Working paper

Final report

Economic Integration of Highly skilled FSU Immigrants in Four Countries: A Comparative Analysis

Project No. 06-50

Israel: Prof. Moshe Semyonov, Tel Aviv University
            Prof. Yitchak Haberfeld, Tel Aviv University
            Prof. Rebeca Raijman, University of Haifa
            Dr. Karin Amit, Ruppin Academic Center

Germany: Prof. Irena Kogan, University of Bamberg

Cananda: Prof. Don Devoretz, Simon Fraser University

US: Prof. John R. Logan, Brown University

        Prof. William P. Bridges, University of Illinois-Chicago

Abstract

The major objective of the present research is to compare the economic integration of high-skilled immigrants from the Former Soviet Union (FSU) in four destination countries: United States, Canada, Germany, and Israel. These four countries have been the principal destinations for immigrants from the FSU since its downfall in 1989. Each receiving country represents a different immigration regime both in terms of selection into the host country and the type and magnitude of aid and support provided to the immigrants. The focus on integration of immigrants from one origin into different countries of destination provides us with a unique opportunity to examine the impact of immigration policies and context of reception on economic integration of high-skilled immigrants. Economic integration is examined on the following dimensions: participation in the economically active labor force, unemployment, under-employment, occupational attainment, self-employment and entrepreneurship, and earnings. Our target population is post-1989 immigrants from FSU with an academic degree acquired in their country of origin (compared to non-academics), and that were at the age 25 - 40 upon arrival. These highly skilled immigrants are compared native born individuals. The data used in each of the four countries are official censuses. The estimation procedure is carried out within the framework of multivariate statistical models for men and women respectively. Despite basic similarities in incorporation of immigrants, the analysis reveals meaningful differences across societies that can be attributed both to selectivity processes and the economic system and social policies regarding the absorption of immigrants in each of the countries.

Introduction

High-Skilled migration has become a major element of contemporary international flows. Currently, there is widespread agreement in industrialized societies (whether in North America or Western Europe) that economic competitiveness is increasingly linked to the quality and quantity of skilled human resources available for any given economy (Mahroum 2001:28). Consequently, countries compete among themselves by adjusting their admission policies in order to attract high-skilled immigrants therefore increasing their "brain-gain" (Iredale 1999; Mahroum 2001; Quaked 2002). Despite the increasing importance assigned by governments to attract high-skilled immigrants, theoretical approaches and empirical research on the topic has been scanty and not systematic (e.g. Salt 1992; Koser and Salt 1997; Iredale 1999; Lofstrom 2000).

Notwithstanding the literature on high-skilled migration, the role of societal factors (i.e. contexts of reception and governmental policies of admission and integration) in explaining the integration of high-skilled immigrants in host countries has been understudied. The major objective of the present paper is to fill this gap by comparing economic integration of high-skilled immigrants from the Former Soviet Union (FSU) in four destination countries (i.e. United States, Canada, Germany and Israel). These four countries have been the principal destinations of immigrants from the FSU since its downfall in 1989. Each receiving country represents a different immigration regime both in terms of selection into the host country and the type and magnitude of aid and support provided to the immigrants. Canada has a highly selective policy of admission into the country but low level of support and assistance to immigrants after arrival. United States has somewhat less restrictive admission policy and low level of assistance to immigrants. Germany has low levels of selectivity coupled with financial-welfare aid but low level of guidance. Finally, Israel has no selectivity in admission of Jewish immigrants and their non-Jewish relatives arriving under the auspicious of the Law of Return, but does have considerable levels of support and guidance in the process of integration into the social and economic systems. The comparison among these four destination countries provides us with an experiment-like opportunity to examine the extent to which self-selection and immigration policies affect economic integration of high-skilled immigrants.

Theoretical Considerations

The incorporation of immigrants into the host country's labor market has been the focus of substantial theoretical and empirical work (Borjas 1990; 1994, 2000; Borjas and Tienda 1993; Chiswick 1978, 1979; LaLonde and Topel 1997, Carliner 1980; for a comprehensive literature review see Raijman and Tienda 1999). The dominant approaches build on mainstream theoretical frameworks, notably the human capital and status attainment traditions in economics and sociology, respectively, as well as the structural reformulation they engendered. A theoretical approach that combines individualistic and structural approaches has been suggested by Portes and associates. They developed the concept of "modes of incorporation", namely the ways that immigrants are able to convert their human-capital into economic resources depend, to a great extent, on 'the context of reception' (Portes and Rumbaut 1990).

One important dimension of the context of reception relates to the government's migration policy and the social climate toward immigrants. State support is critical to immigrants' economic assimilation because it facilitates incorporation by providing financial resources that accelerate integration. The second dimension involves the country-specific labor market (e.g. demand for specific occupations and specific skills) and the economic cycle of the country's economy. These features are critical as they affect labor market outcomes of newcomers in the host-countries. These two dimensions of the context of reception interact with immigrants' own resources thus leading to different outcomes (Portes and Rumbaut 1990). The different modes of immigrants' incorporation into host-societies are thus a result of both individual characteristics (i.e. human capital attributes) and structural arrangements (contexts of reception) that circumscribe the life chances, the economic opportunities, and ultimately the socioeconomic successes of immigrants.

Economic assimilation

Students of immigration have suggested that immigrants (regardless of specific levels of human capital) experience considerable social and economic hardships in the labor market of the host society upon arrival. They are not familiar with the new labor market; they have limited access to information and to social ties; they do not have full command of the language and their occupational skills are not always transferable to the new economic system and at times they even face discrimination. As a result, immigrants (even high-skilled) are at a disadvantage when compared to native-born workers. Apparently, when competing for jobs in the labor market, immigrants often have to take less rewarding, low-status and low-pay jobs than those attained by the native-born populations and consequently, their economic rewards and outcomes are considerably lower than those of the native-born workers of comparable human-capital levels.

With the passage of time in the host society, however, most immigrants experience upward occupational and economic mobility, hence, improvement in their socioeconomic position. Indeed, after a certain period of time in the host society immigrants were found, many times, to close the socioeconomic gaps with comparable native-born populations, especially those with high levels of human capital (Borjas 1990; 1994, 2000; Borjas and Tienda 1993; Chiswick 1978, 1979; LaLonde and Topel 1997, Carliner 1980; Lofstrom 2000).

Self-selection of immigrants

In some cases immigrants not only reach parity with the native-born, they even surpass them. This was the main finding for immigrants to the USA who arrived in the 1950s and 1960s (Chiswisk 1978). The explanation for this "better than perfect" *assimilation* is based on patterns of immigrant *self-selection*. Economic immigrants are not randomly selected from their source countries. Nor they randomly select their country of destination. Rather, they represent the more ambitious, motivated, risk taking, and able elements in their source countries (Chiswick 1978). This is so because only persons with such characteristics are willing to take the risky and (at least initially) costly step of migrating. Such individual traits, unmeasured in virtually all immigration research, underlie immigrants' exceptional success in the US labor market. However, it was also argued (Borjas 1987, 1990, 1994) that immigrants' selectivity on both observed and unobserved traits is not always positive, but rather depends on the relative returns to skills in source and destination counties. Therefore, highly skilled immigrants are likely to choose countries of destination where they are likely to receive the highest returns on their human-capital resources.

Economic Assimilation of High-skilled Immigrants

Research has shown that high-skilled migrants cannot be considered as one homogeneous category. Not all are equally successful in assimilating into the labor market of their new country. The transferability of skills and human capital resources may differ not only from one society to another, but also across occupational labor markets. Some occupations (i.e. engineers, technicians, scientists, craftsmen) may be highly transferable while others (e.g. lawyers, accountants, doctors) are country-specific and require knowledge of laws, rules and regulations or even licensing permits (e.g. medical doctors) or depend more on language proficiency (e.g. teachers, psychologists). Certain occupations may be in great demand (e.g. nurses) yet others may be a liability because the market is saturated with them. Thus, the occupational labor market in which the immigrant worker operates may well affect their economic opportunities in the host labor market (Raijman and Semyonov 1995, 1998).

Although human-capital skills are highly influential in shaping immigrants' economic fortunes, the context of reception prevalent in a specific country mediates the effect of skills (and specific occupations) on the incorporation of immigrants into the market. The relevance of contexts of

reception in affecting immigrants' modes of incorporation in the host societies became evident when immigrants arrived at periods of mass migration and economic decline like the case of the mass migration from the former Soviet Union to Israel during the early 1990s, in which the newly arrived immigrants have faced difficulties finding employment matching their qualifications (Raijman and Semyonov 1998; Weinberg 2001). Recent experience in other countries also suggests that economic assimilation of high-skilled immigrants may not be taken for granted and depends mainly on a state's migration policies, citizenship laws, economic opportunities in the labor market, and welfare institutions among others (Lewin-Epstein et al 2003). Analyzing the fate of FSU immigrants in several countries' labor markets separately is a worthwhile undertaking, if only for the challenge it might represent to classical assimilation theory. Studying them in a comparative perspective, however, provides a strategic research design, as the comparison gives a unique opportunity to conduct a more rigorous test of the selectivity argument as well as of the role of contexts of reception discussed in recent migration research. The study will also focus on the gendered dimensions of high-skilled labor migrants' in host societies as studies conducted on the topic have systematically neglected the presence of women in skilled transnational migration (see Kofman 2000).

