

**DIVERSITY AND INEQUALITY? AN ANALYSIS OF MULTICULTURAL POLICIES  
AND IMMIGRANT ECONOMIC INTEGRATION IN EUROPE**

by

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## Abstract

Best practices regarding methods of immigrant integration remain inconclusive within the literature. Previous research has come to divergent conclusions regarding the role of multiculturalist policies on different types of integration; multiculturalism has been linked with increased sociopolitical integration, while other scholarship deemed multiculturalism detrimental to socioeconomic outcomes. None of this literature, however, examines the effects of these policies on strictly economic concerns and most are restricted to the comparative analysis of a small number of cases. This study attempts to fill this empirical gap by examining the relationship between multicultural policies and economic integration — specifically, are multicultural policies (as opposed to assimilation) effective or detrimental to the economic integration of immigrants in Western Europe? Further, this study seeks to determine the role of multicultural policies on immigrants from non-Western countries of origin, given multiculturalism’s commitment to affirming the cultural difference of immigrants and minorities. Do multicultural policies have a stronger positive effect on immigrants from non-Western countries as opposed to immigrants from within Europe or North America? Drawing on rounds 1 to 6 of the European Social Survey and the Multicultural Policy Index, this study uses regression analysis to assess economic integration outcomes over a ten-year period in 16 European countries. It operationalizes economic integration through dependent variables such as income decile, occupational status, and employment status. It finds that multiculturalism is associated with increases in economic integration. Furthermore, when immigrants are examined heterogeneously based on cultural difference, the results suggest multicultural policies have greater effects on those who display higher levels of cultural difference; namely, non-Western immigrants. Moreover, the multicultural policies of accommodation such as affirmative action and dress code exemptions are found to be linked with more pronounced economic integration outcomes for non-Western immigrants.

## **Lay Summary**

The purpose of this study is to examine the effects of multicultural policies on immigrants. Specifically, it examines whether multicultural policies have a positive effect on the economic positioning of immigrants and whether they affect minority immigrants differently. It compares the income, occupational status, and employment status of immigrants to the native-born population across 16 European countries with varying strengths of multicultural policies from 2002 – 2012. It finds that contrary to the rhetoric of immigrant ghettoization, multicultural policies are positively associated with higher income and occupational status. Given that multicultural policies are designed for non-Western immigrants, the study also finds these policies have a stronger effect on non-Western immigrants. Finally, affirmative action and dress code exemptions are strongly related to positive economic outcomes for non-Western immigrants.

## **Preface**

This thesis is the original, unpublished work of the author, Isabella Picui.

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## **List of Abbreviations**

ESS	European Social Survey
ISCO88	International Standard Classification of Occupations
MCP	Multicultural Policy Index
OLS	Ordinary Least Squares
SIOPS	Standard International Occupational Prestige Scale

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*For my family – Mom, Dad, Coco, Kaya.*

## Chapter 1: Introduction

In the face of ever-increasing migration, determining best practices for immigrant integration has become especially important. Policy makers have implemented several models to incorporate immigrants – namely, multiculturalist, assimilative, and civic integration policies. It continues to be debated, however, which of these models is most effective in encouraging the economic integration of immigrants. Significant criticism has emerged, in particular, against multiculturalism, a framework of inclusion based on an official recognition of cultural diversity that exists within society.<sup>1</sup> Its policies, which are designed to incorporate immigrants whilst affirming their rights and cultural diversity, have been charged as ineffective and even detrimental to economic integration. Critics refer to impoverished and crime-ridden ghettos such as Denmark’s Mjølnerparken, or Belgium’s Molonbeek-Saint-Jean, where immigrants reside with little host language capability, as examples of multiculturalism’s failure. Whether multiculturalist policy frameworks are effective in encouraging immigrant economic integration outcomes, therefore, is a question of utmost importance for academics and policy makers.

### 1.1 The Puzzle

This thesis is fundamentally concerned with the economic positioning of immigrants relative to non-immigrants. It seeks to assess the efficacy of multicultural policies in increasing the economic integration of immigrants; that is, in reducing the existing economic inequality between immigrants and host nationals, the gravity of which has been established by extensive empirical research on populations in Europe and North America.<sup>2</sup> This inequality concerns

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<sup>1</sup> Keith Banting and Will Kymlicka, “Is There Really a Retreat from Multiculturalism Policies? New Evidence from the Multiculturalism Policy Index,” *Comparative European Politics* 11, no. 5 (September 2013): 577–98, <https://doi.org/10.1057/cep.2013.12>.

<sup>2</sup> Arthur S. Alderson and François Nielsen, “Globalization and the Great U-Turn: Income Inequality Trends in 16 OECD Countries,” *American Journal of Sociology* 107, no. 5 (March 2002): 1244–99,

income, employment rates, occupation, but has also been linked to other social concerns such as incarceration rates and educational attainment. Immigrants often work in blue-collar positions, are more likely to be down-skilled relative to their level of human capital, earn lower incomes and are twice as likely to be unemployed than their native-born counterparts in Europe.<sup>3</sup> Even more troubling is the literature which suggests the systemic economic underperformance of immigrants, when compared to host nationals, may transfer to the second generation. In addition, immigrants from non-Western countries tend to face worse economic outcomes compared to the majority population than immigrants who have emigrated from within Europe or North America.<sup>5</sup> But while the literature agrees these disparities exist, it continues to debate whether multiculturalism is effective in reducing this inequality.

To date, empirical literature has tested the effects of multicultural policies on several indicators of integration. The literature has generally operationalized integration as a comparison of performance between immigrants and host nationals across social, political and economic indicators. For example, Bloemraad and Wright approach integration as the movement towards attitudes and behaviors consistent with the host society's mainstream position over time.<sup>6</sup> In this study I operationalize the degree of integration as a function that measures the size of the gap

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<https://doi.org/10.1086/341329>; George J Borjas, "The Slowdown in the Economic Assimilation of Immigrants: Aging and Cohort Effects Revisited Again," *Journal of Human Capital*, 2013, 35; George J. Borjas et al., "How Much Do Immigration and Trade Affect Labor Market Outcomes?," *Brookings Papers on Economic Activity* 1997, no. 1 (1997): 1, <https://doi.org/10.2307/2534701>.

<sup>3</sup> Rafaela M. Dancygier and David D. Laitin, "Immigration into Europe: Economic Discrimination, Violence, and Public Policy," *Annual Review of Political Science* 17, no. 1 (2014): 43–64, <https://doi.org/10.1146/annurev-polisci-082012-115925>. p.44-45.

<sup>5</sup> Anthony F. Heath, Catherine Rethon, and Elina Kilpi, "The Second Generation in Western Europe: Education, Unemployment, and Occupational Attainment," *Annual Review of Sociology* 34, no. 1 (2008): 211–35, <https://doi.org/10.1146/annurev.soc.34.040507.134728>; Ruud Koopmans et al., "The Contentious Politics of Immigration and Ethnic Relations," in *Contested Citizenship*, n.d., 31.

<sup>6</sup> Irene Bloemraad and Matthew Wright, "'Utter Failure' or Unity out of Diversity? Debating and Evaluating Policies of Multiculturalism," *International Migration Review* 48 (September 1, 2014): S292–334, <https://doi.org/10.1111/imre.12135>.

between immigrants and the majority population across economic indicators such as employment, income and occupational status. Multiculturalism seeks to address the inherent cultural, religious, ethnic and linguistic barriers that prevent immigrants, and especially minorities, from integration. Multicultural policies redress these barriers by assuming immigrants lack the ability to integrate into society; its policies seek to provide immigrants with opportunities to integrate and also recognize the rights and cultural diversity of immigrants and minorities. Multicultural policies, therefore, increase integration in two ways: (1) they increase the available number of opportunities available for immigrants to integrate economically, and (2) their commitment to diversity means immigrant minorities do not have to reject cultural and religious traditions in order to become integrated.

Some studies have found multicultural policy contexts yield increased sociopolitical integration for immigrant minorities.<sup>7</sup> Nevertheless, these findings may not hold with respect to multiculturalism and economic integration. On the other hand, critics have suggested multicultural policies may unintendedly facilitate immigrant ghettoization in ethnic enclaves, leading to increased rates of incarceration, welfare dependence and unemployment.<sup>8</sup> If these claims are true, we would expect to see non-integration outcomes in multicultural societies: for example, greater rates of unemployment, poverty, and down-skilling relative to the majority population. Since the scholarship has yet to produce conclusive results about the relationship

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<sup>7</sup> Herbert J. Gans, "Second - generation Decline: Scenarios for the Economic and Ethnic Futures of the Post - 1965 American Immigrants," *Ethnic and Racial Studies* 15, no. 2 (1992): 173–92; Min Zhou, "Segmented Assimilation: Issues, Controversies, and Recent Research on the New Second Generation," *The International Migration Review* 31, no. 4 (1997): 975–1008, <https://doi.org/10.2307/2547421>.

<sup>8</sup> Ruud Koopmans, "Trade-Offs between Equality and Difference: Immigrant Integration, Multiculturalism and the Welfare State in Cross-National Perspective," *Journal of Ethnic and Migration Studies* 36, no. 1 (January 2010): 1–26, <https://doi.org/10.1080/13691830903250881>; Evelyn Ersanilli and Ruud Koopmans, "Do Immigrant Integration Policies Matter? A Three-Country Comparison among Turkish Immigrants," *West European Politics* 34, no. 2 (March 1, 2011): 208–34, <https://doi.org/10.1080/01402382.2011.546568>.

between multicultural policies and economic outcomes, a significant empirical gap exists within the literature.

My study examines the role multicultural policies play in determining economic integration outcomes for immigrants. My primary research question is: do greater multicultural policy contexts yield increased economic integration for immigrants to Europe? I also examine the effects of multicultural policies on immigrants from non-Western countries of origin. Given that these individuals face greater barriers to integration, I ask whether multicultural policies have a different effect on the economic integration outcomes of immigrants from non-Western countries than immigrants from Europe or North America. If so, I question whether a certain subset of multicultural policies, such as affirmative action and dress code exemptions, have a greater effect on the economic integration of non-Western immigrants.

My thesis argues there is a positive and significant relationship between multicultural policies and immigrant economic outcomes. Using ordinary least squares (OLS) and logistic regression analysis of 16 European countries from 2002 – 2012, I find multicultural policies significantly improve economic integration outcomes for immigrants when measured across income and occupational status. I argue this relationship is driven by multiculturalism's opportunity-based approach and the recognition of difference. In other words, multicultural policies work to reduce the cultural and linguistic barriers immigrants face in the labour market, thus improving economic integration outcomes. Second, my findings indicate non-Western immigrants, who face greater economic disparities than Western immigrants when compared to the native-born, reap significantly larger benefits from multicultural policies. I argue multiculturalism has an even more salutary effect on non-Western immigrants because such groups display greater levels of cultural difference and thus face greater barriers to integration.

