International migration and economic participation in small towns and rural areas – cross-national evidence

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Abstract

This paper analyses the neglected labour market experiences of international migrants to non-metropolitan areas, mainly drawing on the evidence of a large, cross-national research project on immigration, as well as on other available research evidence. By examining migrants' employment experiences in four different countries – Canada, the USA, Ireland and Scotland – we are able to discuss key themes and consider them from a comparative perspective. The focus here is on the frequent occurrence of different forms of underemployment of rural migrants; issues around pay and working conditions; and the importance of welcoming communities.

Keywords: Rural immigration, rural labour markets for migrants, welcoming rural communities, cross-national research, international migration.

International migration and economic participation in small towns and rural areas – cross-national evidence - Towards a policy paper

Despite increasing evidence of immigration to rural areas, which can be observed in many developed countries, this has remained neglected as a research topic (Jentsch and Simard, 2009) and there are no easily comparable datasets or bodies of literature to facilitate investigation. To address this gap, this paper aims to shed some light on the labour market experiences of rural migrants in different labour market contexts. It draws in particular on the evidence of a large, cross-national research project on immigration and rural areas, focusing on four of the six countries[1] included: Ireland, Scotland, Canada and the USA – the former constituting two new settlement countries, the latter two established countries of immigration. The paper concentrates on three themes that have emerged as being especially important in shaping the experiences of labour migrants to rural areas: different forms of unemployment; pay and working conditions; and the significance of welcoming communities. Each of these themes will be addressed in turn.

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[1] The original research also included Greece and Russia. Both case studies (Kasimis, 2009; Ivakhnyuk, 2009) are very instructive in their own right, but the scope of this article precludes their inclusion.

Different forms of underemployment

In Ireland and Scotland, immigrants in rural and urban areas have enjoyed high employment rates (at least before the financial crisis).[2] According to employers, the most important reason for hiring migrants – effectively ahead of local workers – is their capacity to take jobs that were difficult to fill, for example due to being physically demanding, with unpredictable working schedules, long hours, poor pay and status. In that way, migrants are often seen as supporting the viability and stability of businesses. Interestingly, these findings apply to rural and urban areas in Scotland, other parts of the UK and also Ireland (Danson and Jentsch, 2009).

At the same time, rural immigrants have often been overqualified for the mainly basic skills jobs they managed to secure (Danson and Jentsch, 2009; Coakely and Mac Éinri, 2009). It may be that the stronger anti-discrimination legislation[3] and perhaps more comprehensive integration support for migrants in the UK has led to a situation where this phenomenon has concerned longer established migrants who have become embedded in particular localities and new community members to a similar extent (Danson and Jentsch, 2009; MIPEX III, 2011; Watt and McGaughey, 2005). In Ireland, however, the foreign born population has been considerably more likely to be employed in jobs for which they are overqualified (MIPEX III, 2011; Ruhs and Quinn, 2009).[4]

These issues are also relevant for the rural and urban US. Jensen and Yang (2009) have shown that immigrants tend to be poorer and less well educated, but more likely to be working than their native counterparts (61.5 per cent of immigrants who arrived since 1990 versus 56.4 per cent). At the same time, as in the Celtic countries, migrants have also been shown to typically experience a loss of occupational standing with their first employment. This has been explained in part with the impossibility of transferring human capital into the context of the new country (and the concomitant underuse of human resources). Moreover, it indicates that migrants are (at least initially) prepared to accept some loss of occupational status to work in their country of destination. Here, higher levels of English language skills and years of education correlate positively with labour market success, whereby it is revealed that years

[2] It is noteworthy that following the financial crisis, immigrants in Ireland have been shown to suffer from higher unemployment than Irish nationals (14.7 per cent and 9.4 per cent respectively, first quarter 2009 (Ruhs and Quinn, 2009)). This can be explained, in part, in that the sectors in which migrants are particularly represented (including construction, wholesale, retail trade and industry) have been disproportionately affected by job losses (Ruhs and Quinn, 2009).

[3] The UK is considered to have some of the strongest anti-discrimination laws and equality policies of European and North American countries (MIPEX III, 2011). As equality legislation is a matter reserved to the UK Government, UK legislation applies to Scotland, but Scotland has devolved power over services which can support immigrants, such as health and education.

[4] In the UK in 2004, it was found that 15.3 per cent native born employees were overqualified, compared to 17.8 per cent of the foreign born population. In Ireland, the equivalent figures were 15.7 per cent (native-born) and 23.8 per cent (EFILWC, 2007)

of education in the US are more highly valued than those experienced abroad (Akresh, 2008).