Immigrants from the FSU in comparative perspective: a brief overview

Research on post-1989 immigrants from the FSU focused on both their self-selection on observed characteristics and on their economic assimilation and integration. Most studies were conducted in Israel, where most immigrants are of Jewish origin. These studies underscore the high levels of human capital with which these immigrants arrived in Israel relative to both the FSU and Israeli populations (see e.g. Konstantinov 1995; Beenstock and Ben Menahem 1997; Eckstein and Weiss 2002). Studies of immigrant economic assimilation in Israel have documented impressive employment levels of immigrants. However, these employment levels were achieved in part at the price of occupational downgrading compared with the occupations immigrants held in the FSU (Flug, Kasir and Ofer 1997; Raijman and Semyonov 1997, 1998; Weinberg 2001; Eckstein and Weiss 2002; Stier and Levanon 2003). With respect to earnings assimilation of post-1989 immigrants, available evidence cast doubt on their ability to reach earnings convergence with natives (Eckstein and Weiss 2002; Cohen and Haberfeld (in progress). Nevertheless, popular and scholarly beliefs advance the notion that these immigrants are well on their way to full economic

assimilation in the Israeli labor market (e.g. Beenstock and Ben Menahem 1997; Leshem 1997).

Most previous studies of FSU immigrants in the US have not focused on issues of selectivity and economic assimilation. A notable exception is Chiswick (1993, 1997) who estimated earnings assimilation of FSU immigrants. He did not distinguish between Jewish and non-Jewish immigrants from the FSU. Nor did he compare assimilation rates in US to those in other countries. He found that the initial earnings of FSU immigrants in the U.S. were low but their earnings progress was steeper than that of other immigrant groups. He also found that the economic returns to schooling were greater for immigrants from the FSU than for other immigrants.

In Germany, due to data limitations, there are only a few studies on the economic integration of post-1989 immigrants from the FSU, be it ethnic German or Jewish immigrants (Dominick 1997; Cohen and Kogan 2005; Gruber and Rüßler 2002; Kessler 1996, 1997; Schoeps et al 1996, 1999). Available evidence, however, suggests that the economic progress of ethnic Germans, both those arriving from the FSU and other East European countries is far from perfect, despite the fact that they are the only immigrant group in Germany whose pre-migration educational and occupational qualifications are formally recognized (Zimmermann 1999; Bauer and Zimmermann 1999; Koller 1993). Significant labor market difficulties are documented for highly educated *Aussiedler* (from all of Eastern Europe), women, and ethnic Germans arriving from the FSU, all of whom face high unemployment and experience downward mobility in Germany (Greif et al 1999; Janikowski 1999; Westphal 1999).

Finally, studies conducted in Canada have shown that many of the highly trained immigrants who arrived since the early 1990s cannot work in highly paying jobs because their credentials are either not recognized or do not match Canadian standards. Consequently, they do not experience full economic assimilation in the Canadian labor market (DeVoretz 2006). In fact, while high-skilled FSU immigrants to Canada were more immediately suitable for the labor market (as compared to those who immigrated to Israel), they experienced greater difficulty in finding and maintaining employment. At the same time they were more likely to attain higher status occupations and higher earnings than their compatriots in Israel (Lewin-Epstein et al 2003)

So far, most of the research on FSU immigrants' economic assimilation has focused on single-

case countries providing evidence on the role of individual characteristics on the socio-economic attainment of immigrants. There is, however, a neglect of cross-national comparative studies that would permit to examine the thesis that contexts of reception and social policies have significant consequences for highly skilled immigrants' employment opportunities and patterns of occupational mobility. This, indeed, will be the contribution of the proposed research.

Contexts of reception

Israel and Germany: two Ethno-National States

The Federal Republic of Germany and Israel share a considerable number of similarities with respect to immigration (Levy 2002). Both countries have ethno-cultural conceptions of citizenship, and justified restrictive descent-based migration policies with reference to the expulsion or persecution suffered by their co-ethnics. Consequently, neither country has elaborate migration laws, both following, for the most part, a descent-based migration policy, whereby ethnic Germans and Jews are preferred immigrants who receive citizenship upon arrival. Both respective countries refrain from viewing ethnic Germans or Jews as "immigrants" and use different terms (*Aussiedler* in Germany and *Olim* in Israel) to distinguish them from other immigrants. The similarity between Israel and Germany with respect to immigration became most apparent in the late 1980s, when the two countries became the main destinations for FSU immigrants. Specifically, between December 1989 and the end of 2002, Israel received about 950,000 FSU Jews and their non-Jewish family members (Cohen 2002), while Germany, during approximately the same years, took about 1.8 million ethnic Germans from the FSU (Münz 2002). Moreover, since 1990 Germany became an alternative destination for Jewish emigrants from the FSU and about 200,000 FSU Jews and their non-Jewish family members entered Germany as quota refugees, an option open to virtually all FSU Jews.

In addition to immediate citizenship upon arrival, Germany and Israel provided these ethnic immigrants with generous programs of public assistance to facilitate their social and economic integration. The welfare support and payments for both ethnic German and Jewish migrants are considerably more generous in Germany than in Israel (Dietz 2000; Jewish Agency 2003; Münz and Ohliger 2003; Sikron and Leshem 1998). Furthermore, *Aussiedler* in Germany enjoy greater recognition of educational credentials acquired in the FSU. This should have positive

consequences for their labor market prospects in Germany, a country well known for the strong signaling power of educational credentials (Müller et al 1998), labor market rigidity (OECD 1999), and institutional barriers for immigrants without recognized legal status, above all, German citizenship (Heckmann 2003: 60). Jewish quota refuges, however, do not enjoy the same degree of recognition for their educational credentials and labor force experience from abroad. Consequently, even though FSU ethnic Germans and Jews arriving in Germany enter the same labor market, the former, possessing German citizenship and profiting from their educational credentials being recognized, should have access to a wider range of employment opportunities, including public sector employment (e.g. teaching), and fewer hurdles to self-employment. In addition, in 2001 Germany started a so-called 'green card' initiative allowing foreign specialists in information technologies (IT) to come and work in the country for a certain length of time (Werner, 2001; Stalker, 2002). Overall in years 2000-2003 15,658 persons were employed according to the 'Green card' initiative, 1,927 of them came from the European part of the former Soviet Union. Despite being able to attract a large number of specialists, the 'green card' program until 2005 contained a number of caveats preventing some bright people of coming to Germany and instead diverting them to the USA and Canada: among the limitation to 5-years stay and difficulties in becoming self-employed.

Canada and the United States

Canada and the U.S. are similar in several respects. First, these North American countries share an ideology, and to some extent, an identity as immigrant societies and both are viewed as liberal market economies. Second, despite this historical legacy and despite being market economies both have imposed somewhat restrictive immigration policy regimes. Canada has an explicit selection policy or "points system" under which various selection criteria it uses to admit highly skilled immigrants are weighed. In the last 30 years Canada has used three distinct labor market immigration models to rationalize its admission criteria. From 1967-1976 a 'human capital' model was employed. This model argued that if you selected immigrants with the maximum human capital (education, experience and language) then highly skilled immigrants would integrate into the labor market since they complemented the existing unskilled labor in the Canadian economy. From 1976 to 1989 Canada switched to a 'manpower' model. In other words, a job vacancy had to exist before a highly skilled immigrant was admitted in order to insure labor market integration. Finally, and most relevant to our study, since the 1990's to the present

Canada dropped both these models and employed a 'quote share' model. According to this latter model, if 50 percent or more of immigrant admissions were in the highly skilled category then the entire admission class (family and refugee) would be self sufficient and in addition both Canadian workers would gain in real wages and the public treasury would be subsidized by these highly skilled immigrants.

Unlike Canada, the U.S. does not admit legal immigrants on the basis of an explicit point system. The broad outlines of the current system in the U.S. were laid down in the 1965 amendments to the Immigration Control Act when separate preference categories and levels of preference were established for those admitted for family reunification and those admitted for employment purposes. Currently, about three times as many immigrants are admitted under the "family sponsored" category as under the "employment-based" preference system. In addition to these two categories smaller numbers of persons are granted legal permanent residence status as refugees and on the basis of maintaining diversity of inflows in the country of origin.