Third, my findings provide some support for the hypothesis that certain elements of multicultural policy, including affirmative action and dress code exemptions, may individually have a significant effect on non-Western immigrants. I conclude that multicultural policies are beneficial for the economic integration outcomes of immigrants in Europe, by reducing disparities in income and occupational status.

## **1.2 Roadmap**

My paper will begin by reviewing the multiculturalism, integration and discrimination literature. I assess the claims of multiculturalism's critics before introducing the discrimination literature. I then address the proponents of multiculturalism to situate my research. In the third section I address the empirical gaps in the literature by proposing a theory of multiculturalism and immigrant economic integration. Here, I draw heavily on existing theories of multiculturalism to present a theory that specifically addresses the mechanisms through which multiculturalism facilitates immigrant economic integration.

I introduce my study's empirical contribution in section four, where I outline my research design. I detail the parameters of my hypothesis tests whereby I justify the demographic, geographic and temporal scope of my study. I then discuss the data in order to operationalize my dependent and independent concepts of interest – namely, economic integration and multicultural policies. I introduce my models and present my results in section five. I discuss my findings in section six, where I re-assess my hypotheses in light of my results. I conclude by addressing the limitations of my study and making suggestions for further research.

## Chapter 2: Literature Review

In this section I review the literature and highlight gaps in existing research which my study will fill. I begin by overviewing the status of the literature and critiquing the claims that multiculturalism is detrimental for immigrant socioeconomic integration. I discuss several methodological concerns and introduce discrimination as a significant and unaddressed factor within this literature. Discrimination and cultural exclusion are important considerations for understanding integration because many immigrants experience discrimination, which hinders their ability to integrate economically. Once I review the discrimination literature, I conclude by discussing studies conducted by proponents of multiculturalism.

Studies have established modest positive effects of multiculturalism on the social and political integration of immigrants. Notably, Wright and Bloemraad determined multicultural policies yield positive increases in the sociopolitical integration outcomes of immigrants, based on indicators such as feelings of belonging and national identity.<sup>12</sup> Nevertheless, few studies have examined multiculturalism's effects on economic and labour market integration.<sup>13</sup> Moreover, existing theories of multiculturalism do not explicitly discuss its relationship to income, class nor economic mobility.<sup>14</sup> The mechanisms linking multiculturalism and economic outcomes are seemingly less tangible than those linking multiculturalism and sociopolitical outcomes. Wright and Bloemraad, for example, attribute the lack of research to the “fuzzy” mechanisms linking multiculturalism and socioeconomic outcomes.<sup>16</sup> Similarly, Ersanilli and

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<sup>12</sup> Wright and Bloemraad, “Is There a Trade-off between Multiculturalism and Socio-Political Integration?”

<sup>13</sup> Ibid, p. S373)

<sup>14</sup> Irene Bloemraad, “UNITY IN DIVERSITY? Bridging Models of Multiculturalism and Immigrant Integration,” *Du Bois Review* 4, no. 2 (2007): 317–36, <https://doi.org/10.1017/S1742058X0707018X>; Bhikhu Parekh, *Rethinking Multiculturalism: Cultural Diversity and Political Theory* (Harvard University Press, 2002); Will Kymlicka, *Multicultural Citizenship: A Liberal Theory of Minority Rights* (Clarendon Press, 1995).

<sup>16</sup> Ibid.

Koopmans suggest multiculturalism has little effect on the labour market outcomes of immigrants, but do not substantiate this claim empirically.<sup>17</sup> Scholars have yet to identify a framework of economic integration and have not specified the effects of multicultural policies on economic integration.<sup>18</sup>

Despite this empirical gap, a few studies examine the effects of multiculturalism on indicators of socioeconomic performance. Some studies have identified residential segregation into low-income areas, low community cohesion, high rates of unemployment, over-reliance on welfare programs, and a lack of national identity as unintended consequences of multiculturalism. For example, Koopmans argues multiculturalism in welfare states inadvertently hinders the socioeconomic integration of immigrant minorities.<sup>19</sup> His findings suggest assimilatory models present greater socioeconomic integration outcomes for immigrants in welfare states. His logic suggests multiculturalism interacts with welfare state generosity, yielding worse integration outcomes because immigrants have easy access to state benefits. Immigrants are therefore not incentivized to engage in activities necessary for integration, such as host language acquisition and entry into the labour market. Koopmans cites evidence suggesting immigrants in multicultural frameworks display a greater likelihood of poverty, unemployment, incarceration and residential segregation.<sup>20</sup> He uses these findings to argue multiculturalism leads to socioeconomic marginalization. His methodology compared performance across these indicators between immigrants from non-EU 15 countries and the majority population in both assimilatory and multicultural contexts, while controlling for welfare state generosity.

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<sup>17</sup> Ersanilli and Koopmans, "Do Immigrant Integration Policies Matter?" p. 211.

<sup>18</sup> Bloemraad, "UNITY IN DIVERSITY? Bridging Models of Multiculturalism and Immigrant Integration."

<sup>19</sup> Koopmans, "Trade-Offs between Equality and Difference."

<sup>20</sup> Ibid.

Though his study paints a sobering picture of multiculturalism, several assumptions undermine the validity of these conclusions. The study assumes multiculturalism and welfare interact with one another, subsequently leading to non-integration outcomes. It specifically assumes that (1) multicultural policies in welfare states allow immigrants greater access to economic benefits; (2) many immigrants, upon entry into a multicultural society, qualify for generous welfare benefits; and (3) because immigrants are able to easily access welfare, they choose to not seek employment, learn the host language and segregate themselves.

I argue these assumptions are problematic because Koopmans's logic suggests multicultural policies lead to immigrants actively choosing non-integration. He does not consider political or demographic factors which may be marginalize immigrants and cause unfavorable integration outcomes. The first two assumptions suggest multicultural policies allow immigrants easy access to welfare benefits. Koopmans argues integration policies determine ease of access and consequences related to welfare dependence.<sup>22</sup> Given that legal residents are guaranteed access to welfare benefits, Koopmans argues more inclusive citizenship regimes and equal rights for multiculturalism may facilitate a dependence on these benefits.<sup>23</sup> It is unlikely, however, that multicultural policies themselves necessarily provide greater ease of access to welfare benefits. Other policies, such as those governing immigrant acceptance and legal residence, would determine eligibility for and generosity of welfare. Though multicultural policies are concerned with equal access to rights and opportunities whilst protecting the cultural diversity of immigrants, these policies do not necessarily determine eligibility for welfare benefits.<sup>24</sup> Further,

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<sup>22</sup> Ruud Koopmans, "Trade-Offs between Equality and Difference: Immigrant Integration, Multiculturalism and the Welfare State in Cross-National Perspective," 2010, p. 9.

<sup>23</sup> Ibid.

<sup>24</sup> Montserrat Guibernau and John Rex, *The Ethnicity Reader: Nationalism, Multiculturalism and Migration*, 2nd ed. (Polity Press, 2010), p. 12.

the conclusion that immigrants living in multicultural societies with easy access to welfare subsequently do not integrate into society's mainstream does not follow logically from the given premises. This argument assumes that because of multicultural policies and a generous welfare state, immigrants will be complacent living off welfare benefits and will not make attempts to integrate into the labour market. The conclusion is unconvincing given the empirical support and runs contrary to other theories of immigrant integration.<sup>26</sup>

Next, I posit several critiques of the study's methodology. First, the indicators used to measure socioeconomic integration may not necessarily be accurate for economic integration. Koopmans's study measured rates of relative employment, incarceration and residential segregation rather than labour market indicators.<sup>27</sup> His analysis relied on these indicators to suggest immigrants are not integrating into the social nor economic mainstream, but does not support this conclusion with the analysis of other indicators regarding employment or labour market integration. Second, much of the integration literature has examined the effects of multiculturalism using data from the mid-2000s. I suggest expanding the scope of countries and years studied would be beneficial for the literature and produce more robust results.

Finally, the analysis rests on a comparison of performance between immigrants from countries outside the EU-15 and the majority population. This methodology thus compares average rates of performance in terms of employment without controlling for immigrant composition besides origin outside the EU-15. The lack of control variables for immigrant composition is troubling, especially considering the existing variance in human capital across

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<sup>26</sup> Philipp Lutz, "Two Logics of Policy Intervention in Immigrant Integration: An Institutional Framework Based on Capabilities and Aspirations," *Comparative Migration Studies* 5, no. 1 (December 7, 2017): 19, <https://doi.org/10.1186/s40878-017-0064-0>.

<sup>27</sup> Ruud Koopmans, "Trade-Offs between Equality and Difference: Immigrant Integration, Multiculturalism and the Welfare State in Cross-National Perspective," 2010, p.4.

immigrant groups. Though he cites studies suggesting immigrant composition entering Europe from outside the EU-15 has little significant difference,<sup>29</sup> other research would suggest country of origin and cultural difference play a significant role in determining ease of integration.<sup>30</sup> I argue the lack of controls for immigrant stock and discrimination significantly undermines the validity of his conclusions.

I now discuss cultural difference and discrimination as significant factors that affect the integration experience. Cultural difference and discrimination further retard the integration process, making it more difficult for immigrants to enter the economic mainstream. The literature suggests some immigrants display significant cultural, religious, or racial difference from their destination society, which may increase the barriers they face in integration. Wright and Bloemraad term this difference ‘cultural inequality,’ which they argue cannot be mitigated by acceptance nor citizenship policies alone.<sup>42</sup> Similarly, Borjas suggests migrants often have difficulty adjusting to the cultural and linguistic specifications of the host society into which they have emigrated.<sup>44</sup> Because of these difficulties, incoming migrants may cluster residentially and engage with the host society along ethno-cultural lines.<sup>45</sup> The cultural and linguistic shock immigrants face often presents a significant barrier for integration into the destination society. It is important to note the literature has posited varying levels of cultural inequality for different ethnic groups upon migration, which subsequently affects the immigration experience. Though all migrants may face some level of cultural inequality, immigrants entering from non-Western

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<sup>29</sup> Ibid., p. 14.

<sup>30</sup> Dancygier and Laitin, “Immigration into Europe”; Wright and Bloemraad, “Is There a Trade-off between Multiculturalism and Socio-Political Integration?”

<sup>42</sup> Wright and Bloemraad, “Is There a Trade-off between Multiculturalism and Socio-Political Integration?” p. 78.

<sup>44</sup> George J Borjas, “Ethnic Enclaves and Assimilation,” 2000, 35.

<sup>45</sup> Ibid.

source countries appear to face greater inequality.<sup>46</sup> Moreover, visible minorities to Europe likely display a greater cultural difference than North American or European immigrants.

