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Alessandra VENTURINI, Claudia Villosio, Are Immigrants Assimilating in the Italian Labour Market? Is the Town Dimension Relevant. An Analysis by the S.S.A. dataset.

This paper investigates the economic integration of immigrants in the Italian labour market. Employment and wage assimilation are examined taking into account provincial differences and the town size effect. To pursue this objective we have first derived from the Social Security Archive an appropriate dataset on foreign regular employment because no other data source was available. The results show that the duration of employment, controlling for different characteristics, is shorter for foreigners than for natives. Moreover, different big-town proxies when the two aggregate groups are considered favour foreigners employment while reduce native employment duration and thus reduce differential in employment duration. When instead only young manual workers are considered all the different big-town proxies again play a positive role for migrants favouring their employment duration, but only addition, wage differentials between foreigners and natives - controlling for different characteristics - are smaller in big-towns with the exception of the two metropolis Rome and Milan. The foreign-native wage differential and its unexplained part are smaller than the male-female one calculated on the same dataset. Evidence of wage assimilation results by following the employed in 1993 to 1995. By controlling for different characteristics the absolute wage gap is reduced and the explained part increased and the town effect reduced as well. Thus big towns by a larger wage differential favour foreigners employment duration, however the persistency of foreign employment reduce the native-foreign wage differential and the big town role.

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ARE IMMIGRANTS

ASSIMILATING IN THE ITALIAN LABOUR MARKET?

Is the town dimension relevant? An analysis by the SSA dataset.

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The objective of the paper is to analyse the economic integration of immigrants in the Italian labour market. Employment and wage assimilation are examined taking into account area differences and the big-town effect.

To pursue this objective we have first derived from the Administrative information of the Social Security Institute (SSA) an appropriate dataset on foreign regularly employed.

The paper is just preliminary, however, section 1 briefly overviews the Italian immigration phenomenon, section 2 presents the dataset, section 3 briefly describes the origin of the bigtown dummies, section 4 the employment assimilation pattern of immigrants and natives and section 5 the wage assimilation one.

Section 6, concludes the paper.

1. An overview of the Italian immigration phenomenon

During the 80s, the Southern European countries, including Italy, were no longer exporters of labour but became importers. During this period, the stock of foreign residents in Italy increased from 300,000 in 1980 to one million in 1996 and reached 2% of the population. This increase was almost exclusively made up of immigrants from non-European Union countries, such as from Morocco, Tunisia, the Philippines and more recently from former the Yugoslavia and the Albania.

The novelty of the phenomenon forced the Government to pass legislation in 1987 which was designed to legalise the presence of an unexpected and “feared” large number of immigrants. The difficulties of handling this new phenomenon in a satisfactory manner forced the Italian Government, in 1990, to replace the previous law with new legislation. Thus, a new legalisation procedure was introduced, which was extended until 1991. The number of illegal immigrants who took advantage of these two laws to regularise their position was lower than expected, amounting to about 120,000 under the first law and 200,000 under the second.¹

The debate remained heated, on the one hand natives feared the competition of immigrants in the labour markets and on the other hand there was an excess demand for labour not matched by natives².

¹ On the competition between illegal immigrant and legal native employment see Venturini 1999.

² On this issue see Gavosto, Venturini, Villosio, Labour, 1999.

The pressure of public opinion brought the right-wing Government in 1996 to implement a third legalisation³ and the left-wing Government in 1998 to pass a new law which granted limited political rights to legal resident foreigners while tightened controls and introduced immediate expulsion for immigrants who have been involved in criminal activities or have entered Italy illegally.

The issue of the assimilation rose recently in the Italian debate not only because the novelty of the phenomenon has focused the attention to the access to the country, to the illegal presence of foreigners and to the laws revisions but also because no dataset was available to study this issue.

Our first objective was thus to derive from the Social Security Archive which collects data on social contributions of private employee the information we need.

2. Brief presentation of the dataset

The information on foreign workers that we are using in this paper have been derived from the *Social Security Archive on private employment*, (SSA) which represents 56.2% of total employment in Italy and 71.4% of those registered by the Italian Social Security Institute (I.N.P.S.) which also includes in other two archives “*Self-employed in the crafts and trade activities, family workers*” and “*Employees in the agricultural sector*”⁴.

The INPS does not cover professional employment and public employment, both not relevant for the analysis of the foreign employment because immigrant workers are not present yet in public employment and in professional jobs. Thus the data collected by INPS covers the universe of the foreign legal employment, and the archive of private employment (SSA) represents 71% of the relevant total employment for foreigners.

The Archive includes data both on individual employees and on firms. From the archive we selected a random sample of employees from 1986 to 1995 and

³ During the third legalization 230.000 foreigners got the residency permits

⁴ For more information on the construction of the SSA data set on immigrants, see Venturini and Villosio (1999), while for a complete description of the SSA of the Italian SS Institute, see Contini and Revelli (1993)

reorganised it into a longitudinal data-set where each worker has been connected, at all points in time, with the relevant firm. Data refer to individual characteristics such as place of birth, nationality age, gender, etc., and to employment information such as place of work, yearly wage, number of months, weeks and days worked, type of contract and occupation.

So far the information on foreign employment from the administrative INPS dataset has not been exploited, mainly because, as Natale and Strozza (1997) point out, in 1991 the foreign workers registered by INPS were just 44.5% of total legal foreign employees, as estimated by the Italian Statistical Office (Istat). The underreporting was caused by the use of nationality as the selection criterion: in fact the field “nationality” in the form is often left blank or uncompleted. We selected foreign workers in a different way. We used the place of birth as the selection criterion. Only workers born outside the European Union and the main industrialised countries have been chosen in order to avoid counting Italians born abroad as immigrants⁵. Our total foreign employment represents on average 76% of the ISTAT revised estimates of the foreign employees which cover also family and agriculture workers, see Table 1.

⁵ We have excluded from the our definition of foreign workers, those born in European countries and in Island, Switzerland, Canada, Greenland, United States, Australia, New Zealand