Within the employment-based system, an explicit hierarchy of preference exists to favor individuals in higher as opposed to lower skilled occupations. The skill-based categories collectively account for 86% of all employment-based preferences including a numerical ceiling of 10,000 "unskilled shortage workers" compared to be about 52,000 in the category of "priority workers". Finally, there is an additional policy overlay that imposes immigration ceilings on individual countries of origin. There is a clear effect of these policies on admissions of immigrants from the FSU (in the U.S. these are primarily Russian and Ukrainian citizens). In 2002, the FSU was the fifth largest supplier of legal immigrants to the US. However, fewer than 9% of FSU immigrants were admitted under the employer, skill based categories, with the large majority qualifying for admission under the family reunification provisions.

Studying (a) one ethnic group of immigrants; (b) of highly skilled workers; (c) all coming from the same source country; (d) to four different destinations, is similar to *a natural experiment*. Such a research design allows us to isolate the impact of country-and-market level variables on highly skilled immigrants' self selection and their economic assimilation. We believe that a comparative study of labor market assimilation of highly skilled ethnic FSU immigrants in Israel, Germany, Canada and the US should shed light on two central questions, which are important for economic assimilation theory in general and for understanding the highly skilled immigrant

situation in these four countries, in particular.

Expectations

While a rigorous test of the selectivity hypothesis is beyond the scope of this research (because it would require a sample of all potential immigrants in the sending countries) much can still be learned about the choices that immigrants have made by comparing the socio-demographic characteristics of immigrants across countries. We expect immigrant's destination choices to be affected by a two-sided process. On one side, there are different levels of support extended by each receiving country as well as policies about admission and selection of entrants. On the other side, there are different levels of human capital, unmeasured qualifications, and social (e.g. family) ties of the prospective immigrants. Therefore, we expect that potential immigrants to choose a destination based on an evaluation of policies of admission by receiving countries and on an evaluation of how their socio-economic profile, including access to formal and informal support obtained through agencies and family ties, matches the constellation of attributes offered by the different receiving societies. Following this logic, we expect that those with high levels of skill and qualifications, but with limited family connections will prefer Canada as a destination (as a result of the point system and high rates of market returns to skills). Those with both high skill levels and family ties will be most likely to select the U.S. (because of family-based entry possibilities, high rates of return, and informal social support). Among others, those qualified for both entry to Israel or Germany (obviously of Jewish origin) will be inclined to select Germany if their own skills are weaker because of the very generous system of public support. Contrariwise, those with stronger skills and family ties will be more likely to opt for Israel rather than Germany as a destination.

We also expect market assimilation in terms of earnings and occupational returns on academic education and pace of the incorporation process to vary across countries. The labor market assimilation of highly skilled immigrants depends on the institutional and structural make-up of the receiving societies, in particular on immigration policies, including public assistance programs and settlement policies, as well as the structures of the host societies' labor markets. It cannot be overlooked that in relative terms the stream of FSU immigrants into Israel was substantially larger than the flow of FSU immigrants into the other three countries, which might have consequences for immigrant labor market allocation. Differences in the labor market

positioning of FSU immigrants in the four countries might thus be related to local opportunity structures, including possibilities of employment within ethnic economies. As recent FSU immigrants constitute a significant proportion of the Israeli population, they might profit from opportunities offered by ethnic enclaves that could boost their employment chances but simultaneously retard their labor market mobility. To test these expectations we pooled the data for the four countries and estimated a series of standard economic assimilation models to compare trajectories of economic assimilation across the four countries. Specifically, economic integration will be examined on the following dimensions: participation in the economically active labor force, unemployment, under-employment, occupational attainment, self-employment and entrepreneurship, and earnings from employment. Since incorporation of immigrant men and women differs considerably, the estimation procedure is carried out for the two genders separately.

Data and Variables

Our target populations are immigrants from FSU that arrived after 1989, who were at the age 25 to 40 upon arrival. The analysis differentiates between highly skilled FSU immigrants (with an academic degree) and less-educated (without an academic degree) immigrants. The immigrants were compared to native-born Israelis with compatible socio-demographic and occupational profiles. The lower age limit allows us to assume, in a relatively high level of confidence, that the highly skilled FSU immigrants acquired their academic education in their origin country. The major sources of data for the study are **official census data** in each of the four countries. **Israel**: annual Israeli income surveys (1990-2005). **Germany**: 1996, 2000 and 2004 German micro-censuses. **U.S**: 1990 and 2000 Public Use Microdata files (PUMS). **Canada**: 1996, 2001 and 2006 2 per cent Public Use Sample Tape.

The official data sets are used to estimate the socio-economic profile of the immigrants as compared to native-born and the trajectory of their economic integration into the labor markets of the host societies. The estimation procedure is carried out within the framework of multivariate statistical models using data. For that purpose of the comparative analysis we pooled the data of all four countries into one file. The pooled data-set enables us to first test for direct effects of countries of destination (capturing the specific contexts of reception) and second, the interactions between country of destination and its assimilation determinants.

Analysis and Findings

Descriptive Overview

In Tables 1-2 we display the characteristics of the FSU immigrants and the native-born population in each of the four countries for men and women separately for a descriptive overview. The most striking difference between the countries is in the proportion of FSU immigrants. In Israel, FSU immigrants compose over 17 and 19 percent of the population for men and women respectively. In all other societies, the immigrants' share of the population does not reach even 1 percent of the population. In Canada for example, FSU immigrants' share is 0.13 and 0.14 percent for men and women, respectively.

The difference is also evident in number of years immigrants had spent in the country. In Israel and the US, immigrants had spent on average more than 10 years. In Germany and Canada, immigrants had begun arriving at a later time. On average, years since immigration in Canada and Germany are approximately half of the years they spent in the US and Israel.

Table 1: *Descriptive characteristics (Men) of immigrants and native born (mean or percent) in four countries*

Variable Name		Israel		Germany		Canada		USA	
		Im[*]	Nat[**]	Im	Nat	Im	Nat	Im	Nat
Labor Force	Unempl.	19.1	14.8	42.9	13.6	11.5	7.7	13.5	14.1
Participation	Part-time	7.9	24.6	4.3	2.9	4.5	5.4	5.7	4.8
(3 categories)	Full-time	73.0	60.6	52.8	83.5	83.9	86.9	80.8	81.0
Self-Employment (b[#])		5.8	12.9	5.2	12.6	11.2	8.1	18.9	14.7
PTM (b)		26.7	32.6	14.1	34.6	41.4	29.3	43.5	33.0
SEI (0-100 scale, m)		42.7	50.8	37.3	43.3	50.1	45.2	45.1	43.6
BA (b)		45.7	32.8	40.0	28.8	68.0	22.3	61.0	31.8
Age (m)		41.9	38.5	36.4	39.9	38.5	38.7	42.9	41.6
Marital Status (b)		81.7	74.9	87.0	62.4	83.0	71.3	85.1	66.1
Metropolitan Area (b)		18.3	24.2	15.4	11.7	97.0	53.4	41.6	10.1
YSM (m)		10.3	N/A	4.8	N/A	5.8	N/A	10.8	N/A
FSU (%)		17.1		0.19		0.13		0.22	
Income (p)		41.3	51.7	39.4	50.0	41.7	50.0	50.6	50.0

*Im- characteristics of immigrants from the FSU.
**Nat - characteristics of nationals residing in Israel, Germany, Canada and the US.
b-Binary variable; m-average, % - percent in native population, p- percentiles.

The data suggest that FSU immigrants are highly selective populations. Their educational level is considerably higher than that of the native-born population in all four countries. The immigrants

are more likely than native-born to be academically educated. The difference is most pronounced in Canada and the US (the two societies that utilize highly selective criteria of admission) than in Israel. In Canada for example, 68% among immigrant men and 64% among immigrant women hold academic degree as compared to 22% among the native born population. The FSU immigrants that arrived in Israel are somewhat older than the FSU immigrants that arrived in all other countries and in Canada immigrants appear to concentrate exclusively in metropolitan centers much more than immigrants in other countries.