The level of cultural inequality immigrants face depends on how racially and culturally different they are relative to the host society. For example, Waldinger and Perlmann argued the children of Caucasian and Asian immigrants in the United States were more likely to succeed in academic and economic contexts than the children of Middle Eastern, African, and Latino immigrants.<sup>47</sup> The authors suggest ‘darkness’ and culture play significant roles in determining economic positioning; darker and culturally different immigrants may face greater difficulty in economic integration. Similarly, Joppke argues majority immigrants are preferred by host countries, as they face fewer integration challenges.<sup>48</sup> Majority immigrants are usually Caucasian and tend to emigrate from a similar cultural context as their destination society. Moreover, these immigrants are often highly skilled workers – therefore, they tend to have greater economic success than other immigrants. Therefore, majority immigrants, who display low levels of cultural difference, tend to be highly skilled which in turn facilitates their economic integration. Conversely, immigrants with significant linguistic, cultural, racial, and religious differences from the host society are more likely to face labour market challenges. Thus, the level of cultural inequality an immigrant displays within the destination society appears to play a significant role in predicting subsequent economic inequalities, as well as ease of integration.

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<sup>46</sup> Koopmans, “Trade-Offs between Equality and Difference”; Abdurrahman Aydemir and George J. Borjas, “Cross-Country Variation in the Impact of International Migration: Canada, Mexico, and the United States,” *Journal of the European Economic Association* 5, no. 4 (June 1, 2007): 663–708, <https://doi.org/10.1162/JEEA.2007.5.4.663>; Borjas, “Ethnic Enclaves and Assimilation.”

<sup>47</sup> Roger Waldinger and Joel Perlmann, “Second Generations: Past, Present, Future,” *Journal of Ethnic and Migration Studies* 24, no. 1 (January 1998): 5–24, <https://doi.org/10.1080/1369183X.1998.9976616>.

<sup>48</sup> Christian Joppke, “Exclusion in the Liberal State: The Case of Immigration and Citizenship Policy,” *European Journal of Social Theory* 8, no. 1 (2005): 43–61, <https://doi.org/10.1177/1368431005049327>.

Aside from inequalities based on cultural difference, discrimination also plays a significant role in promoting economic inequalities and hindering economic mobility. Much of the literature examining the immigrant experience accounts for the discrimination immigrant minorities face when they enter and settle into host countries. Discrimination takes many forms and is based on factors such as immigrant status, ethnicity and religion – which is often against Muslims.<sup>52</sup> Existing research suggests the native-born are aware of and sensitive to the ethnic and cultural differences of immigrants.<sup>53</sup> This has a significant impact on the economic performance of immigrants because host nationals are more likely to discriminate against immigrants who display greater religious and cultural difference from the majority position of the host society. The literature suggests employers in Western Europe are more likely to favor host nationals and immigrants who are ethnically or religiously similar over those who display greater cultural difference.<sup>54</sup> For example, Dancygier and Laitin argue disparities between immigrants and host nationals may vary based on the ‘discrimination equilibrium’ they face.<sup>55</sup> In other words, economic disparities may result not only from immigrant status, but immigrant economic mobility is also affected by culture and discrimination.<sup>56</sup> They further argue negative economic outcomes for immigrants are driven significantly by native prejudice towards these individuals.<sup>57</sup> As such, the discrimination literature seems to affirm what is argued by scholars of

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<sup>52</sup> Rafaela M. Dancygier and David D. Laitin, “Immigration into Europe: Economic Discrimination, Violence, and Public Policy,” 2014.

<sup>53</sup> Ibid, p. 45.

<sup>54</sup> Joppke, “Exclusion in the Liberal State: The Case of Immigration and Citizenship Policy”; Claire Adida, David D. Laitin, and Marie-Anne Valfort, “Identifying Barriers to Muslim Integration in France,” *Proceedings of the National Academy of Sciences* 107, no. 52 (2010), <https://doi.org/10.1073/pnas.1015550107>.

<sup>55</sup> Rafaela M. Dancygier and David D. Laitin, “Immigration into Europe: Economic Discrimination, Violence, and Public Policy,” 2014, p. 41.

<sup>56</sup> Ibid, p. 43.

<sup>57</sup> Ibid, p. 45.

cultural inequality; those who display greater levels of cultural difference are more susceptible to economic concerns and discrimination in the labour market.

For example, Turkish immigrants in parts of Europe have presented a continued integration challenge due to several factors. This includes a propensity to take up low-skilled positions upon immigration, as well as their religious and ethno-cultural difference from much of Europe, both of which contribute to discrimination. As one of the largest immigrant source countries in Europe,<sup>58</sup> many Turkish immigrants settled in Central and Eastern Europe in two waves – either as guest workers entering before 1975, or as spouses and asylum seekers in more recent decades.<sup>59</sup> Germany has been a main destination country for Turkish immigrants with a population of around 2.5 million, followed by France and the Netherlands, who host around 350,000 Turks each.<sup>60</sup> Certain institutional frameworks, such as the tiered educational system in Germany, affect immigrants and have contributed to their systemic socio-economic marginalization. Children of Turkish immigrants were often pushed into non-academic educational streams in part because of discrimination, thus relegating them to low-skill occupations like their parents.<sup>61</sup> Moreover, the nature of guest work programs many immigrants were recruited by resulted in significant skill disparities relative to the majority population. Therefore, existing public policies have further contributed to economic disparities in Europe between minority groups and the majority society. This is important because the acceptance of immigration without adequate measures for encouraging incorporation and reducing

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<sup>58</sup> Brett Klopp, *German Multiculturalism: Immigrant Integration and the Transformation of Citizenship* (Greenwood Publishing Group, 2002).

<sup>59</sup> Evelyn Ersanilli and Ruud Koopmans, “Rewarding Integration? Citizenship Regulations and the Socio-Cultural Integration of Immigrants in the Netherlands, France and Germany,” *Journal of Ethnic and Migration Studies* 36, no. 5 (May 2010): 773–91, <https://doi.org/10.1080/13691831003764318>.

<sup>60</sup> Ersanilli and Koopmans, “Do Immigrant Integration Policies Matter?”

<sup>61</sup> Crul Maurice and Vermeulen Hans, “The Second Generation in Europe,” *International Migration Review* 37, no. 4 (February 23, 2006): 965–86, <https://doi.org/10.1111/j.1747-7379.2003.tb00166.x>.

discrimination may exacerbate the economic inequalities immigrants face relative to the majority population.

Now that I have addressed the discrimination literature, I address the claims made by the multicultural literature to frame my research. Proponents of multiculturalism tend to accept the claims of the discrimination literature and argue there is a significant and positive effect of multicultural policies on the integration of immigrants. This literature assumes immigrants face barriers that limit their ability to participate fully within the host society. For example, Kymlicka suggests the exclusion of immigrant and minority groups is based primarily on their ‘difference’ from the majority society.<sup>62</sup> Multicultural theory presents the following logic: multicultural policies officially recognize the ethnic, cultural, and religious differences of immigrant groups. The official recognition of difference that underpins these policies affirms the status of these groups and works to provide these individuals with a “level playing field.”<sup>63</sup> Therefore, multicultural policies aim to (1) acknowledge cultural diversity and (2) mitigate the impacts of cultural difference on the ability of immigrants to enter the social, economic and political mainstream.<sup>64</sup> The recognition of difference is argued to generate “connection to and engagement with the polity”<sup>65</sup> which Bloemraad argues provides immigrants with psychological resources that reduce the barriers they face to integration.<sup>66</sup> Therefore, policies that recognize and accept this difference ensure greater integration by providing a form of shared loyalty to the

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<sup>62</sup> Kymlicka, *Multicultural Citizenship*, Chapter 9, p. 11.

<sup>63</sup> Bloemraad, “UNITY IN DIVERSITY? Bridging Models of Multiculturalism and Immigrant Integration.”, p. 326.

<sup>64</sup> Irene Bloemraad and Matthew Wright, “‘Utter Failure’ or Unity out of Diversity? Debating and Evaluating Policies of Multiculturalism,” p. S303.

<sup>65</sup> Ibid.

<sup>66</sup> Bloemraad and Wright, “‘Utter Failure’ or Unity out of Diversity?”; Wright and Bloemraad, “Is There a Trade-off between Multiculturalism and Socio-Political Integration?”; Keith G Banting, “The Multicultural Welfare State: International Experience and North American Narratives,” 2005, 18.

host society. According to Bloemraad and Wright, a failure to adopt multicultural policies that recognize the difference of minorities would likely perpetuate barriers to integration, thus alienating minorities from the mainstream position and encouraging their self-segregation.<sup>68</sup> This literature would suggest multicultural policies play an important role in facilitating integration outcomes. I argue further research should be done to relate this literature to economic integration. In the next section I introduce a theory of multiculturalism and economic integration.

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<sup>68</sup> Irene Bloemraad and Matthew Wright, “‘Utter Failure’ or Unity out of Diversity? Debating and Evaluating Policies of Multiculturalism,” p. S303.

### Chapter 3: A Theory of Multiculturalism and Economic Integration

Thus far, I have reviewed the literature and situated my study's puzzle. In this section I address the existing empirical gaps by introducing a theory linking multicultural policies to better economic outcomes for immigrants. I draw heavily on general theories of multiculturalism and integration while incorporating an institutionalist framework of integration as proposed by Lutz.<sup>80</sup> This theory develops a logic of exactly why and how multicultural policies facilitate the labour market integration of immigrants. More importantly, it explains why these policies may yield a differential treatment effect across various immigrant groups.

The following theory assumes most immigrants upon entry into the host society face greater difficulty entering and participating in the labour market relative to the native-born. The literature generally agrees significant cultural, discriminatory, and institutional barriers preclude immigrants from participating fully in their respective destination societies.<sup>81</sup> Second and more importantly, this theory assumes that these barriers contribute to significant economic disparities between immigrants and the native-born in destination societies. My thesis seeks to identify multiculturalism as an effective integration model to reduce existing economic disparities between immigrants and the majority population. I argue multiculturalism facilitates economic integration by providing immigrants with opportunities to integrate into the labour market.

Though there exists no multicultural framework of economic integration, multiculturalism has generally been theorized to improve integration outcomes.<sup>83</sup> Specifically,

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<sup>80</sup> Philipp Lutz, "Two Logics of Policy Intervention in Immigrant Integration: An Institutional Framework Based on Capabilities and Aspirations," *Comparative Migration Studies* 5, no. 1 (December 7, 2017): 19, <https://doi.org/10.1186/s40878-017-0064-0>.

<sup>81</sup> Wright and Bloemraad, "Is There a Trade-off between Multiculturalism and Socio-Political Integration?"; Bloemraad, "UNITY IN DIVERSITY? Bridging Models of Multiculturalism and Immigrant Integration."

