THE IMPACT OF INFORMAL NETWORKS ON LABOUR MOBILITY: THE CASE OF IMMIGRANT'S FIRST JOB IN SPAIN

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This study analyses the transition from the last job in the country of origin to the first job in Spain for immigrants according to their country of birth. We used the 2007 *Spanish National Immigration Survey to* build empirical models of multivariate regression analysis considering the main factors that may influence the probability of downward and upward labour mobility for men and women separately. The inexistence of differences between men and women on the impact of networks and the key role of pre-settled partners in immigrants´ upward labour mobility are the main findings of this work.

Informal Networks, Labour Mobility, Immigrants, Spain, Gender

1. INTRODUCTION

During last decade, Spain has experienced an important growth in the volume of its immigrant population. From 1999 to 2009, the number of employed immigrant workers increased from 526,097 to 3,135,646, from 3.6% to 16.7% of all employed population. Mostly, this recent influx of immigrant workers is a response to a new labour demand to fill the lower-level occupational positions left by the autochthonous population. These vacancies are predominantly in intensive agriculture, in construction, and in the touristic industry for immigrant men, and in domestic and other personal services for immigrant women.

This investigation aims at analyzing the labour mobility that is part of this population's migration process: the transition from the last job in the country of origin to the first job in the country of destination – Spain. Particularly, we focus on the role of networks on upward or downward labour mobility in the segmented Spanish labour market. We conducted the analysis for men and women separately as the evidence suggest that labour market is divided not only following a native-immigrant pattern but also a gendered one. Our main contribution is the inclusion of family arrangements and the role of networks as explanatory variables in this transition.

In order to set out our empirical model, we have considered different theoretical perspectives regarding the labour mobility of immigrants in the country of residence: the theory of *human capital*, the *structural* perspective and, the *social capital* theoretical framework which highlights the importance of social networks for immigrant's labour attainment. This perspective maintains that immigrants who have previous contacts in destination before migrating have a higher probability of getting faster a first job and those networks are particularly relevant to found a job in ethnic business. Nonetheless, there is very few empirical evidence of the impact of networks on labour mobility.

Using the National Immigrant Survey (2007), we have built empirical models of multivariate regression analysis considering all the factors that may influence the probability of downward, lateral and upward labour mobility. Particularly on the effects of networks we included two covariates: the marital status, which includes the fact of having previously the spouse in Spain, and the method used to get the first job, which considers the categories of formal methods and relatives or friends (informal networks).

2. THEORETICAL PERSPECTIVES AND RESEARCH HYPOTHESES

In order to explain the labour mobility of immigrant women in Spain we should start with a brief panoramic of the main theoretical perspectives regarding the labour mobility from which we frame our analysis. Firstly, the *functionalism* and *neoclassical* traditions focus in the importance of the *human capital* as a central determinant of the differences of individuals in their attainment in the labour market (Becker, 1962 and 1964). In human capital theory, changes in

attainment are assumed to be created exclusively through changes in a person's productivity, i.e., skills and experience. This perspective maintains that within the society and the labour market, it does not exist any structure or segmentation that constricts social and labour mobility. Moreover, although migrants loose part of their human capital in their first period in the host society, which leads to a downward labour mobility, this is a consequence of the temporary adjustment process to the receiving society that migration involves. In this sense, Borjas (1994) stressed either human capital or the social structures in order to explain the labour achievement of immigrants.

The second theoretical framework we consider is the *structural or dual labour market* theory, which postulates a relationship between career mobility and the existing segments in the labour force, predicting little intersegment mobility, particularly in the direction of upward mobility, from the secondary to the primary segment's occupations (Doeringer and Piore, 1971; Piore 1971, 1975, 1979a and 1979b; Thurow, 1975; Sorensen, 1977). Furthermore, Piore (1979a) and Kalleberg and Sorensen (1979) identified the segmentation of the labour force by the migrant or national origin of workers. The national or ethnic origin and sex are keys explanatory elements of the differences in the possible mobility within the labour market regardless other factors such as human capital or previous labour experience. Therefore, ethnic minorities and women are disproportionately entering the labour market in less prestigious jobs and they have greater obstacles to upward mobility (Ekberg 1994 and 1996 and Rooth and Ekberg, 2006 for the Swedish context, for example).

The third theoretical perspective considered is the *social capital* (Hugo, 1981; Taylor, 1986, 1987; Massey et al. 1993, 1994a, 1994b and 2001; Coleman, 1990). The starting hypothesis is that people who are socially related to current or former migrants have access to social capital that significantly increases the likelihood that they, themselves, will migrate (Massey, 1990; Massey et al. 2001). This occurs due to the fact that it decreases the costs and risks of the migration and increases the expected net returns. These authors define migrant networks as sets of interpersonal ties that connect migrants, former migrants, and non-migrants to one another through relations of kinship, friendship, and shared community origin. Once someone in a person's networks migrates, the ties of friendship and kinship are transformed into a resource to gain access to foreign employment, especially to the considered "immigrant jobs" and the money that it brings (Massey et al. 1987; Massey et al. 1994b). Massey et al. (2001) also recognized the important role of networks in the success of the household migratory strategies.