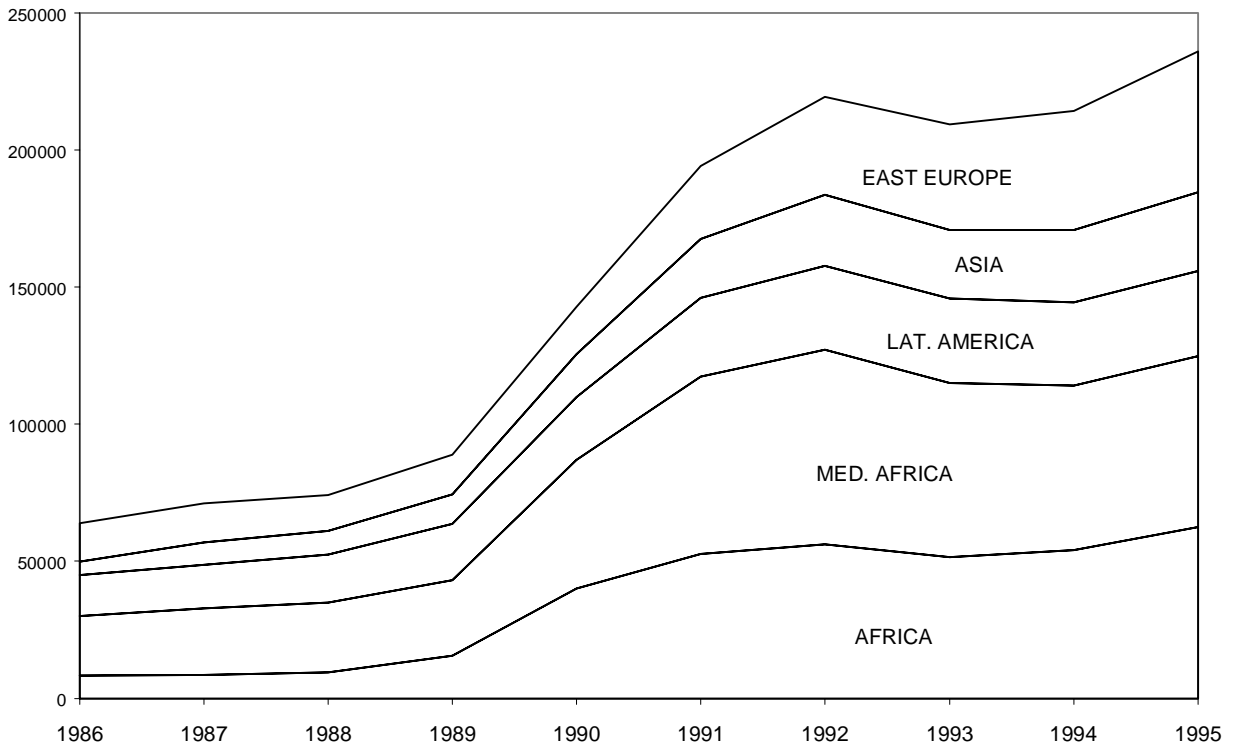
Table 1 Comparison of different sources

	86	87	88	89	90	91	92	93	94	95
Ministry of the Interior										
a. Total Work permits employees	115158	149004	169004	126602	177212	285229	310438	336382	327831	347068
ISTAT										
b. Total Work permits employees						255233	268026	275774	278548	301798
SSA										
c. Foreign Workers	63304	71511	72714	85688	137292	187830	224616	209268	211938	231290
%SSA/M.I. (100 a/b)	55.0	48.0	43.0	67.7	77.4	65.8	72.3	62.2	64.6	66.6
%SSA/ISTAT (100*c/b)						73.6	83.8	75.9	76.1	76.6

The data-set constructed in this way has a number of shortcomings, which are not stringent for our purposes, however. We are not able to control for “real” foreigners thus we end up with an over representation of the Latin American group where descendent of Italians emigrated to South America still hold Italian passports. Instead of eliminating the Argentineans and the Brazilians from our dataset , we have decided to keep them on the underlying assumption that even if some of them could hold Italian passport, their qualifications are very low, as well their knowledge of the language, thus they are more similar to immigrants than to natives. Moreover, two other Social Security archives would be relevant for our analysis: the “Family workers Archive” and the “Agriculture” one. However they were not available so far.

In Fig.2 the evolution of the foreign workers from 1986 to 1995 is shown by country of origin as reported in our elaboration of the SSA data-set. The relevance of the amnesty of 1990-91, when illegal immigrants were granted working permits and resident status, is highlighted by the data.

Figure 2 Immigrant workers by area of origin 1986-1995



Immigrants from all areas took advantage of the amnesty but those from North Africa displayed the largest increase, followed by the Non-Mediterranean Africans and by the Asians. The number of men among foreign workers was high to start with (65.8%) but it increased sharply to over 80% after the amnesty. Immigrants are typically younger than natives – their mode is in the 31-35 cohort, while among Italians the 41-50 cohort is the most crowded. Immigrants are employed in small firms (0-49). About 70% of total employment registered in our data-set is in firms which employ less than 50 workers, whereas only 50% of the employed natives work in small firms. Again, 80% of immigrant workers are blue collars compared to 56% among natives. 50% of immigrants are employed in manufacturing, a value very close to the native average (45%). The geographical dispersion of immigrants is more limited than that of natives. They are mainly concentrated in the North and in the Centre, whereas very few are employed in the Southern areas.

Table 2 Characteristics of foreign workers (percentages)

	1987	1991	1993	1995
%M	65.8	80.4	79.7	80.6
Age				
14-20	2.4	3.2	2.4	1.6
21-25	9.5	17.7	12.7	9
26-30	19.5	27.7	27.5	21.6
31-35	20.7	23.8	25.0	28.6
36-40	17.1	12.3	15.4	18.1
41-50	18.5	10.3	12.5	16.3
51 +	12.3	5.0	4.5	4.9
Firm size				
<10	30.8	34.5	36.5	35.4
10-49	22.4	34.5	34.0	32.7
50-199	13.7	14.9	13.9	15.6
200-999	14.2	8.6	8.3	9.2
>1000	18.9	7.4	7.3	7.2
Occupation				
Blue collar	56.0	80.2	80.8	81.5
White collar	40.4	17.5	16.9	16.3
Apprentices	0.9	1.4	1.5	1.4
Managers	2.6	0.9	0.8	0.8
Industry				
Manufact	43.1	52.1	45.8	50.2
Constr	7.0	13.2	15.7	12.7
Commerce	24.9	19.0	20.2	18.7
Service	18.6	11.9	13.8	13.6
Transport	6.4	4.0	4.5	4.8
Geography				
North-West	38.7	41.7	39.5	37.5
North-East	22.6	33.7	33.3	36.0
Centre	29.0	17.4	19.5	19.0
South	9.7	7.2	7.8	7.5

The dataset provides information about the province where the firm in which the worker is employed is located. Thus the more detailed territorial unit available is the province in which the firm is set which covers not only the town, properly named, but also all the surroundings. We use this provincial distinction to inquire into the effect of big and small town.

3. The town role

The economic theory provides opposite reasons to forecast a different effect of big town size in the labour market. On the one hand if the labour market is larger, it provides a larger number and variety of job-offers to workers (employed and unemployed), thus the probability of being employed is larger. On the other hand if the labour market is larger the probability of a job-match is larger but also the probability of labour mismatch because is much more costly and difficult to collect appropriate information on jobs and workers.

Thus you can expect that in big town is easier to find a job-match but it is also easy that the match is not the right one and that you will change job more frequently.

Foreigners, in addition, are attracted by the larger community located (legally or illegally) in big cities but frequently the larger is the community the more difficult is to find a legal job because the supply is larger. Thus we have no apriori expectations on the relation between job tenure and wage differential and the town dimension.

In big towns you expect that placing offices have a larger variety of offers, many of them disregarded by native workers but accepted by foreigners. In addition the social administrations organise language and training courses for foreigners favouring their employment insertion.

To perform our analysis we have built three type of bigtown variables.

BIGTOWN 1 includes all the Italian provinces with more than 800.000 habitants. By this classification we capture town with larger economic importance, as the following Table 3 shows. This group covers 47% of total firms and 57% of total employment⁶.

BIGTOWN 2 includes only the provinces of Rome and Milan the two metropolis which also had a long tradition in foreign workers,

BIGTOWN 3 includes instead all the provinces (20) which are regional capitals and have an administrative role⁷.

⁶ The provinces are: Torino, Varese, Como, Milano, Bergamo, Brescia, Venezia, Padova, Genova, Bologna, Firenze, Roma, Caserta, Napoli, Salerno, Bari, Lecce, Palermo, Catania

⁷ Regional capitals are: Torino, Aosta, Genova, Milano, Venezia, Trento, Trieste, Bologna, Firenze, Ancona, Perugia, Roma, L'Aquila, Campobasso, Bari, Napoli, Potenza, Reggio Calabria, Palermo, Cagliari

Of course the specification **Other cities2** is the complement to Bigtown2 to reach Bigtown3, namely all the other regional capital except Milan and Rome.