<sup>83</sup> Alderson and Nielsen, "Globalization and the Great U-Turn"; Richard Alba and Nancy Foner, *Strangers No More: Immigration and the Challenges of Integration in North America and Western Europe* (Princeton University Press, 2015), <https://muse.jhu.edu/book/48794>; Bloemraad, "UNITY IN DIVERSITY? Bridging Models of

Lutz argues multicultural policies are inherently “opportunity-based”<sup>84</sup> and are designed to provide immigrants with the *capability* to integrate into mainstream social, political, and economic institutions.<sup>85</sup> Conversely, incentive-based approaches to integration underlie assimilatory policies and assume immigrants are able to participate, but do not have adequate incentives to motivate integration. Lutz argues immigrants want to integrate into economic institutions like their native-born counterparts, but often lack the ability to do so in assimilatory contexts. This inability to integrate is due to barriers related to immigrant status, which are exacerbated by the level of cultural difference migrants display relative to the host society. The policies presented under a multicultural framework do not incentivize integration, but rather provide immigrants with the tools to integrate. Lutz’s theory suggests opportunity-based approaches must underlie policy design in order to provide immigrants with the required skills to become integrated. Based on this framework I argue multicultural policies facilitate greater economic integration than assimilatory contexts because they are based on providing immigrants with opportunities to participate in the labour market.

Next, I address the recognition of difference as a fundamental aspect of multiculturalism that yields increased economic integration. Multiculturalism is unique because multicultural regimes explicitly state a commitment to preserving and celebrating the cultural diversity of immigrants and minorities. Kymlicka suggests the exclusion of immigrants and minorities is due primarily to their difference and policies accepting this cultural difference promote loyalty to

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Multiculturalism and Immigrant Integration”; Bloemraad and Wright, “‘Utter Failure’ or Unity out of Diversity?”; Wright and Bloemraad, “Is There a Trade-off between Multiculturalism and Socio-Political Integration?”; Kymlicka, *Multicultural Citizenship*; Will Kymlicka, “The Rise and Fall of Multiculturalism? New Debates on Inclusion and Accommodation in Diverse Societies,” *International Social Science Journal* 61, no. 199 (March 1, 2010): 97–112, <https://doi.org/10.1111/j.1468-2451.2010.01750.x>; Parekh, *Rethinking Multiculturalism*.

<sup>84</sup> As opposed to incentive-based, which is based on the rational-choice models that underpin the assimilation literature.

<sup>85</sup> Lutz, “Two Logics of Policy Intervention in Immigrant Integration.”

their host society amongst immigrants.<sup>86</sup> The act of recognition results in immigrants feeling welcome and respected despite their difference from the host society. This act thus improves integration outcomes because immigrants feel like they belong, which allows them to better engage with the societal mainstream. Though this is often related to social and political difference, I highlight the impact of difference-based affirmations on subsequent labour market integration. Official recognitions of difference affirm a governmental commitment to ensuring equal rights and a “level playing field” for all members within a society, regardless of immigrant status or cultural background.<sup>87</sup> The recognition of difference thus acts as a signal of inclusion towards immigrants and affirms a commitment to providing equal opportunities.

Moreover, immigrants in multicultural policy contexts are encouraged to not only seek out general employment opportunities, but also to find work outside traditional ethnic niches. In terms of economic integration, immigrants feel encouraged and empowered to enter into the general labour market. For example, Waldinger and Bozorgmehr’s analysis of immigration in Los Angeles shows ethnic minorities are overrepresented in certain employment sectors, which are often low-paying and yield little room for advancement.<sup>88</sup> These occupations are overrepresented by ethnic minorities because they are promoted to immigrants via guest work programs or social networks and often require little host language ability. Immigrants in multicultural policy contexts may feel able to seek out other employment opportunities rather than be relegated to these low-skilled positions. Multiculturalism paints migrants as valued and permanent members of society, whose integration into economic institutions is supported regardless of origin. Accordingly, I present my first hypothesis: multiculturalism results in

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<sup>86</sup> Kymlicka, *Multicultural Citizenship*, Chapter 9, p. 11.

<sup>87</sup> Bloemraad, “UNITY IN DIVERSITY? Bridging Models of Multiculturalism and Immigrant Integration.”, p. 326.

<sup>88</sup> Roger Waldinger and Mehdi Bozorgmehr, *Ethnic Los Angeles* (Russell Sage Foundation, 1996), <https://muse.jhu.edu/book/38576>.

increased economic integration for immigrants because of its commitment to cultural diversity and the opportunity-based nature of its policies. Countries with a greater commitment to multiculturalism will have immigrants that are more likely to be employed, obtain higher average incomes and higher occupational status relative to the native-born than in assimilatory contexts.

### **3.1 Multiculturalism and Non-Western Immigrants**

Next, I explain why multicultural policies may have a differential treatment effect on immigrants arriving from non-Western countries. The literature review established the level of ‘cultural inequality’ between an immigrant and their host society may affect subsequent integration outcomes. Given the opportunity-based nature of multiculturalism, it is likely these policies have different effects on immigrants depending on the nature of their integration challenge. Drawing on the literature I assume minority immigrants face greater difficulty in achieving economic integration than immigrants from within Europe and North America.<sup>89</sup> The literature suggests the cultural inequality of immigrants within the destination society plays a significant role in predicting subsequent economic inequalities, as well as ease of integration.<sup>92</sup>

If multiculturalism works to significantly reduce the level of discrimination immigrants face in the labour market, then those discriminated against would benefit the most from multicultural policy. In the context of immigration to Europe, I argue individuals from a non-Western background face a greater inherent immigrant-native disparity across economic outcomes than European or North American immigrants. Assuming cultural inequality, or difference, is an accurate predictor of one’s discrimination equilibrium, the effect of multicultural policies, seen primarily through anti-discrimination initiatives, is likely to be

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<sup>89</sup> Adida, Laitin, and Valfort, “Identifying Barriers to Muslim Integration in France”; Dancygier and Laitin, “Immigration into Europe.”

<sup>92</sup> Crul Maurice and Vermeulen Hans, “The Second Generation in Europe.”

stronger for those who face greater levels of inequality. These policies are not necessarily intended for immigrants with low cultural difference and would likely have little effect on their economic integration. Accordingly, I present my next hypothesis: multicultural policy interacts with the degree of cultural inequality of an immigrant, where multiculturalism has a greater effect on the economic integration of immigrants from non-Western countries of origin. Immigrants with low levels of cultural inequality, who are from Europe or North America, would not be significantly affected by multicultural policies. I further discuss this differential effect when referring to affirmative action and dress code exemptions.

### **3.2 Affirmative Action, Dress Code Exemptions and Economic Integration**

Finally, I turn to specific aspects of multicultural policy and its relationship to economic integration. I consider all policies aimed at immigrants and predicated on the recognition of difference multicultural policies. Nevertheless, these policies vary considerably in type and strength. Previous research has examined the effect of multiculturalism using summary scores, which does not address the variation within the subset of multicultural policies. For example, multiculturalism has been implemented symbolically and with more concrete aims, such as the recognition of difference and anti-discrimination policies respectively.<sup>95</sup> Regarding economic integration, I argue certain aspects of multiculturalism are more effective in promoting economic integration and drive multiculturalism's relationship to economic outcomes.

Two aspects of multicultural policy stand out as especially important in promoting economic integration for non-Western immigrants: affirmative action for minority groups and dress code exemptions. Each policy posits slightly different mechanisms to economic

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<sup>95</sup> Other types of multicultural policies include: anti-discrimination laws, dress code exemptions, media representation, bilingual education and second language classes in public schools.

integration. For example, affirmative action programs work to provide greater opportunity for immigrant groups to obtain gainful employment by engaging specifically with disadvantaged groups and favoring those who may suffer from discrimination in hiring practices. This increases awareness of employment opportunities for immigrants. Though affirmative action programs in general may exist outside of multicultural frameworks, they are considered multicultural so long as they are focused on immigrant and minority groups.

Multicultural policies such as affirmative action and dress code exemptions promote the active recruitment of minority immigrants, increasing the number of opportunities for immigrants to enter the economic mainstream. For example, affirmative action policies reduce the likelihood immigrants are unable to obtain employment or promotions because of discrimination. Therefore, these policies reduce barriers and promote greater economic outcomes. Further, affirmative action also affects the hiring process, whereby it aims to ensure these candidates are provided with equal opportunities for employment. In other words, affirmative action as a subset of multicultural policy provides immigrants with greater access and information regarding employment prospects, while ideally ensuring the hiring process does not discriminate against candidates based on ethno-cultural differences. Candidates may even be chosen from diverse backgrounds to reduce existing disparities between immigrants and the native-born. Affirmative action reduces the barriers non-Western immigrants face in obtaining employment via policies committed to ensuring equality of opportunity. In this way, disparities in employment rates, income, and occupational status, which comprise economic integration, are reduced.

Dress code exemptions also reduce the barriers immigrants face in entering the labour market. Not only do they provide immigrants with reduced barriers to employment because it

shields them from possible discrimination, but they also mean immigrants and minorities do not have to choose between wearing traditional or religious garb and obtaining employment. In this way, dress code exemptions act as a signal of inclusion, similar to the recognition of difference which promotes shared loyalty and connection to the host society. This would subsequently encourage immigrants to enter mainstream institutions and likely increase economic integration outcomes. Thus, I present my final hypothesis: non-Western immigrants in countries with affirmative action and dress code exemptions will demonstrate greater economic integration.

## Chapter 4: Research Design

In this section I outline a methodology through which to test my theory of multiculturalism and economic integration. This section will proceed by discussing the data and justifying this study's scope. I then describe the concepts of interest and explain their operationalization into dependent and independent variables. Finally, I re-state my hypotheses in order to specify my models and present my analysis in the following chapter.

### 4.1 Data Collection and Scope

The data used in my analysis are Banting and Kymlicka's Multicultural Policy Index (MPI) and rounds 1 – 6 of the European Social Survey (ESS). Using these data, I examine the average economic success of immigrants relative to the native-born within each multicultural policy context and survey round. The Multicultural Policy Index scores 21 OECD democracies based on eight indicators that evaluate policies related to multiculturalism. Each country is given annual scores from 1960 – 2011, which addresses their performance across eight categories.<sup>96</sup> For each category, countries are assigned values of 0, 0.5, or 1, which indicate either none, limited, or a complete adoption of the indicator. Summary scores range from 0 to 8 and are determined by tabulating the scores in each category for each country and year. This data was

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<sup>96</sup> The eight categories are as follows:

- (1) Constitutional, legislative, or parliamentary affirmation of multiculturalism at the central and/or regional and municipal levels and the existence of a government ministry, secretariat, or advisory board to implement this policy in consultation with ethnic communities
- (2) The adoption of multiculturalism in school curriculum
- (3) The inclusion of ethnic representation/sensitivity in the mandate of public media or media
- (4) Exemptions from dress code by statute or court cases
- (5) Allowance of dual citizenship
- (6) Public funding of ethnic group organizations or activities
- (7) Public funding of bilingual education or mother-tongue instruction
- (8) Affirmative action programs for disadvantaged immigrant groups

chosen because of its ability to categorize types of multicultural policy and its use in previous research.<sup>97</sup>

The ESS is comprised of core and rotating modules examining attitudes in many European countries.<sup>98</sup> My study relies on core modules of the ESS, which provides information concerning socioeconomic characteristics, immigrant status and country of origin. I use six rounds (1 – 6) of the ESS, which were conducted between 2002 and 2012 inclusive. The final sample used in my analysis comprised a total of 229,477 respondents across 16 countries over the six survey rounds. Of these respondents, a total of 207,134 were native-born, whilst 22,343 identified as foreign-born.<sup>99</sup> Now that I have addressed the data, I will discuss the empirical scope of my study.