Table 2: *Descriptive characteristics (Women) of immigrants and native born (mean or percent) in four countries*

Variable Name		Israel		Germany		Canada		USA	
		Im*	Nat**	Im	Nat	Im	Nat	Im	Nat
Labor Force	Unempl.	22.2	26.4	57.3	31.8	28.6	21.6	32.0	26.1
Participation	Part-time	39.7	21.1	20.4	25.9	16.3	20.1	15.2	16.8
(3 categories)	Full-time	38.1	52.5	22.3	42.3	55.2	58.3	52.8	57.1
Self-Employment (b#)		4.7	3.0	5.5	6.1	9.0	5.3	10.5	9.2
PTM (b)		24.0	31.0	11.8	29.4	25.4	22.2	41.1	38.4
SEI (0-100 scale)		38.2	49.7	36.3	44.8	48.6	47.9	41.6	45.5
BA (b)		48.0	36.8	42.6	20.0	64.4	22.6	64.8	34.6
Age (m)		42.1	38.6	36.5	40.0	38.0	38.7	41.9	41.6
Marital Status (b)		67.8	72.9	87.6	69.1	83.2	73.0	81.6	68.6
Child under 5* (b)		15.3	32.8	26.6	17.2	27.0	23.5	14.2	15.5
Metropolitan Area (b)		19.2	24.4	15.4	12.0	97.0	54.2	41.1	10.0
YSM (m)		10.3	N/A	4.8	N/A	5.8	N/A	10.8	N/A
FSU (%)		19.0		0.24		0.14		0.28	
Income (p)		41.4	51.9	40.4	50.0	43.6	50.0	49.6	50.0

*Im- characteristics of immigrants from the FSU.
**Nat - characteristics of nationals residing in Israel, Germany, Canada and the US.
b-binary variable; m-average, % - percent in native population, p- percentiles.

The data also reveal meaningful differences between immigrants and the native-born population in the scope of employment. As compared to native born, rate of unemployment (unemployed and economic inactive) is more pronounced among immigrants in all four countries. Unemployment is especially pronounced among immigrants in Germany regardless of gender. Mode of full-employment is more pronounced in all countries among the native born population with only one exception. In Israel, men immigrants are more likely than natives to take full time employment. Compared to native-born men, immigrant men are less likely to become self employed in Israel and Germany but more likely to become self employed in the two market societies – Canada and the US. Among women, only in Germany immigrant women are less likely to become self employed than native born women. Perhaps, due to difficulties they face in

the labor market of the host country, mode of self employed is utilized by immigrants as an alternative channel for economic mobility.

Despite their high level of education, immigrants in Israel and Germany are underrepresented, as compared to the native-born population, in professional, managerial and scientific technical occupations (the high status and lucrative jobs). Likewise, the average occupational status score of immigrants in Germany and Israel is substantially lower than that of the native born population. In Canada and the US, however, average socioeconomic status and representation of immigrants in the high status (professional, managerial and technical) occupations are higher than that of the native residents, especially among men. Regardless of gender, the findings reveal that the earnings of FSU immigrants are substantially lower than the earnings of native-born employees in Israel, Germany and Canada but roughly equal to the native born in the United States.

Multivariate Analysis

Since immigrants differ not only in their socio-demographic attributes, labor market characteristics, and labor market outcomes from the native-born populations but also across countries, it is important to examine labor market performance of immigrants as compared to native born while controlling for variations in individuals' characteristics and variations across countries. To this end, we pooled the four-country data files into one data set and estimated a series of multivariate models predicting, respectively, participation in the labor force, type of employment, occupational attainment, and earnings. Two models are estimated for each dependent variable. In the first model, we let the dependent variable be a function of individuals attributes, immigration status, years since migration, and set of dummy variables representing country of residence (as control variables). In the second model, we added interaction terms between immigration status and country of residence, years since migration and country of residence, and immigration status and education. The interaction terms enable us to examine whether being immigrant exerts differential impact on labor market activity or on labor market outcomes across countries and the interaction term between education and immigrant status enable us to estimate whether academic education among immigrants differentially affects employment mode and labor market outcomes.

Mode of Employment

In Table 3, we display results of two multinomial logit regression equations predicting the likelihood of being part time employed and full-time employed, respectively, as compared to those not having labor market outcomes (including unemployed and those who are economically inactive). In each of the equations, the likelihood for specific mode of labor market activity (i.e. part time, full-time) is estimated in comparison to being not employed (including both those who are out of the labor market and the unemployed).

The analysis reveals that the odds of being partially employed (versus not employed) tend to increase with age (although the relations tend to be curve-linear). The odds are likely to be higher among married persons but to be lower among women to young children. Having academic education is likely to increase odds for part time employment (as compared to not being employed) but the effect of academic education on part time employment is less pronounced among FSU immigrants (as evident by the negative coefficient for immigrant status and BA education for both men and women). FSU immigrants have lower odds of being part-time employed as compared to native-born. The relative odds for part-time employment among immigrants, however, are likely to increase with years since migration in all countries (the effect of years since migration is positive and significant). Relative odds for part-time employment of immigrants are lowest in Germany, followed by Canada, US and Israel for both men and women.

The equations estimating likelihood for full-time employment (compared to no employment) reveal that odds for full-time employment tend to increase with age and to be lower among married women and among women to young children but to be higher among married men. This finding reflects, perhaps, gender differences in terms of traditional household responsibilities. Academic education is likely to increase odds for full-time employment but the impact of education on odds of full employment is more pronounced among native-born than among immigrants.

Being immigrant has negative impact on relative odds for full-employment, with only one exception. In Israel, the effect of FSU on immigrant women full-time employment is positive. That is, except for women in Israel immigrants are less likely to be fully employed than comparable native born. The relative odds for full time employment are likely to increase with passage of time in the new country (the effect of years since migration is positive although not

significant in all equations). Immigrants' odds for full time employment are highest, relative to other immigrants, are highest in Israel and lowest in Germany.

Table 3: *Multinomial logit regression equations predicting modes of full-time and part-time labor force participation (ref. not in labor force) in four countries*

Labor Force Participation	Women				Men			
	Model 1		Model 2 with Interactions		Model 3		Model 4 with Interactions	
	B(SE)	Exp(B)	B(SE)	Exp(B)	B(SE)	Exp(B)	B(SE)	Exp(B)
Part Time								
Constant	-1.185 (.055)		-1.226(.055)		-3.694(.085)		-3.727(.085)	
Age	.082 (.003)	1.085	.082 (.003)	1.085	.095(.004)	1.099	.094(.004)	1.099
Age squared	-.001 (.000)	.999	-.001(.000)	.999	-.002(.000)	.998	-.002(.000)	.998
Married	.167 (.005)	1.182	.168(.005)	1.183	1.104(.007)	3.018	1.105(.007)	3.020
Child under 5*	-.808 (.006)	.446	-.808(.006)	.446				
Metropolitan Area	.211 (.006)	1.235	.212(.006)	1.236	.139(.008)	1.149	.139(.008)	1.149
Academic Degree (BA)	.687 (.005)	1.988	.687(.005)	1.988	.900(.009)	2.461	.901(.009)	2.462
BA from the FSU	-.738 (.075)	.478	-.696(.079)	.499	-.454(.138)	.635	-.428(.138)	.652
Years since migration (YSM)	.094 (.008)	1.099	.019(.016)$^{n.s}$	1.019	.117(.014)	1.124	.024(.033)$^{n.s}$	1.024
FSU immigrant	-.982 (.083)	.375	.048(.182)$^{n.s}$	1.049	-1.383(.152)	.251	-.176(.383)$^{n.s}$	.838
Germany	-.190 (.025)	.827	-.146(.026)	.864	.149(.043)	1.161	.189(.044)	1.208
Canada	.883 (.025)	2.417	.926(.026)	2.524	3.997(.042)	54.417	4.034(.043)	56.480
USA	-.491 (.025)	.612	-.447(.026)	.640	.678(.042)	1.970	.716(.043)	2.046
YSM Germany			.262(.035)	1.299			.262(.072)	1.299
YSM Canada			.088(.029)	1.092			.096(.048)	1.100
YSM USA			.053(.021)	1.054			.010(.041)	1.010
FSU Germany			-2.281(.265)	.102			-2.361(.553)	.094
FSU Canada			-.964(.240)	381			-1.371(.438)	.254
FSU USA			-.968(.230)	.380			-.369(.467)$^{n.s}$	.692
Full Time								
Constant	.799 (.050)		.694(.051)		-2.871(.059)		-2.968(.060)	
Age	.011 (.002)	1.011	.011(.002)	1.011	.150(.003)	1.162	.150(.003)	1.161
Age squared	.000(000)	1.000	.000(.000)	1.000	-.002(.000)	.998	-.002(.000	.998
Married	-.291(.005)	.748	-.290(.005)	.748	1.265(.005)	3.541	1.266(.005)	3.548
Child under 5*	-.996(.006)	.369	-.996(.006)	.369				
Metropolitan Area	-.034(.006)	.966	-.033(.006)	.967	.006(.008)	1.006	.007(.008)$^{n.s}$	1.007
Academic Degree (BA)	.831(.005)	2.295	.831(.005)	2.295	1.030(.007)	2.802	1.031(.007)	2.804
BA from the FSU	-.354(.066)	.702	-.251(.069)	.778	-.656(.086)	.519	-.596(.087)	.551
Years since migration (YSM)	.120 (.007)	1.128	.022(.014)$^{n.s}$	1.022	.137(.009)	1.147	-.002(.016)$^{n.s}$	.998
FSU immigrant	-1.268(.076)	.281	.384(.159)	1.468	-1.463(.092)	.231	.786(.190)	2.194
Germany	.041(.024)$^{n.s}$	1.042	.149(.025)	1.161	1.474(.024)	4.369	1.582(.024)	4.865
Canada	-.269(.024)	.764	-.163(.025)	.850	-.858(.025)	.424	-.755(.025)	.470
USA	.429(.023)	1.535	.536(.025)	1.710	1.352(.023)	3.867	1.457(.024)	4.292
YSM Germany			.207(.033)	1.229			.290(.037)	1.337
YSM Canada			.028(.035)$^{n.s.}$	1.028			.103(.057)$^{n.s}$	1.108
YSM USA			.096(.017)	1.101			.054(.022)	1.056
FSU Germany			-2.821(.237)	.060			-4.215(.249)	.015
FSU Canada			-1.357(.258)	.257			-2.288(.414)	.101
FSU USA			-1.932(.191)	.145			-1.643(.247)	.193