The effect of bigtowns on job tenure and wage of foreign workers depends also on the different economic structure of the provinces that are included. Table 3 shows the number of firms and the share of employment for each of the three definitions of bigtowns.

Table 3 BigTown dummies, firms, employment and foreigners intensity 1995

	N. of firms	% on total firms	Employment	% on total employment	Foreign employment (% on natives employment)
Italy	1132045	100	9092008	100	2.54
BigTown1(>800.000 population)	538068	47.53	5195818	57.15	2.20
BigTown2 (Milan and Rome)	159944	14.13	2125858	23.38	1.99
BigTown3 (Capital Region)	453893	40.09	4431846	48.74	1.96
Other Town2 (capital region except Milan and Rome)	293949	25.97	2305988	25.36	1.93

4 Employment Assimilation

To analyse employment assimilation, we first look at the employment spell duration. Table 4 shows mean and median duration of all the jobs hold by foreigners and natives, from January 1991 to December 1995.

The descriptive statistics of Table 4 stresses that immigrants are less stable than the natives in the labour market; they hold on average shorter jobs than natives: the median duration of foreigners employment spell is close to half of the natives' one. These differences can be the result of compositional effects: If we compare only young blue collars, we can notice that differences between foreigners and natives are smaller. However immigrants still show lower tenure than natives.

Moreover the Table 4 shows that as expected the area of employment plays an important role, thus the North-West provides, in average and as median, more stable jobs for immigrants and natives.

Table 4 Mean and median duration of employment spell for Italian and foreigners - period 1991-1995 - months

	Foreigners			Nationals		
	Mean duration	Median duration	Std. deviation	Mean duration	Median duration	Std. deviation
All	11.9	6	13.5	16.5	11	15.8
North-west	13.1	7	14.6	18.0	12	16.3
North-east	11.3	6	12.9	15.9	10	15.5
Centre	11.1	6	12.7	16.6	11	15.9
South	11.5	6	12.8	15.4	10	15.5
Blue collars <36 years	11.7	6	13.5	14.7	9	15.2

To investigate the issue of assimilation and the role played by the big towns in this process, we have performed our analysis on three distinct periods: 1988, before the big inflows, 1991 during the first legalisation, and 1994, after the first legalisation. Firstly, we have computed the mean tenure, for natives and foreigners, for all jobs starting in 1987, 1991 and 1994, then we have compared mean values for immigrants and natives by computing the ratio between them. Thus the values reported in Table 5 represent how much the mean duration of job spells for immigrants is lower than that for natives. For instance the value of 0.61 for 1988 means that the mean tenure for all jobs starting in 1988 hold by immigrants are 0.61 times lower than that hold by natives.

Table 5 Ratio between the mean duration of job spells of foreigners and natives

		1988	1991	1994
All		0.61	0.63	0.77
Young (<36) blue collars:		0.59	0.70	0.83
All				
Young (<36) blue collars:				
North-west		0.51	0.72	0.85
North-east		0.54	0.70	0.86
Centre		0.61	0.57	0.78
South		0.69	0.66	0.71
Bigtown1 (>800.000 pop)		0.63	0.75	0.85
Other		0.55	0.66	0.83
Bigtown2 (MI & Rome)		0.57	0.80	0.78
Other		0.58	0.68	0.84
Bigtown3 (cap.region)		0.59	0.71	0.78
Other		0.58	0.70	0.86
North-west	cap.region	0.67	0.78	0.80
	Other	0.37	0.69	0.87

North-east	cap.region	0.50	0.71	0.97
	Other	0.55	0.69	0.84
Centre	cap.region	0.48	0.54	0.73
	Other	0.81	0.60	0.83
South	cap.region	0.82	0.78	0.55
	Other	0.62	0.61	0.83

Data show that in all the three periods analysed, mean duration of job spell for foreigners are lower than that of natives, but a reduction in the distance between the two groups can be observed.

As already seen, differences are smaller if we consider only young blue collars, and are smaller in the northern part of the country.

However the town dimension is even more important. The different measures of bigtown show that in two metropolis - Milan and Rome- the differences between foreigners and natives in 1990 were lower than elsewhere, and in general also the other proxies Bigtown1 – cities larger than 800.000 habitants - and Bigtown3 – cities regional capital – favoured more stable employment for foreigners.

After the legalization, however, differences between the two groups are higher in the big towns than in the other cities, only in the towns larger than 800.000 habitants conditions of foreigners are more similar to that of natives.

Public employment is not included in our dataset and this could explain the smaller effect of the capital cities (BigTown3) on native employment duration. If public employment were included the regional capitals should favour even more natives private employment.

The area and city interaction of the last part of Table 5 shows that again during the legalisation duration of jobs of foreigners were more similar to that of natives in the capital region. After the legalisation only in the North-West the capital region dimension matters.

To give a closer look to the effect of bigtown on the employment assimilation of foreigners, we have carried a multivariate analysis on job tenure.

From our dataset we have selected a cross-sections of workers (natives and foreigners) employed in May 1995 and we have computed for them tenure on the current job.

Tenure on the current job is defined as the number of months between hiring and May 1995 if the hiring month is observed; it is truncated (greater than or equal to 113 months) if the hiring month is not in the observation period, i.e. occurred before January 1986 (unfortunately we do not have retrospective information).

We then regressed computed tenure on a set of individual and firm's characteristics and on bigtown dummies.

Table 6 presents the descriptive statistics of the variables used in the regression.

As already noticed, foreigner workers show different characteristics compared to natives ones⁸. Foreigners are in average a little younger than natives, 34.5 years old against 36.4 for natives, the log of the firm dimension (ldim) points out that foreigners are in smaller firms than natives, they are less present than the natives in the South, while they are more concentrated than natives in the North East. Both natives and foreigners are more concentrated in the larger town, namely the town with more than 800.000 habitants, which has been taken as an indicator of economic prosperity.

The results of Table 7 shows that job tenure follows the expected pattern.

Job tenure for Italian increases with age at a decreasing rate. Tenure is lower for workers with training contracts, for manual workers and in construction and restaurants and bar sectors. Tenure is positively correlated with firm size, is higher in the north-west regions and for female workers. This last result can appear surprising, however the Italian labour market for women shows peculiar features, especially that of dependent employment in private firms: above all, the participation rate is in Italy quite low (43.2% for female respect 75.7% for male in 1994). Italian women who do participate have higher average ability, motivation or qualifications, thus increasing their likelihood of holding a job for a long time⁹.

For foreigners only few characteristics affect job tenure: being a manual workers or having a training contract reduce tenure; tenure for foreign workers is lower in

⁸ For a more detailed analysis of foreigners characteristics compared to that of natives see Venturini, Villosio 1999

⁹ On this point see also: S. Burgess, L. Pacelli and H. Rees 1997.

services sectors than in manufacturing, tenures increase with firm size and is higher in north-west regions.