Temporally, I restrict my analysis to periods in which I was able to obtain data regarding the labor market success of immigrants and the native-born. My study required information on multiculturalism and economic integration. Whereas the MPI provides country-level data from 1960 – 2011, the ESS produces data every two years from 2002 – 2016. As such, I limit my analysis to periods in which there is overlap between the two datasets; MPI data from 2001 – 2011, and the first six rounds of the ESS. Within my analysis, I use MPI scores for the year prior to the survey date to account for the potential of policy lag.

I selected 16 European OECD countries using a country-level unit of analysis, based on previous research addressing the demographic consequences of immigration. As argued by Aydemir and Borjas, immigrants tend to cluster in certain regional or metropolitan hubs and are

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<sup>97</sup> For example, see Bloemraad and Wright, 2012; Banting and Soroka, 2011; Wright and Bloemraad, 2014.

<sup>98</sup> “FAQ | European Social Survey (ESS),” accessed July 3, 2019, <https://www.europeansocialsurvey.org/about/faq.html>.

<sup>99</sup> A detailed breakdown of the native-born and foreign-born by country and survey round can be found in the Appendix.

unlikely to distribute randomly across localities or regions.<sup>100</sup> Since it is difficult to examine immigration across regional contexts, they draw on Borjas's method examining the effect of policies associated with immigration at the aggregate national level.<sup>101</sup> As such, I chose to examine states at the national level in order to assess the cross-national effects of policy on integration.

Next, I define and justify the specific countries selected for analysis. I examined 16 European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Previous research has focused either on Western Europe or North America, conducting the comparative analysis of several countries.<sup>102</sup> I sought to ensure some continuity with the case selection of previous research because many of the assumptions regarding multiculturalism have focused on its implementation in European or American host contexts. Essentially, I aimed to match previous research in an attempt to avoid incorrectly exporting theories onto other immigration contexts. Limited data overlap between the ESS and MPI restricted my analysis to the selected European countries, as I could only examine the countries that featured sufficient data from both sources. Nevertheless, I selected as many countries as possible in the hopes of expanding the scope of existing research beyond the comparative analysis of a few to several cases. I also selected a number of countries and years in order to conduct robust comparisons across varying multicultural (or assimilatory) policy contexts. As such, I restricted the geographic scope of my analysis accordingly.

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<sup>100</sup> Aydemir and Borjas, "Cross-Country Variation in the Impact of International Migration."

<sup>101</sup> George J Borjas, "The Labor-Market Impact of High-Skill Immigration," *American Economic Review* 95, no. 2 (2005): 56–60.

<sup>102</sup> This is based on the decision rules of previous research. See Bloemraad & Wright, 2014; Wright & Bloemraad, 2012; Bloemraad, 2006; Koopmans, 2013.

Finally, I justify the demographic scope of my analysis and outline my decisions regarding the classification of ‘immigrant status’. This study restricts analysis to a comparison between first-generation immigrants, also referred to as foreign-born, relative to the native-born population. Some of the literature has compared native populations relative to those with any immigrant background – those “born in a country other than the survey country or ... native-born ... with at least one foreign-born parent.”<sup>103</sup> This approach, however, can be problematic as it may mask the significance of multiculturalism’s effects. As argued by Goodman, there is variation in the immigrant experiences of the first and second generations, suggesting policy may have a differential integration effects across generations.<sup>104</sup> Moreover, Bloemraad and Wright argue “any main effect of multiculturalism ... is stronger in the first generation.”<sup>105</sup> Theories of multiculturalism tend to focus on the integration of the foreign-born into their host societies; second generation research is usually conducted in the context of intergenerational mobility. Therefore, this study examines economic integration by comparing first-generation immigrants to the majority population.

## **4.2 Description of Measures**

Thus far, I have justified my study’s empirical scope. I now describe concepts of interest within my study and their operationalization. First, I outline the primary concept of interest within my study – economic integration. Integration is conceptualized as a comparison of performance between immigrants and the native-born, where integration is a function of the size of the gap between the immigrant and the majority population across the measured indicator. The smaller the disparity between immigrants and the native-born in a given political context, the

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<sup>103</sup> Fleischmann and Dronkers, “Unemployment among Immigrants in European Labour Markets.”, p. 338.

<sup>104</sup> Sara Wallace Goodman, “Conceptualizing and Measuring Citizenship and Integration Policy: Past Lessons and New Approaches,” *Comparative Political Studies*, 2015, 1–37, <https://doi.org/10.1177/0010414015592648>., p. 22.

<sup>105</sup> Bloemraad and Wright, “‘Utter Failure’ or Unity out of Diversity?”, p. S307.

greater the degree of integration. The gap between immigrants and natives should decrease if integration is high; conversely, the disparity would increase if integration is low.

Given that economic integration simply compares economic outcomes between the two groups, it can encompass many labor market demographics. Previous literature examined indicators such as employment rates, income, welfare reliance and occupation type, as well as socioeconomic characteristics like education, incarceration rates, residential segregation and language proficiency.<sup>107</sup> I sought to operationalize variables which would provide a greater understanding of immigrant and native positioning within the labor market. Therefore, I chose to examine a number of dependent variables. I propose the use of several dependent variables to examine economic integration: household income positioning, occupational status, and employment status. These variables were selected to be in line with the literature and address a range of labour market concerns. The chosen variables were operationalized to capture the general economic well-being of individuals across different countries and time periods, allowing their effective comparison.

I chose to examine household income integration by recoding ESS data to reflect a respondent's household income decile within the sample for every country and year. I recoded the data this way because household income was presented differently in the first three ESS rounds than in rounds four to six. The first three rounds recorded income in categories that fit local currency, making it difficult to compare income across countries. By round four the ESS used Euros to standardize the measure, though this does not necessarily account for varied average income and purchasing power across countries over time. Since my models assess

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<sup>107</sup> Ersanilli and Koopmans, "Do Immigrant Integration Policies Matter?"; Koopmans, "Trade-Offs between Equality and Difference"; Ruud Koopmans, "Multiculturalism and Immigration: A Contested Field in Cross-National Comparison," *Annual Review of Sociology* 39, no. 1 (2013): 147–69, <https://doi.org/10.1146/annurev-soc-071312-145630>.

integration by examining income between immigrants and the native-born in clustered observations for country and year, I recoded the data from categorical midpoints into income deciles within each country and year to make them comparable. I imputed the income decile for the respondents using observations in each country and year combination.

Next, I measured occupational status by ranking respondents according to the Standard International Occupational Prestige Scale (SIOPS). I chose occupational status in order to obtain comparable measures of immigrant positioning in the labor force beyond merely looking at income. This measure incorporates the difficulty and resources (e.g. years, certifications, education, previous experience) required to obtain the given occupation, with higher scores denoting a higher occupational status. Though occupational status may be somewhat correlated to income, a higher occupational status rather measures the prestige and difficulty in obtaining a given job. I used ESS data of respondent occupations, which was ordered according to the International Standard Classification of Occupations (ISCO88) and recoded this data to fit the ranked SIOPS scale for subsequent analysis.<sup>108</sup>

I also examined employment status to determine whether immigrants were more or less likely to be employed relative to the native-born in multicultural policy contexts. This indicator examines the ability of respondents to obtain gainful employment in general. I measured this variable by recoding ESS data questioning whether a respondent held employment within the last seven days. I omitted respondents who were retired, students, stay at home parents, on long-term disability, or those who otherwise identified as inactive in the labour force. I created a binary variable that produces a value of 0 for unemployed and 1 for employed respondents.

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<sup>108</sup> John Hendrickx, *ISKO: Stata Module to Recode 4 Digit ISCO-88 Occupational Codes* (Boston College Department of Economics, 2004), <https://ideas.repec.org/c/boc/bocode/s425802.html>.

Next, I introduce multicultural policy as the primary independent concept of interest. I operationalize multicultural policy using Banting and Kymlicka's annual summary scores, which provides values at intervals of 0.5 from 0 to 8. I also examine the effects of dress code exemptions and affirmative action policies alone in facilitating economic integration outcomes. In my theory section I suggested examining the relationship between these individual indicators and economic integration. To operationalize these respective variables, I simply use their score of 0, 0.5, or 1 as per Banting and Kymlicka's Index and recode the individual scores to integers of 0, 1, and 2 to represent none, limited, or partial inclusion of the indicator.

I now overview the operationalization of cultural difference, which I discussed earlier in my thesis. To test my hypothesis regarding the effects of multicultural policy based on an immigrant's cultural difference, I chose to interact cultural difference with multicultural policy in my analysis. This allowed me to examine the effects of multicultural policies on the native-born, Western immigrants, and the non-Western foreign born. I operationalized this data by recoding the binary variable for immigrant status into a separate categorical variable. I used citizenship questions from the ESS in order to determine whether an immigrant was from within the EU-28/North America or foreign-born from other regions around the world. This dummy variable thus coded respondents with scores of 0 if they were native-born, 1 if they were majority immigrants, and 2 if they were non-Western immigrants.

Finally, I address the control variables I plan to use in my analysis. Modelling integration and immigrant populations presents a unique empirical challenge because of variation in immigration policies and immigrant stock, so I followed the decision rules of previous literature.<sup>109</sup> I chose to incorporate standard socioeconomic controls to account for the varied

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<sup>109</sup> Özge Bilgili, Thomas Huddleston, and Anne-Linde Joki, "The Dynamics between Integration Policies and Outcomes: A Synthesis of the Literature," 2015, p. 12.

level of human capital across respondents. Therefore, I use variables for age, gender, level of education, and country of residence to account for temporal and cross-country variation in labor market contexts. Further, I control for citizenship, whether respondents are members of a visible minority group and for those who are voluntarily unemployed or otherwise inactive in the labour force. A summary of the concepts, variables, and measures used within my analysis are illustrated in Table 1.

### **4.3 Summary of Hypotheses**

The hypotheses I will test in my analysis are as follows:

**Hypothesis 1.** Multicultural policy contexts have a positive effect on the economic integration of immigrants.

**Hypothesis 2.** Multicultural policies will have a stronger positive integration effect on non-Western immigrants than immigrants from the EU-28 and North America.

**Hypothesis 3.** Certain multicultural policies, such as affirmative action and dress code exemptions will individually yield positive and significant economic integration effects for non-Western immigrants.