*Child under 6 in Canada
Note: Table shows b values with standard errors in brackets and exponential (b) for calculating the probability of outcomes; significant at 99%

Table 4 displays results of two logit regression equations predicting relative odds for self employment as compared to salaried employment among the economically active populations (for men and women). Other things being equal, odds for self-employment tend to increase with age and among married persons and among mothers to young children. Perhaps, due to constraints in the labor market older persons and mothers to children are more attracted to self-employment than others. Surprisingly, odds for self-employment are more evident among persons with academic education. Among FSU men academic education exerts stronger impact on increase in self-employment than among natives. By contrast, among immigrant women, academic education exerts stronger effect on likelihood of salaried employment than among native-born. We believe these differences may represent differential strategies adopted by professional men and women in choosing self-employment as a channel for economic mobility. Likelihood for self-employment was found to lower among the FSU immigrants than among native-born population. Perhaps the tradition of self employment and economic entrepreneurship has not been developed yet among the FSU immigrants. With passage of time, however, self employment is likely to rise among the immigrants. Relative odds for self employment are lowest in Israel and highest in Canada and the US.

Table 4: *Logit regression equations predicting self-employment versus salaried employment (ref. self-employment) in four countries*

	Women				Men			
	Model 1		Model 2 with Interactions		Model 3		Model 4 with Interactions	
	B(SE)	Exp(B)	B(SE)	Exp(B)	B(SE)	Exp(B)	B(SE)	Exp(B)
Constant	7.622 (.093)	2042.103	7.541 (.094)	1884.417	5.718(.069)	304.322	5.616(.069)	274.907
Age	-.199 (.004)	.820	-.199 (.004)	.820	-.159(.003)	.853	-.159(.003)	.853
Age squared	.002 (.000)	1.002	.002 (.000)	1.002	.002(.000)	1.002	.002(.000)	1.002
Married	-.232 (.008)	.793	-.232 (.008)	.793	-.078(.006)	.925	-.077(.006)	.926
Child under 5*	-.347 (.010)	.707	-.347 (.010)	.707				
Metropolitan Area	.026 (.009)	1.027	.027 (.009)	1.028	.117 (.007)	1.124	.119 (.007)	1.127
Academic Degree (BA)	-.179 (.007)	.836	-.179 (.007)	.836	-.146 (.005)	.864	-.146 (.005)	.864
BA from the FSU	-.113 (.122)[n.s]	.893	-.002 (.124)[n.s]	.998	.334 (.098)	1.397	.541 (.101)	1.718
Years since migration (YSM)	-.002 (.012)[n.s]	.998	-.134 (.044)	.875	-.055 (.011)	.946	-.199 (.042)	.819
FSU immigrant	.188 (.154)[n.s]	1.207	2.297 (.572)	9.946	.562 (.135)	1.754	3.273 (.557)	26.384
Germany	-.078 (.046)[n.s]	.925	.003 .(.048)[n.s.]	1.003	.166 (.032)	1.181	.269 (.032)	1.308
Canada	.080 (.046)[n.s]	1.083	.161 (.048)	1.175	.554 (.032)	1.740	.657 (.032)	1.928
USA	-.455 (.046)	.635	-.373 (.047)	.688	.035 (.032)[n.s.]	1.035	.138 (.032)	1.149
YSM Germany			.085 (.078)[n.s.]	1.089			.291 (.088)	1.338
YSM Canada			.247 (.063)	1.280			.168 (.050)	1.183
YSM USA			.118 (.047)	1.125			.147 (.044)	1.159
FSU Germany			-1.882 (.742)	.152			-2.939 (.721)	.053
FSU Canada			-3.365 (.635)	.035			-3.741 (.605)	.024
FSU USA			-2.126 (.600)	.119			-3.216 (.584)	.040

Occupational Attainment

Tables 5 and 6 pertain to occupational attainment in the form of attainment of the professional, managerial and technical occupations (the high-status, lucrative academic, scientific, professional and technical jobs, hereafter: PTM) and in the form of socio-economic status of occupations,

respectively. The data in Table 5 demonstrate that odds for employment in PTM occupations are likely to rise with age and with education. The relative odds are higher among married persons but lower among mothers to young children. Other things being equal, FSU immigrants have considerably lower odds to attain PTM occupations than comparable native-born (as evident by the negative impact of the coefficient for immigrant status in all equations). Odds for employment in PTM jobs among immigrants, however, tend to rise with the passage of time (as evident by the positive impact of years since migration). Apparently, with the passage of time in the new country immigrants improve their ability to convert human-capital skills and resources into occupational positions and hence, to close the gaps with native-born population. That is, immigrant men and women do experience occupational mobility over time.

While academic education increase odds for PTM occupations among all workers, the impact is more consequential for immigrant men than for native-born men but less consequential among immigrant women than among native-born. This difference may be rooted in differential type of PTM occupations available for men and women. With the data available for us at this point we can only speculate on the source of the difference.

The data also reveal considerable cross-country differences in access to PTM occupations – the relative odds are lowest in Israel and Germany (the less selective countries) and highest in Canada and the US (the more selective and market economies). The cross-country differences are especially pronounced among men.

Table 5: *Logit regression equations predicting employment in (PTM) Professional, technical, managerial occupations (ref. non-PTM jobs) in four countries*

PTM	Women				Men			
	Model 1		Model 2 with Interactions		Model 3		Model 4 with Interactions	
	B(SE)	Exp(B)	B(SE)	Exp(B)	B(SE)	Exp(B)	B(SE)	Exp(B)
Constant	-2.153 (.048)	.116	-2.105 (.049)	.122	-3.352 (.050)	.035	-3.285 (.050)	.037
Age	.046 (.002)	1.047	.046 (.002)	1.047	.089 (.002)	1.093	.089 (.002)	1.093
Age squared	.000 (.000)	.999	.000 (.000)	.999	.000 (.000)	.999	.000 (.000)	.999
Married	.052 (.004)	1.053	.052 (.004)	1.053	.313 (.004)	1.367	.313 (.004)	1.367
Child under 5*	-.105 (.006)	.900	-.106 (.006)	.900				
Metropolitan Area	.142 (.005)	1.153	.141 (.005)	1.151	.277 (.005)	1.320	.276 (.005)	1.318
Academic Degree (BA)	1.902 (.004)	6.702	1.902 (.004)	6.702	2.061 (.004)	7.856	2.061 (.004)	7.857
BA from the FSU	-.257 (.073)	.773	-.333 (.074)	.717	.497 (.091)	1.644	.405 (.092)	1.499
Years since migration (YSM)	.059 (.007)	1.061	.144 (.017)	1.155	.045 (.007)	1.046	.096 (.019)	1.101
FSU immigrant	-1.169 (.090)	.311	-2.398 (.219)	.091	-1.508 (.109)	.221	-2.596 (.242)	.075
Germany	-.080 (.025)	.923	-.127 (.026)	.881	-.135 (.026)	.874	-.201 (.027)	.818
Canada	-.179 (.025)	.836	-.227 (.026)	.797	-.100 (.026)	.905	-.167 (.027)	.846
USA	.033 (.024)[n.s.]	1.033	-.015 (.026)[n.s.]	.985	-.320 (.025)	.726	-.387 (.027)	.679
YSM Germany			.049 (.036)[n.s.]	1.050			.012 (.041)[n.s.]	1.012
YSM Canada			-.160 (.030)	.852			-.086 (.031)	.917
YSM USA			-.121 (.020)	.886			-.082 (.022)	.921
FSU Germany			-.204 (.312)[n.s.]	.815			.051 (.330)[n.s.]	1.052
FSU Canada			2.362 (.283)	10.610			1.790 (.288)	5.987
FSU USA			1.842 (.235)	6.312			1.821 (.267)	6.175

Table 6 pertains to occupational socioeconomic status (SEI) as a form of labor market outcome. The findings are quite similar and quite consistent with those observed in Table 5. Other things being equal, compared to native-born, immigrants are at a disadvantage in attainment of

occupational status. The SEI of immigrants is considerably lower than that expected on the basis of their age, and marital status and especially their occupational status when compared to native born populations. The loss of SEI is quite substantial in all countries but most extreme in Israel. It should be noted, however, that with the passage of time the 'loss' of occupational status tends to decrease – the effect of years since migration on SEI is positive and significant in all equations. With the passage of time FSU immigrants had been able to narrow the occupational gaps but not to completely close it.