Table 6 Descriptive statistics

Variables	NATIVES			FOREIGNERS		
	Sum	Mean	Std Deviation	Sum	Mean	Std Deviation
TENURE	4771139	56.914	43.473	71264	31.188	31.118
AGE	3053355	36.423	10.881	78788	34.481	7.949
AGE_Q	1211368	14.450	8.396	28610	12.521	5.950
WOMEN	25039	0.299	0.458	386	0.169	0.375
APPR	3345	0.040	0.196	34	0.015	0.121
WHITE	29140	0.348	0.476	362	0.158	0.365
MANAG	1261	0.015	0.122	21	0.009	0.095
CFL	2928	0.035	0.184	116	0.051	0.220
MANIF	42435	0.506	0.500	1206	0.528	0.499
CONSTR	7668	0.091	0.288	306	0.134	0.341
COMM	11311	0.135	0.342	169	0.074	0.262
PUB	2571	0.031	0.172	194	0.085	0.279
TRAN	5168	0.062	0.241	118	0.052	0.221
LDIM	360205	4.297	2.748	7775	3.403	2.171
NES	20490	0.244	0.430	833	0.365	0.481
CEN	16181	0.193	0.395	431	0.189	0.391
SUD	16358	0.195	0.396	164	0.072	0.258
BIGTOWN1	44761	0.534	0.499	1112	0.487	0.500
BIGTOWN2	15246	0.182	0.386	379	0.166	0.372
BIGTOWN3	37392	0.446	0.497	807	0.353	0.478
OtherTown 2	22146	0.264	0.441	428	0.187	0.390
<i>N. Obs</i>	83831			2285		

Table 7 Regression results, dependent variable natives and foreign tenure (months)

Variable	NATIVES								FOREIGNERS							
	I	<i>t</i>	II	<i>t</i>	III	<i>t</i>	IV	<i>t</i>	I	<i>t</i>	II	<i>t</i>	III	<i>t</i>	IV	<i>t</i>
INTERCEP	-50.44	-27.25	-49.30	-26.81	-49.92	-27.13	-49.42	-26.86	-3.44	-0.33	-1.94	-0.19	-3.61	-0.35	-3.49	-0.34
AGE	4.46	46.61	4.46	46.60	4.46	46.60	4.45	46.60	0.51	0.93	0.49	0.88	0.55	1.00	0.53	0.96
AGE_Q	-4.09	-33.98	-4.08	-33.93	-4.09	-33.96	-4.08	-33.93	0.56	0.77	0.60	0.82	0.49	0.68	0.52	0.72
WOMEN	1.64	5.32	1.63	5.27	1.64	5.30	1.63	5.28	1.27	0.71	1.13	0.64	1.01	0.57	1.04	0.59
APPR	0.21	0.26	0.13	0.17	0.19	0.24	0.13	0.17	0.28	0.05	0.34	0.06	0.47	0.09	0.48	0.09
WHITE	1.53	4.80	1.85	5.79	1.63	5.10	1.83	5.71	10.42	5.29	10.29	5.23	10.03	5.10	9.93	5.05
MANAG	-4.32	-3.90	-3.74	-3.37	-4.17	-3.76	-3.77	-3.39	4.45	0.69	3.82	0.59	3.06	0.47	2.84	0.44
CFL	-27.18	-36.05	-27.14	-36.01	-27.17	-36.03	-27.16	-36.03	-12.94	-4.58	-13.07	-4.63	-13.04	-4.62	-13.07	-4.64
MANIF	-1.52	-3.88	-1.75	-4.45	-1.59	-4.05	-1.73	-4.40	2.55	1.24	3.17	1.54	3.31	1.61	3.50	1.69
CONSTR	-13.04	-22.31	-13.13	-22.48	-13.08	-22.39	-13.12	-22.46	0.83	0.32	1.10	0.43	1.18	0.46	1.31	0.51
COMM	-1.54	-3.08	-1.55	-3.09	-1.54	-3.08	-1.55	-3.10	5.15	1.80	5.13	1.80	4.82	1.69	4.91	1.72
PUB	-16.39	-19.47	-16.30	-19.36	-16.34	-19.40	-16.32	-19.39	-3.24	-1.15	-3.02	-1.08	-3.17	-1.13	-3.20	-1.14
TRAN	-2.59	-4.07	-2.48	-3.90	-2.55	-4.00	-2.49	-3.91	-2.00	-0.62	-1.47	-0.45	-1.67	-0.52	-1.52	-0.47
LDIM	1.96	34.87	1.98	35.28	1.97	35.02	1.97	35.12	2.09	6.57	2.02	6.34	2.06	6.47	2.03	6.36
NES	-2.04	-5.41	-3.18	-8.63	-2.38	-6.69	-3.14	-8.52	-3.03	-1.85	-3.63	-2.48	-4.10	-2.90	-3.69	-2.52
CEN	-0.81	-2.11	-0.94	-2.50	-0.89	-2.37	-0.96	-2.56	-2.05	-1.16	-3.73	-2.18	-4.03	-2.35	-4.11	-2.40
SUD	-5.14	-13.27	-6.24	-15.65	-5.28	-13.92	-6.31	-15.74	-0.08	-0.03	0.23	0.09	-1.43	-0.59	-0.76	-0.30
BIGTOWN1	0.31	1.06							3.27	2.28						
BIGTOWN2			-3.13	-8.10							5.69	3.10				
BIGTOWN3					-0.67	-2.39							5.54	4.07		
BIGTOWN2							-2.95	-7.32							6.97	3.70
Other Town2							0.53	1.66							4.60	2.85
R ²	0.22		0.22		0.22		0.22		0.17		0.17		0.17		0.17	
F Value	1393.9		1398.7		1394.2		1321.2		27.16		27.47		27.96		26.48	

Turning at the effect of metropolitan areas, the results shown by Table 7 are surprising. First of all the bigtown variable is always significant in the foreign workers case while it is not in the native case, in addition when it is significant in the native case it has a negative sign while among foreigner the positive relation prevails in all the specification. The larger is the labour market the more stable is the relationship between foreign workers and firms. Foreign employment is more stable in the two metropolis and in the regional capital cities but it is also more stable in Bigtown1, the more economic city aggregation. The town dimension variable shows that in big provinces immigrants are more assimilated to natives. This result depends strongly upon the type of labour demand of these labour markets which is more favourable to foreigner, even if the average and median persistency in employment of foreigners is much smaller than the natives one. Also the territorial dummies have a different impact among the two groups, the Centre dummy is less negative among natives while the Southern one is less negative among foreigners. The North-East location causes a lower tenure among foreigners and natives, but the coefficient is a little smaller among the natives. As expected, due to the low number of non-manual workers among foreign workers, being white collar is much more important for foreigners than for natives.

Why this different behaviour of the bigtown variable? A preliminary explanation stresses that immigrants are employed in less skilled jobs and that these jobs are more available in larger town. Natives usually have better employment opportunity, but in larger cities they also get position with high turnover. However for the immigrants the positions that they get in BigTown are relatively their best job options, while for the natives they are their relative worse job options and they accept them only in a job search process. To check this interpretation we have repeated the analysis of Table 7 for two more homogenous group “young native and foreigner manual workers”. The descriptive statistics of the two groups are reported in Table 8 and the results in Table 9.

BigTown variables keep the same positive and significant sign as before for foreign workers while now BigTown1, the economic proxy, favour also native employment duration (but with a much smaller coefficient than in the case of foreigners). The administrative proxy, BigTown3 is not significant in the native case.

More research should be done however to understand the role played by the organisation which favour foreign employment which are available in larger cities and not elsewhere.

Unfortunately our dataset does not include family workers which are concentrated in big towns, thus the polarisation of the results should be reinforced by their introduction.