**Null Hypothesis.** There is no relationship between multicultural policies and the economic integration of immigrants.

**Table 1.** Concepts, Variables, and Measures.

Concept	Variable	Measure
Economic Integration	Employment Status	0 = Unemployed; 1 = Employed
	Occupational Status	6 – 78, based on the Standard International Occupational Prestige Scale.
	Household Income Decile	1 – 10, where 1 = 1 <sup>st</sup> decile, and 10 = 10 <sup>th</sup> decile.
IV: Multiculturalism; Level of Multicultural Policy	Number and Scope of Multicultural Policies on the BKMPI	Score from 0 – 8 on the BKMPI, with score from 0 – 1 on individual indicators.
	Affirmative Action and Dress Code Exemptions	0 = None, 1 = Some, 2 = Full Adoption of Indicator.
Interactions		
Immigrant Status	Foreign Born	0 = Native-Born; 1 = Foreign-Born
Level of Cultural Difference	Cultural Difference	0 = Native-Born; 1 = Foreign-Born from Europe/North America; 2 = Foreign-Born from Outside Europe/North America
Controls		
Gender	Male or Female Respondent	0 = Male; 1 = Female
Age	Number of Years	Years of Age; 15-123 in sample
	Age Squared	Years of Age Squared
Education	Highest Level of Education Achieved	1 = Less than Lower Secondary; 2 = Complete Lower Secondary; 3 = Complete Secondary School; 4 = Post-Secondary Non-Tertiary; 5 = Complete Tertiary Education
Citizenship	Non-Citizen	0 = Citizen; 1 = Non-Citizen
Voluntarily Unemployed	Whether Respondent is not seeking full-time employment	0 = Either Employed or Seeking Employment; 1 = Voluntarily Unemployed.
Minority	Whether Respondent Identified as Minority in ESS.	0 = Non-Minority; 1 = Minority
Policy Context	Country and Year in Which Survey is Conducted	Each country and year treated as a separate binary observation

## Chapter 5: Description of Models and Results

In this section I describe the models used in my study's analysis and then subsequently indicate my findings. I outline three primary sets of models across each of my dependent variables: the effects of multiculturalism on the economic integration of immigrants in general, the effects of multicultural policies on the economic integration of immigrants treated heterogeneously based on cultural difference and finally, the effect of affirmative action and dress code policies on the economic integration of immigrants from Western and non-Western countries of origin relative to the native-born.

### 5.1 Multiculturalism and Immigrant Economic Integration

To address the relationship between multicultural policy, cultural difference, and immigrant economic integration, I begin by examining the effects of multicultural policy on income and occupational status. I constructed a model using the specifications of ordinary least squares (OLS) whilst clustering for each country-year context. In my analysis, I also weight the sample to correct for varying population sizes and sampling bias across countries.<sup>110</sup> The equation is as follows:

$$y = \beta_0 + \beta_1\chi_{MP} * \beta_2\chi_{Immigrant} + \beta_3\chi_{Gender} + \beta_4\chi_{Education} + \beta_5\chi_{Age} + \beta_6\chi_{Minority} + \beta_7\chi_{Non-Citizen} + \beta_8\chi_{Unemployed} + e$$

In this model  $y$  refers to the degree of economic integration, which is measured as the size of the gap between the position of immigrants relative to the native-born. When examining occupational status, I do not control for whether the respondent is inactive in the labour force and unemployed, as their last occupation can be used for analysis. I test the relationship on two

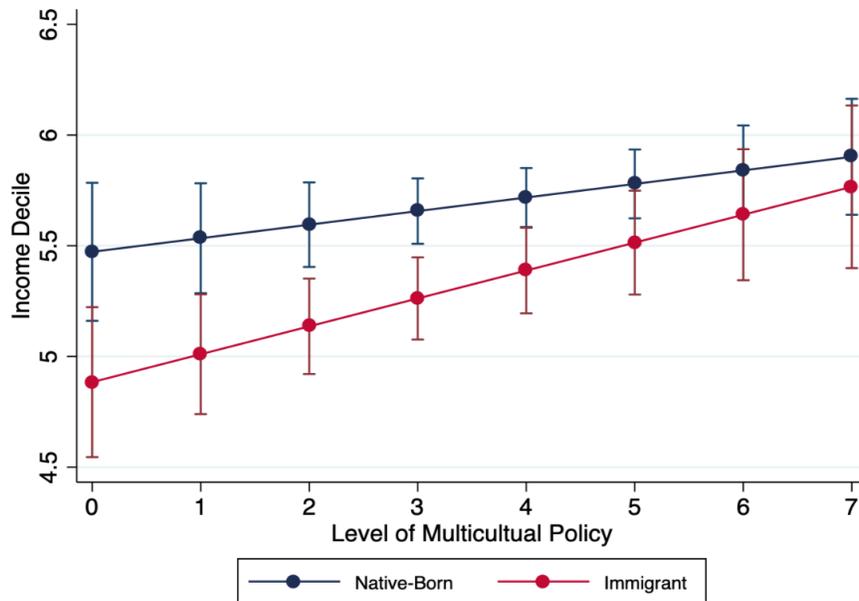
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<sup>110</sup> "Weighting | European Social Survey (ESS)," accessed July 3, 2019, [https://www.europeansocialsurvey.org/methodology/ess\\_methodology/data\\_processing\\_archiving/weighting.html](https://www.europeansocialsurvey.org/methodology/ess_methodology/data_processing_archiving/weighting.html).

dependent variables: income and occupational status. If my hypothesis is correct, I would expect to see an initial disparity between the native-born and immigrants, which decreases as the level of multicultural policy increases. The results of this model are displayed in columns (1) and (2) of Table 2 respectively.

The results indicate across the sample, immigrants tend to yield a lower income positioning and occupational status than the native-born in the absence of multicultural policies ( $p < 0.01$ ). I first examine the effects of multicultural policies on the income positioning of immigrants. The r-squared coefficient suggests the model accounts for 17% of the variance in the model. The results illustrate an increase in multicultural policy has a positive and significant effect on the income decile positioning of the foreign-born ( $p < 0.05$ ). More specifically, for every unit increase in multicultural policy across the sample as per Banting and Kymlicka's Index, the initial income disparity between the native-born and foreign-born of 0.589<sup>th</sup> of a decile is reduced by 0.065 units ( $p < 0.05$ ). The relationship between multicultural policies and income is also illustrated in Figure 1. The gap in income positioning between immigrants and the native-born decreases as the level of multiculturalism increases, suggesting greater economic integration. Referring to my first hypothesis, the results in column (1) indicate increased levels of multicultural policy have a positive and significant effect on the relative income positioning of immigrants as compared to the native-born. This provides support for my hypothesis that multicultural policies do improve economic integration outcomes for immigrants when examining income.

**Figure 1.** The Effects of Multicultural Policy on Immigrant Income Positioning.



I now discuss the relationship between multicultural policy and occupational status, displayed in column (2) of Table 1. The results indicate a small and positive effect of multicultural policy in reducing the disparities in occupational status between immigrants and the native-born. Nevertheless, the effects of 0.09 points per unit increase in multiculturalism appear marginal in reducing the initial disparity of 1.477 points between immigrants and the native-born. Furthermore, because of the large standard errors and p-values I am unable to reject the null hypothesis. Therefore, the results do not indicate a significant relationship between multicultural policies and the occupational status of immigrants.

**Table 2.** Regression of Multicultural Policy on Immigrant Economic Integration.

	(1) Income Decile	(2) Occupational Status	(3) Employment Status
Multicultural Policy	0.061 (0.036)*	0.104 (0.138)	1.069 (0.034)**
Foreign Born	-0.589 (0.103)***	-1.477 (0.434)***	0.692 (0.081)***
Foreign Born x Multicultural Policy	0.065 (0.030)**	0.092 (0.129)	1.029 (0.037)
Gender	-0.290 (0.029)***	-1.535 (0.193)***	0.748 (0.048)***
Highest Education Achieved	0.608 (0.023)***	5.457 (0.145)***	1.390 (0.035)***
Age	0.055 (0.005)***	0.263 (0.028)***	1.194 (0.014)***
Age Squared	-0.001 (0.000)***	-0.001 (0.000)***	0.998 (0.000)***
Minority	-0.460 (0.080)***	-0.862 (0.277)***	0.734 (0.055)***
Voluntarily Unemployed	-0.602 (0.078)***		
Non-Citizen	-0.433 (0.078)***	-1.784 (0.356)***	0.900 (0.099)
Constant	3.881 (0.240)***	18.982 (0.786)***	
$R^2$	0.17	0.32	
$N$	131,079	127,649	98,099

\*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ . The results for Column (3) are presented as odds ratios.

Next, I test my first hypothesis across another dependent variable: the likelihood of employment. I employ a logistic regression model to examine whether the gap in employment

rates between immigrants and the native-born decreases in increased multicultural policy contexts. This model also employs weights and clusters for each country-year context. If my hypothesis is correct, we would expect to see immigrants more likely to be employed relative to the native-born in increased multicultural policy contexts. The results of this model are displayed in column (3) of Table 2. The results of the logistic regression are presented as odds ratios. The results indicate the foreign born are 30.8% less likely to be employed than the native-born in the sample ( $p < 0.01$ ). The gap in employment probability between immigrants and the native-born has been highlighted in the literature.<sup>111</sup> The odds ratio of 1.029 suggests multicultural policy is associated with a 2.9% increase in the likelihood of being employed across the foreign-born. Nevertheless, this relationship is not deemed significant due to the large standard error and I am therefore unable to reject the null hypothesis. Therefore, the results indicate no significant relationship between multicultural policy and the probability of being employed. In sum, my first set of models provide some support for my hypothesis: there is a significant and positive effect of multicultural policies on the income integration of migrants.

## **5.2 Multiculturalism and Economic Integration Based on Cultural Difference**

The second part of my analysis aimed to test my hypothesis regarding the effects of multiculturalism based on the strength of cultural difference displayed by immigrants. I test whether multicultural policies have a stronger effect on the economic integration of immigrants from non-Western countries of origin. I propose another model using OLS specifications to examine multiculturalism on income and occupational status. This model clusters for country-year variation and also uses weights to account for population and sampling bias. I interact multicultural policy against cultural difference, which compares the effect of multicultural

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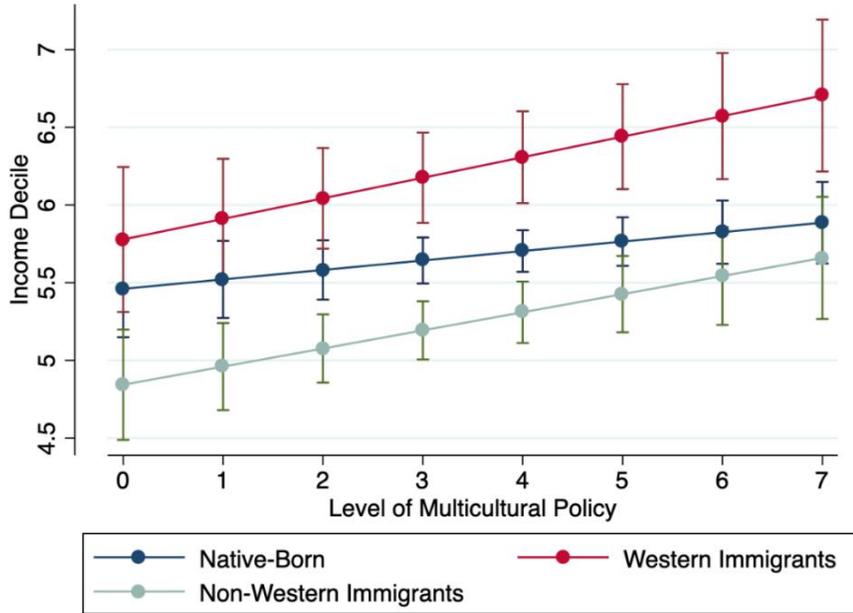
<sup>111</sup> See: Dancygier and Laitin, 2014.

policies on the native-born relative to Western immigrants and non-Western immigrants separately. The model is as follows:

$$y = \beta_0 + \beta_1 \chi_{MP} + \beta_2 \chi_{CulturalDifference} + \beta_3 \chi_{Gender} + \beta_4 \chi_{Education} + \beta_5 \chi_{Age} + \beta_6 \chi_{Minority} + \beta_7 \chi_{Non-Citizen} + \beta_8 \chi_{Unemployed} + e$$

The results of this analysis are displayed in Table 3, with the effects on income and occupational status illustrated in columns (1) and (2) respectively. I first discuss the relationship between multicultural policy and income. These results are also illustrated graphically in Figure 2.