Table 6: *Linear (OLS) regression equations predicting occupational status (SEI) in the labor markets of four countries*

SEI	Women		Men	
	Model 1	**Model 2 with Interactions**	**Model 3**	**Model 4 with Interactions**
	b(SE)	**b(SE)**	**b(SE)**	**b(SE)**
Constant	43.709 (.461)	44.424 (.468)	28.498 (.492)	28.562 (.443)
Age	-.014 (.021)$^{n.s.}$	-.014 (.021)$^{n.s.}$	.423 (.022)	.512 (.019)
Age squared	.000 (.000)	.000 (.000)	-.005 (.000)	-.006 (.000)
Married	1.006 (.041)	1.002 (.041)	5.929 (.046)	5.271 (.037)
Child under 5*	-1.362 (.053)	-1.366 (.053)		
Metropolitan Area	2.801 (.049)	2.792 (.049)	4.229 (.056)	4.727 (.045)
Academic Degree (BA)	16.048 (.039)	16.046 (.039)	24.169 (.042)	22.656 (.037)
BA from the FSU	5.588 (.627)	4.606 (.638)	2.544 (.701)	2.155 (.675)
Years since migration (YSM)	.658 (.064)	1.715 (.130)	.529 (.071)	1.093 (.137)
FSU immigrant	-20.734 (.765)	-35.676 (1.485)	-16.999 (.865)	-26.967 (1.569)
Germany	-1.437 (.233)	-2.166 (.246)	-3.173 (.238)	-4.661 (.241)
Canada	-.117 (.230)$^{n.s.}$	-.842 (.243)	-4.643 (.237)	-5.230 (.239)
USA	-2.510 (.226)	-3.233 (.240)	-5.275 (.231)	-6.276 (.237)
YSM Germany		-.946 (.419)		-.644 (.401)$^{n.s}$
YSM Canada		-1.267 (.250)		-.495 (.240)
YSM USA		-1.201 (.156)		-.765 (.167)
FSU Germany		17.853 (3.280)		12.782 (3.101)
FSU Canada		22.908 (2.182)		13.567 (2.126)
FSU USA		17.692 (1.771)		14.309 (1.940)

*Child under 6 in Canada
Note: Table shows b values with standard errors in brackets; significance at 99%

Attainment of Earnings

Table 7 includes equations predicting earnings of economically active men and women. In Model 1 we added hours of work to the set of the predictors and in Model 2 we also added PTM occupations as a possible control for the distinction between high and low status occupations. Income is measured in terms of percentile rankings to ensure comparability across countries. The equations are estimated, separately, for men and women.

Table 7: *Linear regression equations (OLS) predicting earnings of salaried workers (percentiles) in four countries*

Earnings	Women		Men	
	Model 1	**Model 2 with Interactions and PTM**	**Model 3**	**Model 4 with Interactions and PTM**
	b(SE)	**b(SE)**	**b(SE)**	**b(SE)**
Constant	-104.903 (.605)	-99.390 (.597)	-139.753 (.623)	-136.108 (.619)
Age	2.625 (.026)	2.487 (.025)	4.049 (.025)	3.918 (.024)
Age squared	-.027 (.000)	-.026 (.000)	-.043 (.000)	-.042 (.000)
Married	-1.820 (.051)	-2.318 (.050)	11.476 (.049)	11.019 (.048)
Child under 5*	1.158 (.070)	.760 (.068)		
Metropolitan Area	7.691 (.063)	7.260 (.061)	7.185 (.059)	6.448 (.058)
Academic Degree (BA)	18.900 (.049)	13.424 (.053)	19.646 (.047)	13.554 (.052)
BA from the FSU	-4.686 (.815)	-3.734 (.815)	1.058 (.877)[n.s.]	.531 (.884)[n.s.]
Years since migration (YSM)	1.128 (.085)	.883 (.152)	.965 (.089)	.501 (.167)
FSU immigrant	-21.688 (1.012)	-23.475 (1.727)	-25.478 (1.035)	-23.083 (1.887)
Hours of Work (ln)	25.886 (.052)	24.828 (.050)	22.507 (.079)	21.680 (.077)
Germany	6.163 (.279)	3.812 (.288)	4.721 (.294)	4.547 (309)
Canada	.964 (.280)	.484 (.289)[n.s.]	2.728 (.295)	3.330 (.310)
USA	-3.892 (.275)	-5.696 (.285)	-.541 (.291)[n.s.]	.029 (.307)[n.s.]
PTM		12.283 (.050)		12.665 (.050)
YSM Germany		-.344 (.440)[n.s.]		.541 (.425)[n.s.]
YSM Canada		1.096 (.325)		1.550 (.339)
YSM USA		.283 (.194)[n.s.]		.405 (.211)[n.s.]
FSU Germany		14.993 (3.322)		5.710 (3.230)[n.s.]
FSU Canada		-4.603 (2.879)[n.s.]		-11.458 (2.840)
FSU USA		5.584 (2.228)		2.994 (2.407)[n.s.]

*Child under 6 in Canada, *Note:* Table shows b values with standard errors in brackets; significance at 99%

The data displayed in Table 7 reveal, quite clearly, that earnings are likely to rise with age (curve-linear relations) and with hours of work. It is likely to be higher among workers holding academic education and PTM jobs, regardless of gender. While earnings are likely to be significantly higher among married men and lower among married women, earnings of women with young children tend to be lower than earnings of economically active women with no young children. Although we have no clear explanation of this finding, we can only speculate that selectivity of mothers to young children into the labor market might be associated with the earnings 'bonus' mothers receive.

Immigrants do pay an economic penalty. Other things being equal, the earnings of immigrant men and women are lower than the earnings of native born, on average, by 20 percent. Although the earnings penalty tends to decrease with the passage of time, only in Canada the economic gap between immigrants and native-born seems to disappear within 10 years time span for both men and women (as calculated on the basis of the interaction between years since migration and country). Apparently, in Canada, a country which implemented the most selective immigration policies, immigrants are able to improve their earnings faster than in all other countries.

Conclusions

The major objective of the present study was to compare and evaluate economic integration of FSU immigrants in four countries of destination: Canada, the US, Germany and Israel. The four host countries differ considerably in their criteria for selecting immigrants and in the support and help they provide immigrants to better incorporate into the social and economic systems. While Israel and Germany are less selective in terms of professional qualifications of the immigrants they receive (the two countries are likely to take immigrants on basis of ethnic criteria), the US and especially Canada tend to emphasize qualifications and skills of immigrants and their potential contribution to society and the economy. The variation in admission policies are also reflected in the relative size of the FSU immigrants that arrived in each society. Israel had accepted larger number of FSU immigrants than any other society. During a short period of time the FSU immigrants accounted for nearly 20 percent of its Jewish population. In all other countries, the size of FSU immigrants had not reached even one percent. Part of the cross-country differences, thus, should be attributed to the unique circumstances associated with incorporation

of a massive influx of immigrants to Israeli society and should be understood from this perspective as well.

On basis of the cross-country differences in selection of immigrants and in the system of support we expected to find differences across countries in the incorporation of immigrants (especially high skilled immigrants) into the labor markets of the four societies. The analysis we performed revealed considerable similarities across countries but also some meaningful differences. The summary effects of the individual-level variables and country-level variables on various aspects of labor market activities and labor market outcomes are presented in Table 8.