Table 8 Descriptive statistics - only young (<36 years) and blue collars

Variables	NATIVES			FOREIGNERS		
	Sum	Mean	Std Deviation	Sum	Mean	Std Deviation
AGE	691262	27.689	4.348	35561	29.684	3.819
AGE_Q	196125	7.856	2.399	10730	8.957	2.191
WOMEN	6467	0.259	0.438	114	0.095	0.294
CFL	1938	0.078	0.268	107	0.089	0.285
MANIF	15191	0.608	0.488	708	0.591	0.492
CONSTR	2770	0.111	0.314	184	0.154	0.361
COMM	2732	0.109	0.312	63	0.053	0.223
PUB	1166	0.047	0.211	110	0.092	0.289
TRAN	1193	0.048	0.213	52	0.043	0.204
LDIM	85812	3.437	2.130	3608	3.011	1.663
NES	6846	0.274	0.446	494	0.412	0.492
CEN	4321	0.173	0.378	182	0.152	0.359
SUD	5165	0.207	0.405	75	0.063	0.242
BIGTOWN1	11842	0.474	0.499	525	0.438	0.496
BIGTOWN2	2908	0.116	0.321	139	0.116	0.320
ALTRICAP	6163	0.247	0.431	196	0.164	0.370
BIGTOWN3	9071	0.363	0.481	335	0.280	0.449
TENURE	1069309	42.832	36.680	29047	24.246	22.464
<i>N. Obs</i>	24965			1198		

Table 9 Regression results, dependent variable natives and foreign tenure (months) only young (<36 years) and blue collars

Variable	NATIVES								FOREIGNERS							
	I	<i>t</i>	II	<i>t</i>	III	<i>t</i>	IV	<i>t</i>	I	<i>t</i>	II	<i>t</i>	III	<i>t</i>	IV	<i>t</i>
INTERCEP	-85.05	-10.40	-83.81	-10.27	-83.96	-10.28	-83.87	-10.27	-76.81	-2.44	-77.75	-2.48	-79.05	-2.51	-78.14	-2.49
AGE	6.57	10.99	6.59	11.02	6.56	10.97	6.58	11.01	6.14	2.78	6.19	2.82	6.32	2.87	6.20	2.82
AGE_Q	-7.31	-6.75	-7.34	-6.78	-7.29	-6.73	-7.33	-6.77	-9.83	-2.56	-9.93	-2.59	-10.14	-2.64	-9.93	-2.59
WOMEN	2.91	5.83	2.85	5.69	2.89	5.77	2.87	5.73	-0.40	-0.18	-0.39	-0.18	-0.55	-0.24	-0.41	-0.18
CFL	-27.14	-33.70	-27.14	-33.69	-27.16	-33.71	-27.15	-33.70	-14.37	-6.32	-14.40	-6.35	-14.35	-6.31	-14.37	-6.33
MANIF	10.24	12.62	9.96	12.22	10.14	12.46	10.00	12.26	7.93	3.04	9.30	3.51	8.65	3.28	9.39	3.54
CONSTR	-2.04	-1.99	-2.29	-2.23	-2.15	-2.10	-2.26	-2.20	4.15	1.37	5.15	1.69	4.65	1.53	5.23	1.71
COMM	6.00	5.93	5.84	5.76	5.93	5.85	5.87	5.79	13.65	3.66	14.06	3.78	13.78	3.70	14.08	3.78
PUB	-6.86	-5.52	-6.85	-5.52	-6.83	-5.50	-6.86	-5.52	1.90	0.58	2.63	0.81	2.63	0.81	2.66	0.82
TRAN	-4.50	-3.64	-4.54	-3.68	-4.52	-3.66	-4.52	-3.67	2.44	0.62	4.13	1.05	3.00	0.77	4.07	1.04
LDIM	0.14	1.30	0.14	1.37	0.14	1.31	0.14	1.30	0.80	1.97	0.76	1.86	0.82	2.01	0.77	1.89
NES	-2.06	-3.54	-3.04	-5.40	-2.65	-4.85	-3.02	-5.36	-2.07	-1.24	-2.38	-1.59	-3.35	-2.32	-2.43	-1.62
CEN	-2.45	-3.78	-3.00	-4.82	-2.91	-4.68	-3.05	-4.89	-3.65	-1.81	-4.98	-2.60	-5.53	-2.85	-5.18	-2.66
SUD	-6.92	-11.46	-7.67	-12.43	-7.24	-12.24	-7.77	-12.47	-4.39	-1.58	-3.83	-1.38	-5.93	-2.17	-4.19	-1.48
BIGTOWN1	1.19	2.59							2.87	1.92						
BIGTOWN2			-1.73	-2.45							6.69	3.12				
BIGTOWN3					-0.07	-0.16							3.32	2.23		
BIGTOWN2							-1.57	-2.19							6.90	3.17
ALTRICAP							0.56	1.10							1.07	0.60

5 Wage assimilation

The wage assimilation of immigrants is the other important new issue of political economy. Are regular immigrants discriminated?

Table 7 Wage differentials between native and foreign workers (log daily wage)

	1991	1993	1995
All	0.152	0.155	0.171
North-west	0.191	0.183	0.198
North-east	0.126	0.162	0.165
Centre	0.138	0.123	0.153
South	0.127	0.112	0.134
Bigtown 1(>800.000 pop)	0.168	0.133	0.164
Other	0.130	0.169	0.166
BigTown2 MI & Rome	0.193	0.175	0.183
Other	0.143	0.153	0.166
Bigtown3 (cap.region)	0.142	0.128	0.147
Other	0.147	0.164	0.167
North-west cap.region	0.170	0.148	0.156
Other	0.184	0.184	0.192
North-east cap.region	0.146	0.156	0.153
Other	0.118	0.163	0.164
Centre cap.region	0.132	0.111	0.133
Other	0.160	0.165	0.175
South cap.region	0.101	0.105	0.119
Other	0.138	0.115	0.146

Table 7 stresses that average wage differential between foreigners and natives is increasing in the period, it is larger in the North-West, in the two metropolis Milan and Rome, while the group bigtown1, which includes cities with more than 800.000 habitants, presents a high wage differential in 1991, a fall in 1993 and a growth in 1995 but the wage differential become similar to the one of the other smaller towns. The introduction of a multiplicative dummy bigtown and area, stresses that the wage differential is not higher in bigtown, on the contrary the territorial and city distinction stresses for all the territorial specification a larger average wage differential in the smaller cities.

What Table 7 shows is however an average wage differential which does not take into account differences in the composition and the human capital of the two group of workers, thus to make a more accurate comparison we have turned to the Oaxaca analyses borrowed from gender studies.

The Oaxaca (1973) index provides a synthetic measure of the wage gap. It is divided into two parts: one which is explained by the different characteristics of the two worker groups and the other part unexplained. This measure is generally used in gender literature and was applied by Bonjour and Pacelli (1997) on the same dataset to study gender wage differences.

This decomposition suffers of many limitation when applied to foreigners and to a dataset which only include employed workers. We can do very little to overcome these problems.. As earnings data are available only for employed, the regression coefficient can be affected by a sample selection bias. The Heckman correction usually used can not be applied to this dataset because only employed workers are included in the Social Security Archive¹⁰. Selectivity bias can be found also in another stage of the employment process: when the occupation or the industrial sector is chosen. The existence of barriers to entrance can represent another source of discrimination (S. Newman R.L. Oaxaca 1998). The Newman-Oaxaca suggestion is probably more appropriate for the Italian case and in a future work we will take it into specific account.

Let us briefly recall the wage gap specification.

The wage (w) of the worker (i) of type (n) for a native worker and (f) for a foreign worker, is determined by a series of human capital and efficiency wage variables (X).