Finally, from a less optimistic point of view, Portes and Sensenbrenner (1993) pointed out that social networks may have negative as well as positive consequences for migrants, and that the same mechanism that give rise to labour insertion in destination can also constrain the occupational opportunities to ethnic business (Wilson and Portes, 1980; Portes and Böröcz, 1992). The authors also argue that the role of networks in labour mobility after migration would be restricted to specific kind of jobs.

Considering these theoretical approaches, this investigation examines labour mobility that the same migratory process involves, contrasting immigrant last occupation before the migration and their first occupation once in Spain. The aim is to study whether the existence of informal networks in Spain during the migration experience brings about the opportunity for improving or deteriorating their occupational attainment. Our starting point is that those unskilled positions of the secondary labour market are the main portal of entry in the labour market for immigrants. It happens mostly due to the informality of labour demand and the role of family and friends in helping to find a job in those activities. Consequently, we hypothesize that the effect of social networks in labour attainment is ambiguous. On the one hand, having previously the spouse in Spain prevents downward mobility as the result of the increased ability to be selective about labour insertion as their economic requirements are less urgent. On the other hand, informal networks are especially useful for insertion into the most unskilled and informal jobs, which are largely situated in the bottom positions of the occupational scale, increasing the likelihood of experiencing a downward movement.

3. DATA AND METHODS

The National Immigrant Survey 2007 (ENI-2007)

This investigation will use a valuable Spanish dataset, the National Immigrant Survey 2007 (ENI-2007). The sample size of the ENI-2007 is 15,465 immigrants. The importance of this survey resides in the fact that is exclusively directed to the immigrant population, in order to be representative of the socio-demographic characteristics, the living conditions and the socio-economic situation of this population, from the moment when the migratory decision was made to arrival and their subsequent establishment in Spain (Reher et al., 2008). For the purpose of this research, the ENI-2007 is a very suitable data set as it includes the occupational characteristics in three crucial moments in the migratory experience: the last occupation in the country of origin prior to migration; first occupation after arriving to Spain and finally, the occupation in the moment of data collection. This information, therefore, allows the analysis of occupational mobility from the country of origin to the first occupation in Spain, for those who were working before migrating to Spain and that worked in at least one occasion after their arrival to Spain.

Sample description and explanatory variables

Of the total immigrant population interviewed, we chose to analyze those immigrants that entered to Spain in 1990 or later and aged 16-64 in the moment of immigration. By selecting only those most recent immigrants we intended to focus our analysis on foreign born who arrived during the recent period of socio-demographic and economic transformation in Spain so that we could interpret their labour insertion and mobility as a consequence of the current segmentation

of the Spanish Labour Market. Moreover, due to their educational and labour characteristics, clearly different from the rest of immigrant groups, we didn't consider in the investigation those born in the UE-15, USA and Canada. Then, from the 15,465 immigrants interviewed in the survey, we selected 9,206 for our analysis, approximately the 60% of the total immigrants interviewed.

Regarding the independent variables, they were selected according to the previous literature available and considering the main features that influence the labour mobility of immigrants. On the origin it was selected the region of birth and age. The educational level was incorporated as the most relevant variable on human capital; on family characteristics we have included the current marital status and the tenancy of children at the time of migration. We put emphasis on the variables on family characteristics: it is expected that immigrants that are married but their partner are not in Spain on the one hand, and immigrants with children, on the other hand, are more likely to accept a first job in lower positions than those that 1) come with the partner, 2) the partner is already a resident in Spain or 3) who are singles and do not have children. These last groups have a lower urgency in getting back the economic investment made in the migration.

The year of arrival is used as a contextual indicator to indirectly observe the effects of the changes in the Spanish labour market. It is also included a variable that indicates if the immigrant had Spanish citizenship before immigrating. This variable is central because it controls the potential effects of immigrating with no needs of legal procedures to be able to work and that clearly favour the Latin-American population. Finally, we have included a variable related to the way by which immigrants got their first job in Spain, with the aim of evaluating the importance of social networks in the labour insertion in the destination country. The covariates used in our analysis present information of the period or event of interest. Only educational attainment information is exclusively relating to the time of the data collection and thus is the only non-retrospective information included the analysis.