Table 8: *Summary of the major effects of the individual-level and country-level variables on five aspects of labor market activity /outcome in four countries*

	Dependent variables				
	LFP (W/M)	Self-Employment (W/M)	PTM (W/M)	SEI (W/M)	Earnings (W/M)
Age	(+/+)	(+/+)	(+/+)	(-/+)	(+/+)
Married	(+/+-)	(+/+)	(+/+)	(+/+)	(-/+)
Child under 5*	(-/N.A.)	(+/N.A.)	(+/N.A.)	(+/N.A.)	(+/N.A.)
Metropolitan Area	(+-/+)	(-/-)	(+/+)	(+/+)	(+/+)
Academic Degree (BA)	(+/+)	(+/+)	(+/+)	(+/+)	(+/+)
BA from the FSU	(-/-)	(n.s./-)	(-/+)	(+/+)	(-/n.s)
Years since migration (YSM)	(n.s./n.s.)	(+/+)	(+/+)	(+/+)	(+/+)
FSU immigrant (in Israel)	(n.s.+/ n.s.+) for full-time	(-/-)	(-/-)	(-/-)	(-/-)
Hours of Work (ln)	N.A.	N.A.	N.A.	N.A.	(+/+)
Germany	(+-/+)	(n.s./-)	(-/-)	(-/-)	(+/+)
Canada	(+-/+-)	(-/-)	(-/-) the most negative effect	(-/-)	(+/+)
USA	(+-/+)	(+/-)	(n.s./-)	(-/-)	(-/n.s)
PTM	N.A.	N.A.	N.A.	N.A.	(+/+)
YSM Germany	(+/+) the most positive effect	(n.s./-)	(n.s./n.s.)	(n.s./-)	(n.s./n.s.)
YSM Canada	(n.s./n.s.)	(-/-)	(-/-) the most negative effect	(-/-)	(+/+)
YSM USA	(+/+)	(-/-)	(-/-)	(-/-)	(n.s./n.s.)
FSU Germany	(-/-) the most negative effect	(-/-)	(n.s./n.s.)	(-/-)	(-/n.s.) least negative for women
FSU Canada	(-/-)	(+/+) positive effect	(+/-)positive effect for women	(-/-) the least negative effect for women	(-/-)
FSU USA	(-/n.s. -)	(-/-)	(-/-)	(-/-) the least negative effect for men	(-/-)

W/M – influence of the effect for women and men respectively. N.A .– not applicable; n.s. –insignificant

The data reveal that the most selective group of immigrants (in terms of educational credentials) had arrived in Canada followed by the U.S. Israel and Germany – the two countries that had not imposed selectivity criteria that are based on skills and qualifications -- had received populations that are less selective in terms of academic training as compared to Canada and the US. It should be noted, however, that in all four societies FSU immigrants were characterized by higher level of education that the native born population. More specifically, many more of the FSU immigrants had academic training than the local population. In Canada, the proportion of immigrants with academic degree was highest and the educational gap between the immigrants and the native born population was the widest. From this point of view, Canada had gained, more than any other country, immigrants with high human capital resources and with the greatest potential for making a contribution for economic productivity.

Despite their high educational level, all immigrants had faced difficulties in integrating into the labor market of the host society as they had not been fully integrated yet into the economy. Being from the FSU hampers successful integration in all aspects of labor market activities on which the present study had focused (see Table 8). That is, the full potential of the immigrants' productive capacity had not been utilized yet in all four countries. This is clearly evident in several aspects of economic participation and can be detected on several dimensions of labor market activities and labor market outcomes, including mode and scope of employment, occupational attainment and earnings. The difficulties and disadvantages immigrants face in the labor market of the host societies, however, tend to decrease with the passage of time.

First, the data reveal, consistent with expectations, that in all countries, with the exception of women in Israel, FSU immigrants had lower odds for full time (as well as part time) employment versus 'no employment' when compared to the native born population. That is, despite their high level of education, the likelihood of immigrants not to be employed (i.e. to be either unemployed or economically inactive) is higher than that of the native born population and their likelihood of being fully employed are lower than that of the native born population. The relative odds for immigrants' full employment are higher in Israel and Germany than in the US and Canada. This difference is rooted perhaps in the support, aid and guide that immigrant receive from government agencies (especially in Israel) that are not available in market societies such as the US and Canada. This might be also the reason why in the two market societies more immigrants

are likely to become self employed than either in Israel or in Germany. We believe that self employment and economic entrepreneurship are more likely to serve as alternative channel of economic mobility in market economies.

When taking into consideration the high level of education among FSU immigrants as compared to the native born population, it becomes apparent that the immigrants are disadvantaged in attainment of occupational positions and of earnings in all four host countries and regardless of gender (in Germany the disadvantage of immigrant women in attainment of earnings is least pronounced). The occupational disadvantages (either in terms of access to high status-lucrative professional and managerial occupations or in terms of occupational socio-economic status points) are most substantial in Israel and Germany (the two countries that received the least selective and the largest number of immigrants) and least substantial in the US and Canada (the two more selective market economies). Apparently, both in Israel and Germany FSU immigrants had been less successful in converting their human capital resources and occupational skills (especially education) into suitable rewarding jobs than Soviet immigrants in Canada and the US. The economic disadvantage of immigrants is also evident in all countries when examining earnings differentials between immigrants and comparable native born populations. In all countries immigrants had not been able to convert their educations, skills, and their position within occupation into earnings at the same rate that native born do. When estimating the earnings penalty associated with being immigrant it amounts to 15-20 percent on average in each country. This penalty, like the occupational penalty, is likely to decrease with the passage of time in the host country. The rate of decline in earnings penalty is faster in Canada – the country that applies most selective immigration criteria—than in any other society. Indeed, selection processes of immigrants have significant consequences for successful integration of immigrants and the rate of their integration into the economy of the host society.

REFERENCES

Bauer, Thomas and Zimmermann, Klaus F. 1999. "Occupational Mobility of Ethnic Migrants". *IZA Discussion Paper* No.58, Bonn: IZA

Beenshtock, M. and Y. Ben Menahem. 1997. "The Labor Market Absorption of CIS Immigrants to Israel: 1989-1994." *International Migration* 35: 187-224.

Bloom, David E. and Gunderson, Morley. 1990. "An Analysis of the Earnings of Canadian Immigrants," In Freeman, Richard B. and Abowd, J. M. (eds.) *Immigration, Trade, and the Labor Market*. Chicago, Ill: University of Chicago Press, pp. 321-342

Borjas, George. 1987. "Self-Selection and the Earnings of Immigrants." *American Economic Review* 77: 531-553.

_____1990. *Friends or Strangers: the Impact of Immigrants on the US Economy*. NY: Basic Books.

_____. 1994. "The Economics of Immigration." *Journal of Economic Literature* 32: 1667-1717.

Borjas, George and Marta Tienda. 1993. "The Employment and Wages of Legalized Immigrants." *International Migration Review*, 27 (4):712-747.

Bryk, Anthiny S. and Stephen W. Raudenbush. 1992. *Hierarchical linear models: Applications and data analysis methods*. Newbury Park, CA: Sage Publications.

Carliner, Geogrey. 1980. "Wages, Earnings and Hours of First, Second and Third Generation American Males." *Economic Inquiry* 28: 87-102

Chiswick, Barry. 1978. "The Effect of Americanization on the Earnings of Foreign-born Men." *Journal of Political Economy* 86: 897-921.

Chiswick, Barry. 1979. "The Economic Progress of Immigrants: Some Apparently Universal Patterns." *In Contemporary Economic Problems*, edited by William Fellner (357-399). Washington: American Enterprise.

_____. 1993. "Soviet Jews in the United States: An Analysis of Their Linguistic and Economic Adjustment." *International Migration Review* 27: 260-285.

_____ 1997. "Soviet Jews in the United States: Language and Labor Market Adjustments Revisited." Pp. 233-360 in *Russian Jews on Three Continents: Migration and Resettlement*, edited by N. Lewin-Epstein, Y. Ro'I and P. Ritterband. London: Frank Cass.

Cohen, Yinon. 2002. "From Haven to Heaven: Changes in Immigration Patterns to Israel." Pp. 36-56 in *Citizenship and Identity: Germany and Israel in Comparative Perspective*, edited by D. Levy and Y. Weiss. New York: Berghahn Books.

Cohen, Yinon, and Irena Kogan. 2005. "Jewish immigrants from the former Soviet Union in Germany and Israel." <u>The Leo Baeck Yearbook</u>. 50: 249-265.

_____ and Yitchak Haberfeld. In Progress. "Selectivity and Assimilation of 1970s immigrants from the former Soviet Union in Israel."

DeVoretz, Don J. 2006 *A History of Canadian Recruitment of Highly Skilled Immigrants: Circa 1980-2001*. IZA DP No. 2197.

Dietz, Barbara. 2000. "German and Jewish Migration from the Former Soviet Union to Germany: Background, Trends and Implications." *Journal of Ethnic and Migration Studies* 26(4): 635-652.