Thus we have two testable equations, the first for native workers and the second for foreign workers which will result in two different estimated vectors of coefficients \hat{b}_n and \hat{b}_f .

$$\begin{aligned} 1. w_{in} &= b_n X_{in} + \epsilon_{in} \\ 2. w_{if} &= b_f X_{if} + \epsilon_{if} \end{aligned}$$

Given the average characteristics of native workers \overline{X}_n and foreign workers \overline{X}_f and the estimated coefficients \hat{b}_n and \hat{b}_f , the average wage for native and foreign workers can be computed as:

$$\begin{aligned} 3. \overline{w}_n &= \overline{X}_n \hat{b}_n \\ 4. \overline{w}_f &= \overline{X}_f \hat{b}_f \end{aligned}$$

but also the counterfactual average wage for foreign workers w_f^c - resulting from the product of the foreigners characteristics \overline{X}_f and the native parameter \hat{b}_n - and viceversa for native workers w_n^c .

¹⁰ In similar case, i.e. Golder, 1999, the correction is applied only to female, and in our dataset immigrants are 90% male.

The wage gap can thus be broken up into two parts: the first one explained by the different characteristics of the two groups, and the second unexplained frequently called discrimination.

$$5. \overline{W_n} - \overline{W_f} = (\overline{W_n} - \overline{W_n^c}) + (\overline{W_f^c} - \overline{W_f}) = (\overline{X_n} - \overline{X_f})\hat{b}_n + (\hat{b}_n - \hat{b}_f)\overline{X_f}$$

First of all we intend investigate the role played by bigtowns in the determination of the wage gap between natives and foreigners. We apply the Oaxaca decomposition in 1995 using the three definition of bigtown adopted.

The empirical tests in Table 10 shows the results of the 6 cross-section OLS regressions while the computation of the index is shown in the lower part of the table¹¹.

The first and second columns of the table show the mean value of the logwage and of all the explicative variables (Xi) used in the OLS regression - age, age squared, sex, type of contract, tenure, truncated tenure, sector, log size of the firm , macro-areas and dummy for bigtown - in the Italian and Foreign groups. In the following columns the table show, for each of the three different specifications runned, the coefficients of the logwage OLS regression run for the Italians and the Foreigners separately (first and the second columns of each section). The third column in each section reports the wage gap as explained by the differences in the characteristics between the two groups $[(X_n - X_f)b_n]$ while the percentage of the total logwage gap explained by them are shown in column four.

In 1995 (see Table 10) about 57% of the total wage gap between native workers and foreign workers, 0.131, was explained by the different average characteristics between the two groups and 42% was unexplained, 0.056. Just to provide you of a comparative idea, on the same dataset the male-female logwage differential find by Bonjour and Pacelli (1997) for 1991 was 0.225, which is lager than that for native-foreign workers we find out in 1995 (0.131), and the explained part of the total gap was much smaller 25% against 68% in the native-foreign case. The same result was find by Golder (1999) in the Swiss case, larger wage gap between male-female than native-foreigners.

Let us look at the weights of the single variable on the wage differential. The age component explains 3% of the logwage gap (35%-32%), immigrant workers, as is well known, are younger than native workers; the firm size 31%, immigrants work mainly for small firms; the completed tenure 6.38%, immigrants have just entered the Italian labour market thus they have shorter tenure.

The negative sign of the absolute differences for the sex composition simply stresses that the male group prevails among the immigrants, thus the lower share of female workers in the foreign group

¹¹ The complete output of the 6 OLS regressions is presented in table 4.a in the appendix

adjust the foreign wage upward, the same happens in the construction sector and for the territorial distribution. The immigrants are mainly located in North and Central Italy, thus the negative sign of the Southern dummy stresses that their wage has been adjusted upward.

Very interesting is the effect of bigtowns. They contribute, for all the three definition, positively to the wage gap, even if their role is modest: differences, among natives and foreigners, in the presence in provinces with more than 800.000 population (bigtown1) contribute with 0.8% to the wage gap, this percentage is reduced to 0.3% if we consider only the provinces of Milan and Rome (bigtown2), but it grows to 1.5% for the regional capitals (bigtown3). The positive contribution of the bigtown variable to the wage gap is driven by the different concentration of native and foreigners in these areas not by the lower price of working in a big town. On the contrary with the exception of Milan and Rome working in a BigTown 1/3 is more rewarding for a foreigner than for a native.

In order to identify a possible wage assimilation of the foreigners, in particular the role played by BigTowns and the policies implemented at that level to favour foreign employment we have applied the Oaxaca decomposition to the workers employed in 1995 and already employed in 1993. From this comparison we analyse the different degrees of wage assimilation between native and foreign workers. Table 11 shows that the wage gap falls to 0.108, and 61% of it is explained by the different characteristics of the two groups and 38% remains unexplained. Thus the total wage gap is reduced and the unexplained part is smaller than it was before underlying a larger assimilation of foreigners. But what is more interesting, the role played by the BigTown dummies is reduced, the average concentration on the two groups becomes more similar in each BigTown and the differences between native and foreign prices is reduced. A supply effect emerges, the more the foreigners are concentrated in BigTown, BigTown1 now covers 50% of total foreign employment the lower their price premium. Still a price premium remains in BigTown3 (Regional Capitals) where only 39% of foreigners are employed.

As previously explained, these results provide support to the interpretation that the initial low entrance wage due to the underestimate of the foreign worker productivity is revised by checking the foreign workers productivity on the job, and by reducing the "unexplained wage gap". However lower wage in BigTowns favour longer duration of employment for foreigners. The effect of BigTowns is also positive for natives when we consider only young manual workers.

Table 10 Oaxaca wage differential decomposition- 1995

	X_ITA	X_FOR	(I)				(II)				(III)			
			beta_ita	beta_for	abs.	%	beta_ita	beta_for	abs.	%	beta_ita	beta_for	abs.	%
INTERCEP	1	1	3.804	4.028	0.000	0.000	3.810	4.043	0.000	0.000	3.817	4.026	0.000	0.000
AGE	36.684	34.682	0.023	-0.001	0.047	35.570	0.023	-0.001	0.046	35.385	0.023	-0.001	0.046	35.346
AGE_Q	14.630	12.676	-0.022	0.007	-0.043	-32.371	-0.022	0.007	-0.042	-32.245	-0.022	0.006	-0.042	-32.127
T	36.522	26.364	0.001	0.002	0.008	6.385	0.001	0.002	0.008	6.269	0.001	0.002	0.008	6.401
TR	0.142	0.038	0.094	0.187	0.010	7.411	0.095	0.187	0.010	7.520	0.094	0.181	0.010	7.409
WOMEN	0.342	0.191	-0.219	-0.159	-0.033	-25.010	-0.218	-0.160	-0.033	-24.958	-0.219	-0.161	-0.033	-25.011
APPR	0.035	0.014	-0.154	-0.232	-0.003	-2.520	-0.154	-0.231	-0.003	-2.508	-0.154	-0.230	-0.003	-2.519
WHITE	0.392	0.186	0.293	0.374	0.060	45.904	0.289	0.374	0.060	45.391	0.293	0.372	0.060	45.897
MANAG	0.015	0.009	1.105	1.598	0.006	4.816	1.099	1.593	0.006	4.789	1.105	1.589	0.006	4.814
CFL	0.031	0.048	-0.040	-0.015	0.001	0.521	-0.042	-0.016	0.001	0.543	-0.041	-0.016	0.001	0.533
MANIF	0.449	0.497	0.048	0.197	-0.002	-1.750	0.050	0.202	-0.002	-1.826	0.049	0.202	-0.002	-1.778
CONSTR	0.081	0.126	0.114	0.260	-0.005	-3.888	0.113	0.262	-0.005	-3.862	0.113	0.261	-0.005	-3.867
COMM	0.120	0.070	0.052	0.198	0.003	1.975	0.051	0.198	0.003	1.937	0.052	0.195	0.003	1.972
PUB	0.027	0.080	0.094	0.221	-0.005	-3.782	0.093	0.223	-0.005	-3.743	0.094	0.221	-0.005	-3.788
TRAN	0.055	0.049	-0.027	0.089	0.000	-0.124	-0.028	0.093	0.000	-0.131	-0.026	0.091	0.000	-0.122
LDIM	4.453	3.483	0.042	0.044	0.041	31.315	0.042	0.044	0.041	31.219	0.042	0.044	0.041	31.232
NES	0.243	0.356	0.005	0.022	-0.001	-0.407	0.010	0.014	-0.001	-0.875	-0.003	0.011	0.000	0.258
CEN	0.193	0.195	-0.019	0.006	0.000	0.026	-0.028	-0.009	0.000	0.039	-0.029	-0.010	0.000	0.040
SUD	0.208	0.080	-0.076	-0.027	-0.010	-7.379	-0.063	-0.026	-0.008	-6.148	-0.082	-0.038	-0.010	-7.951
BIGTOWN1	0.527	0.489	0.029	0.031	0.001	0.841								
BIGTOWN2	0.177	0.170					0.064	0.046	0.0004	0.302				
BIGTOWN3	0.443	0.361									0.024	0.046	0.002	1.497
W	4.659	4.528												
Wage gap					0.131				0.131				0.131	
Explained					0.076	57.534			0.075	57.100			0.077	58.235
Unexplained					0.056	42.466			0.056	42.900			0.055	41.765