Indeed it has been emphasised in the Canadian context that finding employment commensurate with qualifications is challenging, in part because the recognition of foreign qualifications can be a drawn out process. Even those immigrants who eventually succeed in practising their profession are likely to have a history of employment in low skilled jobs, mainly in the service sector (Simard, 2009).

Different forms of underemployment other than being overqualified have been analysed for immigrants in the US.[5] In metropolitan areas, 12.1 per cent of native workers are underemployed compared with 22.6 per cent among immigrants arriving since 1990. For non-metro areas, the percentage of underemployed immigrants is even higher, namely 28.6 per cent for those who arrived since 1990. The two findings that rural immigrants suffer from high levels of underemployment and constitute a pool of cheap labour (on which more details are provided below) can explain why this group is disproportionately represented in the group of the working poor (Jensen and Yang, 2009). However, evidence also shows that migrants do not necessarily fare worst in smaller places, as the next section illustrates.

Pay and working conditions

A significant difference has been observed in median incomes between very large urban areas, large urban areas and small towns/rural areas in Canada ($28,100, $30,500 and $22,500 respectively). Hence, as expected given the socio-economic profile of many small towns/rural areas, it is here where the median income is lowest. Interestingly, this relationship is reversed for immigrants. Their income is lowest in very large urban areas, higher in rural areas and highest in small urban areas ($16,800, $18,800 and $19,500 respectively) (Bernard, 2008). "While immigrants have lower incomes in all types of areas, the gap narrows along the gradient from urban to rural. In very large urban areas, the median income gap is very large, at 67 per cent. In small urban areas, the gap falls to 32 per cent, while in small towns and rural areas, the gap is only 20 per cent." (Bernard, 2008: 8)

Incomes of immigrants who hold no more than high school qualifications are 46 per cent lower in very large urban areas, but only 23 per cent lower in small towns and rural areas. There are also differences in the time span needed to close the gaps. In large cities, the gap is still 20 per cent after 13 years,

[5] "The underemployed include (1) the unemployed – those not working but looking for work, (2) discouraged workers – those out of a job and not looking for work, but who would like a job if they thought they could find one, (3) involuntary part-time workers – those working part-time only because their employer(s) cannot provide full-time hours, and (4) the working poor – those whose wages (adjusted for weeks and hours worked) are insufficient to bring them significantly above poverty. All other workers are considered adequately employed (see Jensen and Slack 2003)" (Jensen and Yang, 2009).

but significantly less than 10 per cent generally after the fifth year (Bernard, 2008, 8).

Bernard (2008) acknowledges that it is difficult to identify causes for immigrants' better economic performance in smaller urban areas. Given that statistical data provide only limited characteristics of individuals, the identified differences may relate to unobservable factors associated with immigrants rather than the regions. However, he still provides useful hypotheses, for example suggesting that this advantage can partly be attributed to the smaller proportion of immigrants in rural areas, which facilitates the creation of formal and informal networks with well-established residents. Such networks provide information about the labour market and employment opportunities, thus possibly aiding economic integration (OECD, 2006, 2009). Perhaps related to this, immigrants outside the largest urban centres have been found to be able to learn an official language more quickly than their urban counterparts.

Poor pay dominates the experiences of rural immigrants to the US. The fact that they are disproportionately employed in agriculture partly accounts for this. Nearly 14 per cent of recent immigrant workers to non-metro areas worked in agriculture, compared to 5 per cent of their native counterparts. It has been repeatedly documented since the 1960s that working conditions in this sector are arduous, and little attempts have been made to address this situation. Agricultural workers suffer from poverty, poor health and nutrition, unsafe working conditions, not least due to exposure to herbicides and pesticides (Jensen and Yang, 2009)[6].

Difficult working conditions can be exacerbated by immigrant status, as can be illustrated with the plight of many temporary immigrants across Europe and North America, who are found especially in agriculture, but also in construction and services (Danson and Jentsch, 2011, Brown and Danson, 2008). In many cases, such low skilled workers may have to leave their host country once their contracts are completed, either for financial or legal reasons. Evidence from Canada shows such immigrants to constitute a vulnerable group without permanent resident status, recognised as suffering from various forms of exploitation, rights abuses and isolation. Since this group is of great importance to small and medium-sized companies, such issues concern especially rural areas (Simard, 2009).

In Scotland and Ireland, migrant workers have enjoyed high employment rates, but have tended to be segregated into basic skills, low-paid jobs, often despite their high qualification levels. Lack of English skills and limited awareness of relevant agencies have impeded progression opportunities and facilitated discrimination and exploitation (Coakely and Mac Einri, 2009; Danson and Jentsch, 2009).