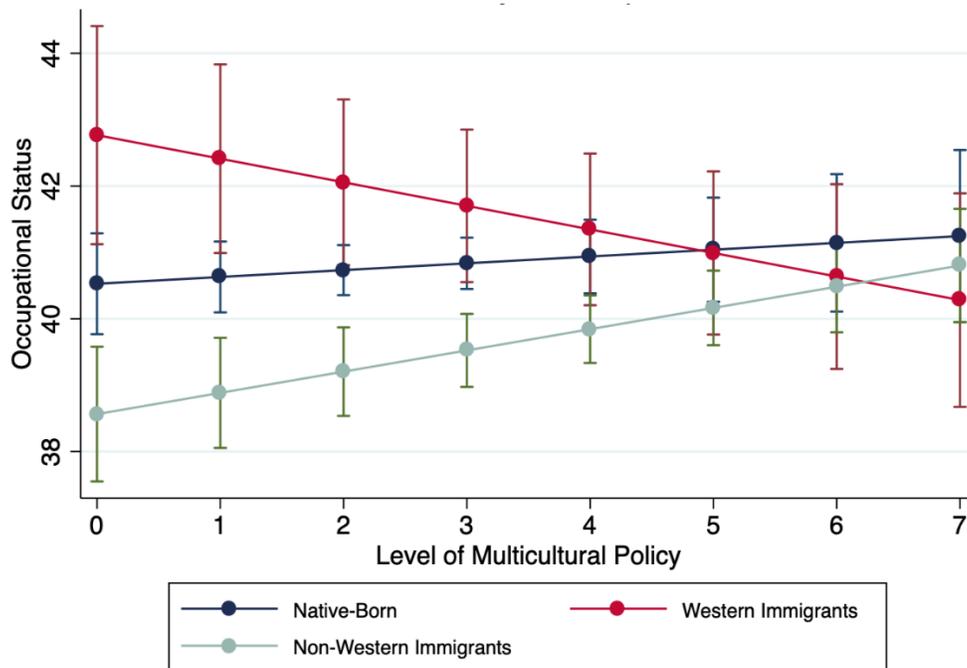
**Figure 2.** The Effects of Multicultural Policy on Income Based on Cultural Difference.



The model indicates that in the absence of multicultural policies, non-Western immigrants tend to display lower income positioning relative to the native-born ( $p < 0.01$ ) while Western immigrants tend to perform better than the native-born. This appears to support the literature’s proposition that immigrants displaying higher levels of cultural difference face greater economic difficulties. The effect of multicultural policies on Western immigrants appears

marginal at best, given the small coefficient value of 0.072 and the large standard error. Across non-Western immigrants however, the results indicate multicultural policies have a significant and positive effect on their economic positioning compared to the native-born. In fact, for each unit increase in the level of multiculturalism, the relative income positioning of non-Western immigrants increases by 0.056 ( $p < 0.05$ ). Thus, the average income positioning of non-Western immigrants approaches that of the native-born in increased multicultural policy contexts.

**Figure 3.** Multicultural Policy and Occupational Status by Cultural Difference.



Next, I examine the relationship between multicultural policies and occupational status. The results of this model indicate, similar to income, that non-Western immigrants on average yield a significantly lower occupational status than the native-born ( $p < 0.01$ ). Conversely, Western immigrants appear to yield a significantly higher occupational status than both the

native-born and non-Western immigrants ( $p < 0.05$ ). The results can be seen in Figure 3. As the level of multiculturalism increases, non-Western immigrants are associated with positive increases in occupational status relative to the native-born ( $p < 0.1$ ). Specifically, non-Western immigrants are associated with a 0.217 increase in occupational status for every unit increase in multicultural policy, gradually closing the gap between immigrants and the native-born. This would suggest the inherent disparities that exist between the native-born and non-Western immigrants are reduced as a result of multicultural policy. For Western immigrants however, the results indicate that in increasing multicultural policy contexts, their average occupational status is lower than in assimilatory contexts ( $p < 0.01$ ). Therefore, the results provide support for the hypothesis that multicultural policies have a positive significant effect on the economic integration of non-Western immigrants as opposed to Western immigrants. Nevertheless, the decreased occupational status of Western immigrants in increased multicultural contexts runs counterintuitive to my first hypothesis. I further discuss these results and factors which may have affected my analysis in Section Six of my thesis.

**Table 3. Regression of Multicultural Policy, Cultural Difference, and Economic Integration.**

	(1) Income Decile	(2) Occupational Status	(3) Employment Status
Multicultural Policy	0.061 (0.036)*	0.103 (0.137)	1.064 (0.035*)
Europe/North American Immigrant	0.318 (0.224)	2.240 (0.875)**	1.112 (0.265)
Non-Western Immigrant	-0.617 (0.099)***	-1.964 (0.422)***	0.613 (0.092)***
Europe/North American Immigrant* Multicultural Policy	0.072 (0.053)	-0.458 (0.205)**	0.977 (0.059)
Non-Western Immigrant* Multicultural Policy	0.056 (0.029)**	0.217 (0.124)*	1.061 (0.047)
Gender	-0.292 (0.029)***	-1.541 (0.193)***	0.789 (0.049)***
Non-Citizen	-0.851 (0.113)***	-2.700 (0.485)***	0.792 (0.104)*
Minority	-0.380 (0.081)***	-0.737 (0.279)**	0.760 (0.059)***
Highest Education Achieved	0.606 (0.023)***	5.452 (0.145)***	1.430 (0.037)***
Voluntarily Unemployed	-0.601 (0.077)***		
Age	0.055 (0.005)***	0.262 (0.028)***	1.124 (0.015)***
Age Squared	-0.001 (0.000)***	-0.001 (0.000)***	0.999 (0.000)***
Constant	4.326 (0.245)***	19.969 (0.770)***	0.273 (0.079)***
$R^2$	0.17	0.32	
$N$	131,140	127,713	95,857

\*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ . The results for Column (3) are presented as odds ratios.

### 5.3 Affirmative Action and Dress Code Exemptions

The final part of my analysis seeks to determine whether certain elements of multicultural policy have a positive integration effect based on cultural difference, thus driving a relationship between multiculturalism and economic integration. I hypothesized affirmative action and dress code exemptions would individually have a significant and positive effect on the economic integration of non-Western immigrants. I examined the effects of these individual policies on income and occupational status. I did not examine employment outcomes because my previous models yielded little significance in my models. I used individual policy scores from Banting and Kymlicka's Index and examined the effect of each of these variables on both majority and minority immigrants.<sup>112</sup> I continued to use OLS specifications and the same controls as in my second set of analyses. The results of these models are illustrated in Table 4.

The results in column (1) suggest in the absence of affirmative action policies, Western immigrants have a greater income positioning relative to the native-born, while non-Western immigrants yield significantly lower incomes ( $p < 0.01$ ). The results further indicate partial and full inclusion of affirmative action policies are associated with a 0.246 and 0.492 respective increase in the income positioning of non-Western immigrants ( $p < 0.05$ ). As expected, the effect of affirmative action on the income positioning of Western immigrants is small and statistically insignificant, albeit positive. These results suggest affirmative action is significantly associated with greater income integration, and thus increased economic integration.

Next, the results in column (2) indicate that on average, Western immigrants display a lower occupational status in contexts with a partial or complete adoption of affirmative action policies ( $p < 0.05$ ). In other words, Western immigrants, when controlling for other factors, tend

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<sup>112</sup> As mentioned in Section 4, each individual indicator was recoded from a value of 0, 0.5, or 1 to 0, 1, and 2. The values of 0, 1, and 2 each represent no, limited, and full adoption of the indicator in national policy.

to have a lower occupational status in these contexts as opposed to assimilatory contexts that do not have affirmative action. Regarding non-Western immigrants, there appears to be a positive relationship between affirmative action and their occupational status, but I am unable to reject the null hypothesis due to the large p-value. These findings, though unexpected, provide little empirical support for my hypothesis that affirmative action is associated with greater economic integration when examining occupational status. I discuss the variation in results across income and occupational status in the following section.

**Table 4.** Regression of Affirmative Action and Dress Code Exemptions on Economic Integration Based on Cultural Difference.

	(1) Income	(2) Occupational Status	(3) Income	(4) Occupational Status
Affirmative Action	0.270 (0.156)	0.254 (0.644)		
Dress Code			0.104 (0.167)	-0.029 (0.602)
Western Immigrant	0.508 (0.159)***	1.509 (0.579)**	0.427 (0.166)**	1.128 (0.667)
Non-Western Immigrant	-0.508 (0.061)***	-1.471 (0.234)***	-0.586 (0.082)***	-1.707 (0.281)***
Western Immigrant*Affirmative Action	0.207 (0.246)	-2.003 (0.980)**		
Non-Western Immigrant *Affirmative Action	0.246 (0.123)**	0.574 (0.511)		
Western Immigrant* Dress Code			0.304 (0.245)	-0.929 (0.961)
Non-Western Immigrant *Dress Code			0.379 (0.121)***	1.075 (0.505)**
Gender	-0.292 (0.029)***	-1.681 (0.190)***	-0.289 (0.029)***	-1.679 (0.190)***
Highest Education Achieved	0.610 (0.022)***	5.486 (0.147)***	0.600 (0.022)***	5.479 (0.142)***
Age	0.054 (0.005)***	0.317 (0.028)***	0.054 (0.005)***	0.317 (0.028)***
Age Squared	-0.001 (0.000)***	-0.002 (0.000)***	-0.001 (0.000)***	-0.002 (0.000)***
Minority	-0.392 (0.083)***	-0.693 (0.283)**	-0.397 (0.074)***	-0.699 (0.281)**
Voluntarily Unemployed	-0.605 (0.077)***		-0.613 (0.077)***	
Non-Citizen	-0.876 (0.112)***	-2.783 (0.468)***	-0.825 (0.104)***	-2.669 (0.449)***

Constant	4.453 (0.208)***	19.111 (0.746)***	4.481 (0.198)***	19.114 (0.683)***
$R^2$	0.18	0.32	0.17	0.32
$N$	131,140	129,323	131,140	129,323

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\*  $p < 0.08$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Next, I discuss the results of my models that examined the effect of dress-code exemptions on immigrant economic integration. As discussed, I expect there to be a significant effect of dress-code exemptions on non-Western immigrants because they are more likely to display cultural and religious difference than majority immigrants. The results indicate dress-code exemptions are positively and significantly related to both the increased income positioning and occupational status of non-Western immigrants ( $p < 0.01$  and  $p < 0.05$  respectively). This provides support for my hypothesis: dress code exemptions are significantly and positively associated with greater economic integration for non-Western immigrants. These results hold across indicators of income positioning and occupational status. Regarding the effect of dress code exemptions on Western immigrants, the results indicate positive and negative correlations on income and occupational status. Though the results display divergent coefficients, the standard errors are too large to reject the null hypothesis concerning Western immigrants. This was expected by my theory, as I suggested dress code exemptions were intended to improve integration outcomes of non-Western immigrants. In conclusion, I suggest these models show support for my hypothesis regarding dress-code exemptions and immigrant economic integration.