Table 11 Oaxaca wage differential decomposition- 1995 for workers already employed in 1993

	X_ITA	X_FOR	(I)				(II)				(III)			
			beta_ita	beta_for	abs.	%	beta_ita	beta_for	abs.	%	beta_ita	beta_for	abs.	%
INTERCEP	1.000	1.000	3.886	4.288	0.000	0.000	3.893	4.288	0.000	0.000	3.900	4.280	0.000	0.000
AGE	37.911	35.780	0.022	-0.008	0.046	43.091	0.022	-0.008	0.046	42.783	0.022	-0.008	0.046	42.662
AGE_Q	15.475	13.473	-0.020	0.016	-0.039	-36.542	-0.020	0.016	-0.039	-36.350	-0.019	0.016	-0.039	-36.101
T	40.078	32.474	0.001	0.001	0.004	3.790	0.001	0.001	0.004	3.663	0.001	0.001	0.004	3.797
TR	0.163	0.055	0.067	0.116	0.007	6.724	0.068	0.116	0.007	6.868	0.067	0.112	0.007	6.704
WOMEN	0.337	0.195	-0.225	-0.215	-0.032	-29.567	-0.224	-0.216	-0.032	-29.521	-0.225	-0.217	-0.032	-29.577
APPR	0.018	0.009	-0.102	-0.084	-0.001	-0.938	-0.102	-0.079	-0.001	-0.938	-0.103	-0.083	-0.001	-0.945
WHITE	0.405	0.220	0.301	0.402	0.056	51.637	0.297	0.400	0.055	51.005	0.300	0.398	0.056	51.605
MANAG	0.016	0.011	1.114	1.569	0.006	5.182	1.107	1.563	0.006	5.153	1.113	1.561	0.006	5.180
CFL	0.014	0.020	-0.044	-0.044	0.000	0.253	-0.045	-0.042	0.000	0.259	-0.045	-0.043	0.000	0.260
MANIF	0.452	0.489	0.028	0.120	-0.001	-0.979	0.030	0.123	-0.001	-1.056	0.029	0.124	-0.001	-1.008
CONSTR	0.080	0.123	0.075	0.160	-0.003	-2.998	0.074	0.161	-0.003	-2.969	0.074	0.161	-0.003	-2.970
COMM	0.121	0.072	0.026	0.147	0.001	1.199	0.026	0.148	0.001	1.160	0.026	0.145	0.001	1.194
PUB	0.025	0.079	0.070	0.125	-0.004	-3.520	0.069	0.122	-0.004	-3.467	0.070	0.123	-0.004	-3.516
TRAN	0.055	0.053	-0.026	0.016	0.000	-0.070	-0.028	0.016	0.000	-0.075	-0.026	0.015	0.000	-0.069
LDIM	4.568	3.684	0.040	0.044	0.035	32.863	0.040	0.044	0.035	32.768	0.040	0.044	0.035	32.767
NES	0.243	0.352	0.005	0.015	-0.001	-0.468	0.011	0.020	-0.001	-1.079	-0.003	0.014	0.000	0.329
CEN	0.195	0.188	-0.017	-0.015	0.000	-0.116	-0.027	-0.023	0.000	-0.180	-0.028	-0.023	0.000	-0.184
SUD	0.198	0.076	-0.077	-0.014	-0.009	-8.637	-0.063	-0.004	-0.008	-7.091	-0.083	-0.015	-0.010	-9.314
BIGTOWN1	0.533	0.513	0.030	0.011	0.001	0.557								
BIGTOWN2	0.182	0.191					0.068	0.044	-0.001	-0.546				
BIGTOWN3	0.448	0.396									0.026	0.035	0.001	1.261
W	4.706	4.598												
Wage gap					0.108				0.108				0.108	
Explained					0.066	61.463			0.066	60.932			0.066	60.813
Unexplained					0.042	38.537			0.042	39.068			0.042	39.187

6 Conclusion

This paper investigates the economic integration of immigrants in the Italian labour market. Employment and wage assimilation are examined taking into account area differences and the town size effect. We have first derived from the Social Security Archive an appropriate dataset on foreign regular employment because no other sources were available.

The duration of foreigners employment was first compared with the natives' one in three different periods of time, before and after the main legalisation. Mean duration of job spells for foreigners are always lower than for natives, but, comparing the three periods, a reduction in the distance between the two groups can be observed.

Moreover a positive role of BigTown which favour longer employment spell can be detected. A multivariate analysis which controls for different characteristics among the two groups shows that different BigTown measures favour foreigners employment while reduce native employment duration and thus reduce differential in employment duration between the two groups. This result support the interpretation that BigTowns' job offers are the best option for foreigners but not for natives. The analysis of two homogeneous groups of young native and foreigner manual workers point out that also for young not skilled natives BigTown1 favour employment duration but with a coefficient much smaller than in the foreign workers case.

On the wage side our analysis is focused on the wage assimilation of immigrants. After the legalisation average wage differential between foreigners and natives is increasing and it is larger in the two metropolis Milan and Rome.

The Oaxaca decomposition has been used to analyse the native-foreign wage differentials, taking into account differences in the composition and in the human capital of the two groups of workers. The native-foreign wage differential is small and the unexplained part around 40% and it is much smaller than the male-female differential calculated on the same dataset by Bonjour and Pacelli (1997). Evidence of wage assimilation results by following the employed in 1993 to 1995. The absolute wage gap is reduced and the explained part increased. The BigTown variable contributes positively to the explanation of the wage differential, showing a lower wage for foreigners, which increases the more they stay in BigTown.

The results reached by this descriptive research stresses that BigTowns favour the employment of immigrants and favour their assimilation at a cost of a reduced price incentive in their hiring, probably compensated by a revealed high productivity or by a productivity growth. Two different effects of BigTowns can be detected on the one hand the lower wages in BigTowns favour the entrance of foreigners in the labour market, on the other hand BigTowns positively contribute to longer duration of their employment spells.