_____. 2003. "Jewish Immigrants from the Former Soviet Union in Germany: History, Politics and Social Integration." *East European Jewish Affairs* 33(2): 7-19.

Dominitz, Yehuda. 1997. Israel's Immigration Policy and the 'Dropout' Phenomenon." Pp.113-127 in *Russian Jews on Three Continents: Migration and Resettlement*, edited by N. Lewin-Epstein, Y. Ro'I and P. Ritterband. London: Frank Cass.

Doomernik, Jeroen. 1997. *Going West: Soviet Jewish Immigrants in Berlin since 1990*. Averby, Ashgate Piblishing, Aldershot.

Eckstein Zvi, and Yoram Weiss. 2002. "The integration of Immigrants in the Former Soviet Union in the Israeli Labor Market." in Ben-Bassat Avi, (ed.) *The Israeli Economy, 1985-1998: From Government Intervention to Market Economics*. Cambridge: MIT Press.

Flug, K. N. Kasir and G. Ofer. 1997. "The Absorption of Soviet Immigrants into the Labour Market: Aspects of Occupational Substitution and Retention". In *Russian Jews on Three Continents. Migration and Resettlement*, N. Lewin-Epstein, Y. Ro'I and P. Ritterband (Eds.) London: Frank Cass. Pp:433-470.

Greif, S., Gediga, G. and Janikowski, A. 1999. „Erwerbslosigkeit und berufliger Abstieg von Aussiedlerinnen und Aussiedlern". In Bade, K. J. and Oltmer, J. (eds) *Aussiedler:Deutsche Einwanderer aus Osteuropa*. Osnabrück, Universitätsverlag Rasch, pp. 81-107.

Gruber, Sabine and Harald Rüßler. 2002. *Hochqualifiziert und arbeitslos*. Opladen: Leske & Budrich.

Heckathorn, Douglas D.(1997). Respondent-driven sampling: A new approach to the study of hidden population. *Social Problems*, 44(4).

Heckmann, Friedrich. 2003. "From Ethnic Nation to Universalistic Immigrant Integration: Germany." In Heckmann, F. and D. Schnapper (eds.) *The Integration of Immigrants in European Societies: national Differences and Trends of Convergence*. Stuttgart: Lucius & Lucius, pp. 45-78.

Iredale, Robyn. 1999. "The Need to Import Skilled Personnel: Factors Favouring and Hindering its International Mobility". *International Migration*, vol. 37 (1):89-123.

Janikowski, A. 1999. „Berufliche Integration der Aussiedler und Aussiedlerinnen". In Silbereisen, R. K., Lantermann, E-D. and Schmitt-Rodermund, E. (eds) *Aussiedler in Deutschland. Akkulturation von Persönlichkeit und Verhalten.* Opladen, Leske+Budrich, pp. 113-142.

Jewish Agency for Israel. 2003. "Comparison of absorption benefits Israel – Germany." May 1, Research and Strategic Planning. 4 (Hebrew).

Kessler, Judith. 1996. *Jüdische Migration aus der ehemaligen Sowjetunion seit 1990. Beispiel Berlin*. Unveröffentlichtes Manuskript.

_____. 1997. "Jüdische Immigration seit 1990. Beispiel Berlin". *Zeitschrift für Migration und soziale Arbeit* 1: 40-47.

Kofman, Eleonore, 2000. "The Invisibility of Skilled Female Migrants and Gender Relations in Studies of Skilled Migration in Europe", *International Journal of Population Geography*, 6:45-59.

Koller, B. 1993. Aussiedler nach dem Deutschkurs: Welche Gruppen kommen rasch in Arbeit? *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung* 2, 207-221.

Konstantinov, V. 1995. "Aliya of the 1990's from the Former Soviet Union: A Socio Demographic Analysis." *Jews in Eastern Europe*, 2, 5-26.

Koser, Khalid and John Salt. 1997. " The Geography of Highly Skilled International Migration". International Journal of Population Geography, 3, 285-303.

LaLonde, Robert J. and Robert H. and Topel . 1990. *The Assimilation of Immigrants in the U.S. Labor Market*. Working Paper 3573. Cambridge, Mass.: National Bureau of Economic Research.

Leshem, Elazar. 1997. Immigration from the FSU and its Absorption: Social Research in Israel (1990-1994) Pp. VII – XV *in Immigration and Absorption of Former-Soviet Union Jewry*. Jerusalem: Henrietta Sald Institute

Levy, Daniel. 2002. "Changing configurations of German and Israeli immigration regimes A comparative perspective". Pp. 1-14 in D. Levy and Y. Weiss (eds) *Challenging Ethnic Citizenship: German and Israeli Perspectives on Immigration.* New York: Berghahn Books.

Lewin-Epstein, Noah., Moshe Semyonov, Irena Kogan, and Richard Wanner 2003. "Institutional Structure and Immigrant Integration: A Comparative Study of Immigrants' Labor Market Attainment in Canada and Israel." *International Migration Review* 37(1): Forthcoming.

Lofstrom, Magnus. 2000. *Self-employment and Earnings among High-Skilled Immigrants in the United States*. Discussion Paper Series, IZA DP No. 175. Institute for the Study of Labor.

Mahroum, Sami. 2001. "Europe and the Immigration of Highly Skilled Labour". *International Migration*, 39:27-43.

Müller, Walter, Steinmann, Susanne and Ell, Renate. 1998. 'Education and Labour Market Entry in Germany'. Pp. 143-188 in Shavit, Yossi and Müller, Walter (Eds.) *From School to Work. A Comparative Study of Educational Qualifications and Occupational Destinations*. Oxford: Clarendon Press.

Münz, Rainer. 2002. "Ethnos or Demos: migration and Citizenship in Germany". Pp. 15-35 in D. Levy and Y. Weiss *(eds) Challenging Ethnic Citizenship: German and Israeli Perspectives on Immigration.* New York: Berghahn Books.

Münz, Rainer and Ohliger, Rainer (Eds.). 2003. *Diasporas and Ethnic Migrants: Germany, Israel and Post-Soviet Successor States in Comparative Perspective*. London, Portland, OR: Frank Cass.

_____and Ruben Rumbaut. 1996. *Immigrant America: A portrait*, 2nd ed. Berkeley: UC California Press.

Quaked, Said. 2002. "Transatlantic Roundtable on High Skilled Migration and Sending Countries Issues." *International Migration*, 40 (4): 153-166.

Raijman, R. and M. Semyonov 1995. "Models of labor market incorporation and occupational cost among immigrants to Israel", *International Migration Review*, 29(2), 375-393.

_____. 1997. "Models of Labor Market Incorporation and Occupational Cost among Immigrants to Israel." *International Migration Review* 29: 375-393.

_____ 1998. "Best of Times, Worst of Times of Occupational Mobility: the Case of Russian Immigrants in Israel." *International Migration* 36: 291-312.

Raijman, Rebeca and Marta Tienda. 1999. "Immigrants' Socioeconomic Progress Post- 1965: Forging Mobility or Survival?" In J. Dewind, Ch. Hirschman, and S. Castles (Eds) *The Handbook of International Migration: The American Experience*. New York: Russel Sage.

Reitz, J. G. 1998. *Warmth of the Welcome*. Boulder, CO: Westview Press.

Salt, J. 1992. "Migration Process among the High Skilled in Europe". *International Migration Review*, 26 (2):484-505.

Schoeps, Julius, H., Jasper, Willi, Vogt, Bernhard (Eds.) 1996. *Russische Juden in Deutschland*. Weinheim: Beltz Altenäum Verlag.

Schoeps, Julius, H., Jasper, Willi, Vogt, Bernhard (Eds.) 1999. *Ein neues Judentum in Deutschland? Fremd- und Eigenbilder der russisch-jüdischen Einwanderer*. Potsdam: Verlag für Berlin-Brandenburg.

Sikron, Moshe, and Elazar Leshem. (eds) 1998. *A Profile of Migration Wave*. Jerusalem: Magnes, (Hebrew).

Stier, Haya and Varda Levanon. 2003. "Finding an Adequate Job: Employment and Income of Recent Immigrants to Israel". *International Migration*, vol. 41 (2): 1-27.

Weinberg, Nancy. 2001. "Immigrant Employment and Occupational Mobility in a Context of Mass Migration. Soviet Immigrants in Israel." *European Sociological Review* 17: 169-188.

Westphal, M. 1999. Familiäre und berufliche Orientierung von Aussiedlerinnen. In Bade,K. J. and Oltmer, J. (eds) *Aussiedler: deutsche Einwanderer aus Osteuropa*. Osnabrück, Universitätsverlag Rasch.

Zimmermann, Klaus F. 1999. 'Ethnic German Migration since 1989 – Results and Perspectives'. *IZA Discussion Paper* No.50, Bonn: IZA