Methods of analysis: The logistic regression

The methodology of analysis is quantitative, following the demographic and sociologic perspectives. Results will refer to the Spanish territory as a whole. We analyse labour mobility is the construction of multivariable models using logistic regression:

$$log\ (y) = \alpha + \beta_1 x_{1+} \beta_2 x_{2+} \ldots + \beta_n x_n$$

Where α is the constant and β_i are the regression coefficients of the explanatory variables x_i. Beta coefficients (β_i) show the relative importance of the independent variables in the determination of the outcome variable. In the case of multivariable models like those constructed in this paper, the estimated probability of Y=1 is interpreted as the adjusted likelihood to the whole effect of

all covariants in the model. We apply multivariant logistic regression in order to lay down the association of our explanatory variables in the direction of labour mobility between the occupation immigrants hold prior to migration and their first occupation once in Spain (downward, lateral and upward).

4. MULTIVARIATE RESULTS

In order to analyze the factors affecting labour mobility between the last job in origin and the first work in Spain and the role networks play in this process we have developed three sets of multivariate logistic regression models for men and women separately. The models seek to explain the downward occupational mobility, horizontal labour mobility (i.e. no mobility) and upward mobility in occupational status. For the descendant labour mobility the logistic regression model was developed taking as a dichotomous dependent variable if the immigrant has found his first job in Spain in a lower occupational category in comparison to the occupation in the country of origin or not. In the horizontal mobility, what we measured are the factors affecting the permanence in the same category of employment in Spain compared to the country of origin. Finally, the upward mobility model show the characteristics associated with the mobility from a lower occupational category to a superior one in Spain.

For men, as it can be seen in Table 1, and after having controlled for all the mentioned covariates, on the family characteristics we have observed that the fact of being married and having a wife in the country of origin or to arrive in Spain together with a partner, on the one hand, or being single, on the other, increases the likelihood of downward mobility in comparison to those men who already have a wife living in Spain before migrating, as we expected. In the case of horizontal mobility, to come to Spain with his wife or without a partner decreases the likelihood of horizontal mobility. Therefore, to have the wife previously settled in Spain helps to prevent downward employment mobility. Having children is not significant in any of the models. On the fact of getting the first work in Spain through formal means of job search decreases the risk of downward mobility and increases the risk of lateral mobility compared to those who have achieved thanks to family or friends. This fact corroborates our hypothesis about the role of social networks in labour mobility.

Table 1. Characteristics associated to the downward, horizontal and upward occupational mobility between the occupation prior to migration and the first occupation of Spain. Foreign-born immigrant men who have arrived in Spain from 1990 on and between 16 and 64 years old.

Dependent variables	Categories	Frequency	Downward mobility		Horizontal mobility		Upward mobility	
			Odds ratio	Sig.	Odds ratio	Sig.	Odds ratio	Sig.
Region of birth	Europe (-15)	677						
	Africa	692	1,757	***	0,589	***	0,932	
	Latin-America	1.340	1,375	***	0,632	***	1,362	**
	Asia and Oceania	109	1,066		0,831		1,296	
Tenancy of Spanish	Did not have Spanish citizenship	2.718						
nationality at arrival	Had Spanish citizenship	100	0,793		0,945		1,607	*
Age at arrival	16-34	2.121						
	35-44	505	1,137		0,9935		0,7562	
	45-54	156	1,265		0,9418		0,646	
	55-64	36	0,702		1,738		0,576	
Year of arrival	Before 1996	251						
	1996-2000	859	1,530	***	0,713	**	0,848	
	After 2000	1.708	1,461	***	0,733	**	0,884	
Educational level	Primary or less	629						
	Secondary	1.821	1,658	***	0,548	***	1,264	*
	University	792	2,499	***	0,437	***	0,825	
Marital status at arrival	Married with wife previously in Spain	762						
	Married with wife at origin or together	334	1,503	***	0,703	**	0,866	
	Single	1.722	1,186	*	0,877		0,921	
Tenancy of children when	Did not have children	1.587						
arrived	Had children	1.231	1,082		0,998		0,85	
How did you get your	Family or friends	2.003						
first job in Spain?	Formal ways	815	0,707	***	1,353	***	1,087	
N			2818		2818		2818	
c²			95,77		96,66		30,43	
Overall p			0,000		0,000		0,010	

Data Source: National Immigrant Survey 2007

About the impact of family arrangements for women, we have identified that those who migrate alone, leaving the husband at home or are single migrants have much higher risk of downward mobility and less risk of horizontal and upward mobility in comparison to women who already have the husband living in Spain, similarly to what we found for men. In this sense, it can be concluded that women who already have a husband in Spain have less urgency in getting any kind of job. The less immediate financial need allow women to find a job more in line with their expectations although it may take time to find it. It should also be noted that most of the women that works as domestic servants have migrated alone. In the case of tenancy of children, having children increases the likelihood of downward mobility and reduces the lateral and upward mobility. Therefore, children just affect significantly women and have no effect for men. Finally, we see that the role of informal networks is also the same as in the case of men: have gotten the job through friends or family increases the likelihood of downward mobility and decreases the risk of horizontal mobility in comparison to those who got the first job by formal means. In accordance to previous research (Stanek and Vieira, 2009), having prior contacts in the country of origin increases the likelihood of finding work quickly, but in precarious jobs and in lower occupational categories (Table 2) .