[6] The data presented are based on "an analysis of multiple years of data [i.e. 1996-2003] from a nationally representative household survey conducted by the US Census Bureau, the Current Population Survey." (Jensen and Yang, 2009, 27)

The importance of welcoming communities

Welcoming communities can aid processes of integration into labour markets. Great differences in the reception of new arrivals have been noted. Important factors here include whether communities have a history as a destination for immigrants; the (perceived) impact of immigrants on the local economy and public services; and decisions of local leadership with regard to welcoming new arrivals (Jensen and Yang, 2009; Annis, 2011). In countries that have a long history of immigration, and which had to address issues of economic (and other types of) integration over centuries, one may assume that at least important economic, social and political structures are in place to facilitate a relatively smooth start for new arrivals – labour migrants and refugees. However, successive waves of immigration have often caused concern amongst longer established immigrants about the impact of new arrivals, even though evidence suggests that there has been a pattern of consistently successful integration into labour markets (Jensen and Yang, 2009).

If such concerns are relevant in a long established immigration country, what relevance do they have for the new settlement countries of Scotland and Ireland? In Ireland, the large numbers of immigrants who arrived over the past 10 years caught Irish planners unprepared. Immigration policies and practices have proven to be overburdened. Notwithstanding individual, successful initiatives, in general, lack of strategic planning and funding have hampered sustainable progress (Coakely and Mac Éinri, 2009). Similarly in Scotland, the large inflow of immigrants following EU enlargement in 2004 was unexpected, even if widely perceived as a positive development (Brown and Danson, 2008). Many public and private agencies have been financially and practically involved in attempting to welcome and support immigrants but, inevitably, endeavours were often ad-hoc, and lacked co-ordination. The enormous challenge of developing an infrastructure to meet diverse needs requires time to address.

This is not to ignore the potential challenges migrants can pose to small communities. There is the contradiction that immigration policies are designed and administered at the national level, but their consequences are ultimately experienced at regional, local and individual levels. Examples from the US have shown how a rapid increase in the immigrant population can exert pressure on services already overburdened, and this is not helped by a context where additional resources are rarely made available. Tensions associated with differences (for example, linguistic, cultural and religious) may also be magnified in smaller, historically mono-ethnic communities (Jensen and Yang, 2009; Jentsch and Simard, 2009).

In both the UK and Ireland, partly as a result of the perceived need to cut public expenditure, there seems to be less political will to support immigrants compared to the recent past, and important aspects of the relevant infrastructure have been withdrawn or diminished. In Scotland, the government and local authorities have taken genuine interest in immigrants' welfare, but sup-

port has remained at a basic level, and some service gaps have been observed (Scottish Government, 2010). While there has been the political will and considerable financial commitment to meet migrants' needs over a short period of time in Scotland, little progress has been made to more efficiently match migrants' skills and qualifications with appropriate job opportunities. This can in part be explained with the lack of high resource activities by public bodies (Brown and Danson 2008; Scottish Government, 2010).

Contrasting this more passive approach, there are examples of good practices to be found, for example, in Canada where there has been a multitude of strategies aimed at mobilizing local communities and promoting inter-cultural familiarisation, involving different governmental levels (federal, provincial, regional and municipal). Individual examples of positive approaches exist also in new settlement countries, perhaps in part defined by the demographic and socio-economic profile of the community. For instance, the Outer Hebrides in Scotland, where some communities have particularly suffered from out-migration, are a place where the local policy discourse and wider public opinion have been shown to be extremely favourable to the reception of different groups of immigrants (SCVO, 2006).

Discussion and Conclusions

While there are other aspects of immigrants' integration which are also important for their general well-being (e.g. social, cultural, political integration), the focus on labour market integration has been deliberate: in most cases, from a hierarchy of needs perspective (Maslow, 1943), reasonable employment (ideally employment which matches educational qualifications and aspirations) tends to be the most important goal for immigrants in general, and for labour migrants is usually the primary reason for their migration (Scottish Government, 2010; Pires and Macleod, 2006). Economic integration can also be regarded as a key factor in influencing other indicators of welfare, including health. Even from the perspective of a receiving country, it seems important to know whether human capital is put to best possible use, and evidence from many countries suggests that, at least temporarily, immigrants experience considerable downward mobility in their occupational trajectories (Akresh, 2008; Brown and Danson, 2008; GCIM, 2005).