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Appendix- Wage regression results

A. 1995

A.1 Natives

Variable	Parameter	Standard	Parameter	Standard	Parameter	Standard
	Estimate	Error	Estimate	Error	Estimate	Error
INTERCEP	3.8041	0.0137	3.8103	0.0136	3.8166	0.0137
AGE	0.0233	0.0007	0.0232	0.0007	0.0232	0.0007
AGE_Q	0.0218	0.0009	-0.0217	0.0009	-0.0216	0.0009
T	0.0008	0.0000	0.0008	0.0000	0.0008	0.0000
TR	0.0939	0.0034	0.0953	0.0034	0.0938	0.0034
WOMEN	0.2188	0.0023	-0.2184	0.0022	-0.2188	0.0023
APPR	0.1543	0.0063	-0.1536	0.0063	-0.1543	0.0063
WHITE	0.2927	0.0024	0.2894	0.0024	0.2926	0.0024
MANAG	1.1050	0.0082	1.0988	0.0082	1.1046	0.0082
CFL	0.0400	0.0060	-0.0416	0.0060	-0.0409	0.0060
MANIF	0.0481	0.0027	0.0502	0.0027	0.0488	0.0027
CONSTR	0.1137	0.0044	0.1129	0.0044	0.1130	0.0044
COMM	0.0518	0.0037	0.0508	0.0037	0.0517	0.0037
PUB	0.0942	0.0065	0.0932	0.0065	0.0943	0.0065
TRAN	0.0268	0.0048	-0.0282	0.0048	-0.0264	0.0048
LDIM	0.0424	0.0004	0.0423	0.0004	0.0423	0.0004
NES	0.0047	0.0028	0.0102	0.0028	-0.0030	0.0027
CEN	0.0189	0.0029	-0.0279	0.0028	-0.0286	0.0028
SUD	0.0757	0.0029	-0.0630	0.0029	-0.0815	0.0028
BIGTOWN (>800.000)	0.0285	0.0022				
BIGTOWN (MI, RM)			0.0639	0.0029		
BIGTOWN (Capoluoghi)					0.0240	0.0021
N. Obs	94400					
R2	0.4990		0.5010		0.4990	

A.2 Foreigners

	Parameter	Standard	Parameter	Standard	Parameter	Standard
Variable	Estimate	Error	Estimate	Error	Estimate	Error
INTERCEP	4.0282	0.1002	4.0429	0.0998	4.0257	0.0999
AGE	-0.0011	0.0053	-0.0013	0.0053	-0.0005	0.0053
AGE_Q	0.0070	0.0070	0.0073	0.0070	0.0062	0.0070
T	0.0018	0.0002	0.0018	0.0002	0.0018	0.0002
TR	0.1872	0.0328	0.1875	0.0328	0.1812	0.0328
WOMEN	-0.1589	0.0167	-0.1595	0.0167	-0.1610	0.0166
APPR	-0.2317	0.0538	-0.2312	0.0538	-0.2296	0.0537
WHITE	0.3740	0.0186	0.3740	0.0186	0.3721	0.0186
MANAG	1.5979	0.0615	1.5933	0.0616	1.5894	0.0615
CFL	-0.0149	0.0282	-0.0164	0.0282	-0.0161	0.0282
MANIF	0.1969	0.0184	0.2016	0.0185	0.2022	0.0185
CONSTR	0.2596	0.0239	0.2615	0.0239	0.2613	0.0239
COMM	0.1982	0.0269	0.1978	0.0269	0.1946	0.0269
PUB	0.2209	0.0266	0.2232	0.0265	0.2212	0.0265
TRAN	0.0893	0.0310	0.0933	0.0310	0.0912	0.0310
LDIM	0.0442	0.0031	0.0438	0.0031	0.0440	0.0031
NES	0.0217	0.0160	0.0145	0.0143	0.0112	0.0139
CEN	0.0063	0.0170	-0.0086	0.0165	-0.0105	0.0165
SUD	-0.0274	0.0234	-0.0260	0.0233	-0.0383	0.0227
BIGTOWN (>800.000)	0.0306	0.0138				
BIGTOWN (MI, RM)			0.0458	0.0176		
BIGTOWN (Capoluoghi)					0.0455	0.0132
N. Obs	2425					
R2	0.4760		0.4760		0.4770	

B. 1995 for workers already employed in 1993

B.1 Natives

Variable	Parameter Estimate	Standard Error	Parameter Estimate	Standard Error	Parameter Estimate	Standard Error
INTERCEP	3.886	0.016	3.893	0.016	3.900	0.016
AGE	0.022	0.001	0.022	0.001	0.022	0.001
AGE_Q	-0.020	0.001	-0.020	0.001	-0.019	0.001
T	0.001	0.000	0.001	0.000	0.001	0.000
TR	0.067	0.004	0.068	0.004	0.067	0.004
WOMEN	-0.225	0.003	-0.224	0.003	-0.225	0.003
APPR	-0.102	0.009	-0.102	0.009	-0.103	0.009
WHITE	0.301	0.003	0.297	0.003	0.300	0.003
MANAG	1.114	0.009	1.107	0.009	1.113	0.009
CFL	-0.044	0.010	-0.045	0.010	-0.045	0.010
MANIF	0.028	0.003	0.030	0.003	0.029	0.003
CONSTR	0.075	0.005	0.074	0.005	0.074	0.005
COMM	0.026	0.004	0.026	0.004	0.026	0.004
PUB	0.070	0.007	0.069	0.007	0.070	0.007
TRAN	-0.026	0.005	-0.028	0.005	-0.026	0.005
LDIM	0.040	0.000	0.040	0.000	0.040	0.000
NES	0.005	0.003	0.011	0.003	-0.003	0.003
CEN	-0.017	0.003	-0.027	0.003	-0.028	0.003
SUD	-0.077	0.003	-0.063	0.003	-0.083	0.003
BIGTOWN (>800.000)	0.030	0.002				
BIGTOWN (MI, RM)			0.068	0.003		
BIGTOWN (Capoluoghi)					0.026	0.002
N. Obs	83450					
R2	0.451		0.453		0.451	

B.2 Foreigners

Variable	Parameter	Standard	Parameter	Standard	Parameter	Standard
	Estimate	Error	Estimate	Error	Estimate	Error
INTERCEP	4.288	0.140	4.288	0.138	4.280	0.139
AGE	-0.008	0.007	-0.008	0.007	-0.008	0.007
AGE_Q	0.016	0.009	0.016	0.009	0.016	0.009
T	0.001	0.000	0.001	0.000	0.001	0.000
TR	0.116	0.038	0.116	0.038	0.112	0.038
WOMEN	-0.215	0.022	-0.216	0.022	-0.217	0.022
APPR	-0.084	0.090	-0.079	0.090	-0.083	0.090
WHITE	0.402	0.024	0.400	0.024	0.398	0.024
MANAG	1.569	0.076	1.563	0.076	1.561	0.076
CFL	-0.044	0.057	-0.042	0.057	-0.043	0.057
MANIF	0.120	0.024	0.123	0.024	0.124	0.024
CONSTR	0.160	0.032	0.161	0.032	0.161	0.032
COMM	0.147	0.036	0.148	0.036	0.145	0.036
PUB	0.125	0.036	0.122	0.036	0.123	0.036
TRAN	0.016	0.040	0.016	0.040	0.015	0.040
LDIM	0.044	0.004	0.044	0.004	0.044	0.004
NES	0.015	0.021	0.020	0.019	0.014	0.019
CEN	-0.015	0.023	-0.023	0.023	-0.023	0.022
SUD	-0.014	0.032	-0.004	0.032	-0.015	0.031
BIGTOWN (>800.000)	0.011	0.019				
BIGTOWN (MI, RM)			0.044	0.023		
BIGTOWN (Capoluoghi)					0.035	0.017
N. Obs	1752					
R2	0.435		0.436		0.436	