Table 2: Characteristics associated with downward, horizontal and upward occupational mobility between the occupation prior to migration and the first occupation of Spain. Foreign-born immigrant women who have arrived in Spain from 1990 on and between 16 and 64 years old.

Dependent variables	Categories	Frequency	Downward mobility Odds ratio	Sig.	Horizontal mobility Odds ratio	Sig.	Upward mobility Odds ratio	Sig.
Region of birth	Europe (-15)	861						
	Africa	159	0,829		1,300		0,938	
	Latin-America	2.168	0,764	***	1,434	***	0,951	
	Asia and Oceania	54	0,658		1,488		1,262	
Tenancy of Spanish	Did not have Spanish citizenship	3.140						
nationality at arrival	Had Spanish citizenship	102	0,849		1,082		1,310	
Age at arrival	16-34	2.236						
	35-44	676	1,311	**	0,778	**	0,819	
	45-54	280	1,236		0,912		0,647	
	55-64	50	1,460		0,819		0,474	
Year of arrival	Before 1996	232						
	1996-2000	877	1,467	**	0,742	*	0,706	
	After 2000	2.133	1,349	**	0,811		0,729	
Educational level	Primary or less	629						
	Secondary	1.821	1,874	***	0,549	***	0,688	**
	University	792	1,763	***	0,685	***	0,481	***
Marital status at arrival	Married with husband previously in Spain	927						
	Married with husband at origin or together	107	2,531	***	0,522	**	0,329	*
	Single	2.208	1,048		1,033		0,815	
Tenancy of children when	Did not have children	1.355						
arrived	Had children	1.887	1,403	***	0,765	***	0,715	**
How did you get your	Family or friends	2.205						
first job in Spain?	Formal ways	1.037	0,700	***	1,402	***	1,243	
N			3242		3242		3242	
c²			117,17		85,25		33,41	
Overall p			0,000		0,000		0,004	

Data Source: National Immigrant Survey 2007

The main differences that were found between men and women are related to the effect of having Spanish nationality before migrating, which has an important positive effect for men and no effect for women. Also, being Latin-American increases the probability of upward mobility for men and has no positive effect for women. This fact shows that cultural similarity and language skills help men to improve their labour situation after migration but it has no impact for women, consequence of their almost exclusive insertion in the domestic services. For them, however, although having a university degree is associated with higher risk of downward mobility as it happens with men, this is also the most important factor influencing their upward mobility, which is not the case for men.

CONCLUSIONS

After controlling for different individual and contextual covariates, we found the same effects of networks for men and women: getting a first job thanks to informal networks contributes to a downward labour mobility in comparison to those who get it due to formal methods. These results are coherent with the previous theoretical literature. Concretely, the significant link between informal networks and downward labour mobility corroborate the *social capital* theoretical postulate that the role of networks in labour mobility after migration is

restricted to specific kinds of jobs, i.e., "immigrant jobs". Consequently, our findings are also in concordance with the segmented labour market tradition, as the main portal of entry in the destination labour market for immigrants are those unskilled position in the secondary segment, in part due to the informality of the labour demand. Instead, the support of the spouse to the settlement process is a more efficient mechanism that contributes to the upward labour mobility for both groups, as their economic requirements are less urgent, a finding that pointed to the significant contribution of networks in the success of the household migratory strategies (Massey et al., 2001).

Moreover, other findings in our models also corroborate the *structural* or *segmentation* theoretical approach and the key role of informal networks in the labour attainment of immigrants in Spain. On the one hand, immigrants who arrived before 1996 have a lower risk of downward mobility in comparison to those who came after this year, when the consolidation of occupational niches for immigrants in the lowest categories has been more evident. Thus, we can conclude that there is an effect of the labour market structure, if we consider the hypothesis of dual market theory on the concentration of immigrants in the secondary sector activities. On the other hand, the education variable indicates that those most skilled workers are not always able to maintain their previous occupational position. In fact, we found that immigrants with secondary or university educational level show a higher likelihood of downward mobility in their first insertion in the destination labour market which seems to contradict the *human capital* theoretical assumptions. What is less clear from our analysis is if immigrants loose part of their human capital in their first period in Spain as a consequence of the temporary adjustment process to the receiving society or if these recent arrived workers will maintain the same labour position despite of their educational attainment and independently of the length of their settlement in Spain.

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