Pugh (2007) has observed complex interactions between local dynamics and communities mirroring the reactions and responses to minority groups of society at large. While rural life may present a greater potential for oppression, since being different in the countryside is a peculiarly exposed situation, personal accounts show that responses to difference are not necessarily negative. Difference, in some cases, can be appreciated and be a source of local pride. This seems to apply in particular to the Canadian case, where immigrants perform better in small towns and rural areas than in metropolitan areas, perhaps partly because smaller places facilitate networking required for obtaining employment. It can be assumed that welcoming communities – for example,

those with a history as a destination for immigrants and positive local leadership – offer particularly promising integration prospects.

This underlines the fact that local communities and immigrants are in a dynamic relationship. While immigrants' experiences in and with a place will shape their employment (and other) opportunities, their presence will impact on economic (and other) changes in communities. Local policies for integration which build on the active interaction between immigrants and local society, and which are tailored to a particular locality, should therefore be prioritised (Papademetriou, 2003).

At the same time, of course, the potential threat of racism always exists, and is more difficult to escape in rural than in urban areas (Pugh, 2007). It is here where research could make important contributions to help us understand the conditions and factors that contribute to tolerant and inclusive communities. Across much of Europe and North America, there have been many citizens who believed that immigrants take jobs that would otherwise be occupied by long-term residents. In the US context, in moves paralleled in our other case study contexts, this suspicion was revealed as untrue by the main agricultural union (United Farm Workers), which ran a campaign ('Take Our Job') to encourage US citizens to work in agriculture. Over a three months period, only seven US citizens had come forward to work in the fields. Hence, scapegoating has driven such 'stolen jobs' claims, reflecting long established discourses during recessions.

Drawing further comparisons across the four countries from which evidence was analysed, it is interesting to note that even in countries recognised for their progressive policies and laws supporting labour migrants, significant problems are experienced on the ground. Of particular concern here are temporary workers, and especially those employed in sectors such as agriculture and services. Clearly, national legislation can only play a limited role, and we are reminded again of the importance of *local* policies of integration. In addition, it seems difficult to discuss employment prospects in rural areas without drawing attention to their economic structures.

Rural areas are obviously heterogeneous and differences include their economic performance, with accessible rural areas usually performing better than remote places. In fact, in Canada, some of the significant differences in refugees' economic performance have been explained with differences in labour market conditions (DeVoretz et al., 2004). However, true for all the countries examined here, in most rural communities, the predominant low skills – low pay labour market prevails. It tends to neither adequately provide for the employment needs of locally established people, nor for immigrants, with the latter often being used as a reserve army of labour filling jobs locally considered undesirable. The typically poor working conditions in the agricultural sector merit particular attention here (Jentsch and Simard, 2009). Clearly, one of the greatest challenges of rural communities is to offer their immigrants

and long established population employment commensurate with their qualifications, skills and experiences.

The evolving changes in the labour process in typical rural economies, only recently revealed in cross-national research (Jentsch and Simard, 2009), mean the developments in non-metropolitan areas are qualitatively different from the national norms. Demands for concentrations of relatively cheap, semi- and un-skilled labour in fairly isolated communities have been experienced across countries of traditional immigration and those attracting significant numbers of workers for the first time. While the significance of the local response has been stressed here, the key players in driving theses changes are often controlled and managed at much higher levels, whether they be multinational corporations, governments, or NGOs. Many of the benefits of these paradigm shifts accrue to these national and multinational entities, but costs fall disproportionately onto local and regional communities and citizens with limited resources. Resentments, shortages, tensions and conflicts would be expected in these circumstances, with already settled migrants often threatened with the highest losses of employment, amenity and well-being. Recognition of the balance of costs and benefits as they impact on rural communities, hosts and migrants alike, is often muted as capital cities and metropolitan areas dominate the national discourse. Raising the profile of their common interests and challenges is another key priority facing these rural communities as they collectively have much to offer all concerned.

Finally, there is the question of how the financial crisis will (continue to) impact on immigrants' economic integration. The OECD (2006; 2009) stresses the importance of high resource activities. This is supported by empirical findings from Canada and the USA: migrants' performance in the labour market crucially depends on skills, such as English proficiency and educational attainment (ideally acquired in the country of destination). Given the recent cuts or reduction of services across countries affected by the crisis, it is likely that immigrants' employment opportunities will be affected detrimentally, and evidence of this is already emerging (for example, as discussed above in the Irish context). Even in terms of political will and the wider political climate, it appears that integration issues have dropped down the political agenda. This will not only harm immigrants' integration prospects, but also those communities which rely on immigrants' contribution to urgently needed demographic, economic and social revitalisation.

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