	2.133***	2.036***
Higher education	3.775***	4.234***	3.586***
<b>How long has been living in Hungary (reference category: maximum 2 years)</b>			
3–5 years	1.334***	1.274***	1.413***
6–10 years	1.608***	1.438***	1.805***
11–15 years	1.616***	1.386***	1.886***
16–20 years	1.760***	1.298***	2.254***
Over 20 years	1.961***	1.249***	2.809***
Not known	6.866***	4.758***	9.655***
<b>Country of origin (reference category: Romania)</b>			
Ukraine	0.690***	0.644***	0.701***
Serbia	0.862***	0.860**	0.869**
Slovakia	1.196***	n. s.	1.224***
Germany	0.618***	0.848**	0.488***
Russia	0.388***	0.592***	0.327***
China	1.991***	2.773***	1.670***
Vietnam	1.769***	1.505**	1.938***
Turkey	n. s.	1.390*	0.412***
Iran	0.530***	0.577**	0.459***
Syria	0.468***	n. s.	0.129***
Nigeria	0.408***	0.366***	0.495*
Other	0.580***	0.671***	0.491***
Nagelkerke $R^2$	0.110	0.078	0.117

Note: Controlled for the region and type of settlement of the place of residence.  
Significant at \*\*\*0.1 per cent, \*\*1 per cent, \*5 per cent level, n.s.: not significant.

Differences by the date of arrival and country of origin did not change even when – in addition to socio-demographic composition – differences in ethnicity (Hungarian vs non-Hungarian), holding Hungarian citizenship or Hungarian language skills were taken into account. Nevertheless, these characteristics also have significant impacts: both Hungarian ethnicity and acquiring Hungarian citizenship increases (by 20 per cent and 15 per cent re-

spectively), while the lack of Hungarian language skills reduces (by 35 per cent) the probability of employment. Although acquiring the citizenship of the host country is an important step in the integration process, and in general the employment rate of naturalised immigrants is higher and they work in better jobs than foreign citizens, the causal link is not always one-directional, since successful integration may also increase the chances of obtaining citizenship. Speaking the language of the host country is also crucial for successful integration, though it does not necessarily play a role in employment in ethnic enterprises.

As for control variables, educational attainment has the greatest impact (higher education degree holders have four times as high a probability of employment than those with lower secondary education) and gender differences are also considerable: the employment probability of women is half of the employment probability of men.

Since the labour market integration of women is (also) influenced by specific factors, it is advisable to examine the effects of the above factors in separate, gender-based models. These reveal that the length of time since arrival has a more marked impact on the employment probability of women than on that of men, and differences according to countries are even more distinct here (*Table 3.1.3, Model 6*). The higher probability of employment applies to both genders in the case of Chinese-born and Vietnamese-born immigrants, although it is more marked in the case of Chinese men. However, the higher employment probability of the Slovakian-born population only applies to women. In contrast, a Turkish birthplace – although not significant on the whole – increased employment probabilities for men and reduced them for women. Similarly, the lower chance of employment of the Syrians is only significant and considerable in the case of women. All these indicate that there must be specific cultural patterns and labour market strategies behind the disadvantaged employment situation of Turkish and Syrian women (even when compared to men from the same countries), especially because the employment rate of men is considerably above the average in both groups and ethnic businesses are also widespread. Another important difference by gender is that both Hungarian ethnicity and acquiring Hungarian citizenship improved employment prospects only for women (by 30 per cent and 25 per cent respectively) and the lack of Hungarian language skills halved the probabilities of employment only in their case.

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