## Chapter 6: Discussion

In this section I revisit my hypotheses and discuss the implications of my results. Overall, the results in Section Five provide empirical support for some of my hypotheses. Most importantly, my results establish there is generally a positive and significant relationship between multicultural policy and the economic integration of immigrants and especially non-Western immigrants. I discuss these results and some limitations of my study.

My first hypothesis sought to establish a relationship between multicultural policies and immigrant economic integration. With respect to income, multiculturalism yielded a strong and significant positive relationship on closing the income disparity between immigrants and the native-born; however, the models did not indicate a significant relationship when examined against occupational status. This divergence in results across indicators persisted in subsequent iterations of model analysis. These results could be due to a variable I failed to control for – I suspect variation in immigration policies would yield host societies with different types of immigrants. Varied immigrant stock would directly affect integration outcomes and mask the effect of multicultural policy in my analysis, even when controlling for region of origin and human capital. Further, the average skill-level and occupational status may vary across countries, which would affect the performance of immigrants relative to the native-born in my analysis. In other words, my study overlooks the possibility that some host countries may inherently have differences in labour market composition.

It is also possible that multicultural policies may have an effect on income positioning, but not the occupational status of immigrants, as I theorized. Perhaps multicultural policies are able to successfully provide immigrants with access to employment opportunities that yield higher incomes but have yet to contribute to significantly increasing the average occupational

status of immigrants. Studies of intergenerational mobility often study occupational status across generations, as they assume first-generation immigrants are rarely able to fully assimilate into the host society; the time, certifications and other resources required to increasing occupational status make it difficult for the foreign-born to significantly improve their occupational status. This is especially true for those who immigrate as adults. Therefore, I concede the possibility multicultural policies, though beneficial, may not have a large effect on the occupational status of first-generation immigrants.

Next, I discuss the relationship between multicultural policies and employment status. My second model tested whether increased multicultural policy contexts would yield greater probabilities of employment across the foreign-born. This proposition however, was not supported by the model analysis – there does not appear to be a significant relationship between multicultural policies and probability of employment. Based on the legacy of European guest work where immigrants were recruited to fill low-skilled positions, it is plausible multicultural policies do not encourage immigrants to seek employment itself. It is likely increased multicultural policy contexts may rather incentivize immigrants to seek out other forms of employment that may improve income or occupational status. This would be supported by the results of the model analysis. Though the statistical significance of the results vary depending on the indicator, I find moderate support for my first hypothesis: there is significantly greater economic integration when measured against income for immigrants in increased multicultural policy contexts.

When I examined the effect of multiculturalism on the native-born relative to Western and non-Western immigrants, I sought to establish support for my hypothesis regarding cultural difference. In this set of models, I found significant and positive relationships between

multicultural policies and non-Western immigrants across certain indicators: namely income and occupational status ( $p < 0.05$  and  $p < 0.1$  respectively). Nevertheless, the models indicate mixed empirical support because the results of the interaction were not found to be statistically significant when considering employment status. I argue these results could be based on the small number of Western and non-Western immigrants relative to the native-born. Given the omission of individuals who identified as inactive in the labour force, a significant portion of the sample was not used in the analysis. This could have affected the results regarding employment status.

Moreover, the results of my analysis as seen in Table 3 column 2 indicated a statistically significant negative relationship between multicultural policy and the economic integration of Western immigrants when examining occupational status. As discussed previously in this discussion, these unexpected results could be attributed not necessarily to the effects of multiculturalism, but rather to an inherent variation in immigrant stock my study failed to control for.

Next, I consider the other factors that may have affected the results of my analysis. Many of the country-year observations yielded similar Banting-Kymlicka scores over time – certain multicultural policy scores tended to produce the same country repeated over various iterations. For example, Denmark yielded the same score on the Banting Kymlicka Index for every year examined in this study. Nevertheless, the disparities between immigrants and the native-born, suggesting level of economic integration, varied in the study in certain rounds. This would suggest external factors and other aspects of the country's immigration regime not addressed in the models could be another significant predictor of immigrant performance. I theorize immigration policy is a significant predictor, but other factors such as income inequality,

unemployment rates, and the types of employment available could all affect immigrant performance. Further, certain effects such as economic recession and an influx of asylum seekers could also affect economic performance of immigrants relative to the native-born.

Finally, I discuss my last set of models, where I examined the effects of affirmative action and dress code exemptions as a subset of multicultural policy on the economic integration outcomes of Western and non-Western immigrants. I interacted cultural difference against affirmative action and dress code policies to determine if there was a significant relationship on the relative occupational status and income positioning of non-Western immigrants. These models provided mixed empirical support for my hypothesis. Though there does appear to be a positive and significant relationship between cultural difference and multicultural policy on the income positioning and occupational status of non-Western immigrants, certain indicators displayed insignificant and even negative results. Specifically, the effects of affirmative action were significantly and negatively correlated with the occupational status of Western immigrants. Though this could be due to differences in immigrants' stock, it is difficult to conclusively determine the effects of these policies across the foreign-born. Nevertheless, we can conclude that dress-code policies are significantly and positively associated with greater economic integration across non-Western immigrants. This was expected because non-Western immigrants would be significantly more challenged by dress code restrictions. Overall, I am hesitant to reject the null hypothesis for my third hypothesis but suggest there is some relationship between these aspects of multicultural policy and the economic integration of non-Western immigrants. Specifically, I argue dress-code exemptions are associated with the greater economic integration of non-Western immigrants.

## Chapter 7: Conclusion

This paper has made three primary arguments. First, increased multicultural policy contexts encourage the economic integration of immigrants. In fact, the results of my analysis indicate increases in multicultural policy are significantly associated with increased incomes across immigrants. Second, my study argues cultural difference is significantly associated with immigrant economic integration; immigrants from non-Western backgrounds will have greater inherent disparities from the majority population because of increased cultural difference and reap greater integration outcomes from multicultural policies. The presented evidence illustrates immigrants from non-Western contexts face greater barriers to integration, and that multicultural policy is associated with positive and significant increases in income and occupational status for minority immigrants. Third, I argued certain elements of multicultural policy would have a positive effect on integration. The evidence in the analysis presented mixed empirical support for this proposition. Overall, my research has demonstrated the positive effect multicultural policies have on economic integration outcomes.

This work has contributed to the seemingly divergent claims in the multicultural literature. My study provides support for the theorized proposition that multicultural policies facilitate economic integration outcomes. More importantly, it contradicts the rhetoric of immigrant ghettoization and poverty as a result of multicultural policies. Additionally, this work provides a foundational basis for future empirical research. One possible avenue of research would be to examine other indicators of economic integration, in an attempt to assess what aspects of integration are most affected by multicultural policy. By looking at how other indicators of economic integration perform against multiculturalism, future research may provide a robustness check on this study and provide greater insight into the limits of multicultural

policies. Unfortunately, I was unable to examine other indicators of economic success due to the lack of data availability. If more data is made available, further research could also examine the relationship between multicultural policy and integration outcomes with controls for immigrant stock, immigration policies, and citizenship policies. The divergent results in the analysis could be attributed in part to the variation in immigration regimes; certain countries might be prone to accepting affluent or high-skilled immigrants as opposed to low-skilled immigrants. Though I control for standard socioeconomic controls and level of education, I was unable to control for other factors which may affect immigrant stock, such as wealth, length of stay in the host country, nor the reason for immigration.

Though the debate over multiculturalism and best practices may not be over, my study has established the rhetoric of immigrant ghettoization and poverty as a result of multicultural policies does not seem to apply in the context of Europe.

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## Appendix

**Table A.** Breakdown of Immigrants and the Native-Born by Country and ESS Round

Country	Round 1		Round 2		Round 3	
	Native	Immigrant	Native	Immigrant	Native	Immigrant
Austria	2053	202	2074	176	2236	164
Belgium	1739	158	1619	159	1645	153
Switzerland	1696	344	1748	393	1464	340
Germany	2705	214	2625	245	2687	227
Denmark	1422	79	1415	71	1403	91
Spain	1648	79	1545	118	1730	146
Finland	1937	63	1983	39	1838	58
France	1353	150	1670	136	1791	195
United Kingdom	1860	191	1724	171	2158	236
Greece	2302	251	2164	236	-	-
Ireland	1890	150	2138	144	1561	236
Italy	1181	26	1494	35	-	-
Netherlands	2207	156	1717	164	1711	178
Norway	1903	133	1632	128	1625	124
Portugal	1421	90	1932	109	2078	139
Sweden	1785	213	1762	185	1710	217
<i>N</i>	29102	2499	29242	2509	25637	2504

**Table A.** Breakdown of Immigrants and the Native-Born by Country and ESS Round  
(Continued).

Country	Round 4		Round 5		Round 6	
	Native	Immigrant	Native	Immigrant	Native	Immigrant
Austria	-	-	-	-	-	-
Belgium	1586	174	1516	188	1606	262
Switzerland	1392	427	1155	351	1157	336
Germany	2518	231	2743	286	2658	300
Denmark	1510	100	1475	101	1536	113
Spain	2341	235	1693	192	1671	218
Finland	2139	56	1813	65	2103	94
France	1911	162	1573	154	1760	208
United Kingdom	2106	245	2151	271	2020	266
Greece	1950	121	2447	267	-	-
Ireland	1479	285	2170	406	2244	383
Italy	-	-	-	-	887	70
Netherlands	1610	168	1373	141	1677	168
Norway	1418	130	2004	152	1421	203
Portugal	2229	138	2004	146	2019	132
Sweden	1616	213	1324	173	1613	234
<i>N</i>	25805	2685	25125	2893	24372	2987