THE POSITIONING OF TRANSNATIONALLY MOBILE EUROPEANS IN THE GERMAN LABOUR MARKET

An analysis of its causes and effects

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ABSTRACT: This article analyses the economic integration of transnationally mobile Europeans into the German labour market. The measure used for the degree of integration is their relative income. Specifically, the article attempts to answer the question, whether and to which degree the integration of transnationally mobile Europeans into the labour market depends on their national origins or on their social origins. Based on the concept of transnational social mobility which goes beyond classical migration research, we will point out the factors that position mobile Europeans in the labour market and the feedback effects on national class systems. The results show that it is not national origin but social-structural characteristics that explains the positioning of EU-transnationals. The empirical basis of this article is primary data on Berlin’s labour market gathered in the beginning of 2002.

1. Europeanisation and intra-European mobility

The European integration has fundamentally altered all member states of the European Union over the past decades. Although academic research has covered a large number of issues, the main body of the conceptual and empirical work on Europeanisation derives from comparative politics, international law, government policy or international relations (e.g., Neal and Barbezat 1997; Watkin 1998; Scharpf 1999; Knill et al. 2001; Ladeur...
In sociology, the European Union is a much neglected topic, despite its prominence in other fields of the social sciences (Walby 1999; Bach 2000; Heidenreich 2003; Delhe 2004). There is specifically little knowledge about the consequences of European integration for national class systems, even though research on social structures is considered to be a core discipline of sociology. This article attempts to reduce this gap in research. Our goal is to investigate the integration of transnationally mobile Europeans – in this case, French, Italian, British, Polish and Danish groups – into the German labour market. In doing so, we attempt in the final instance to determine the effects of transnational mobility on the class system of post-industrial societies.

In order to address this question one has to discuss the term ‘transnational mobility’ in the context of the Europeanisation. To this day, mobility within Europe is subject to specific institutional regulations, which influence the selection of people who are mobile across boundaries. At the beginning of the European integration process the movement of people in Europe was based on economic reasons: Following the Treaties of Rome intra-European migration increased (from the South to the North), institutionalised by bilateral agreements between member states of the European Community, in order to meet the need for cheap labour in countries such as Germany or France (Rist 1978; Castles 1986). Since the middle of the 1990s (Maastricht Treaty) all citizens of member states are entitled to the freedom of movement. Given this new legal context, intra-European mobility has changed its character: It is no longer primarily (bilateral) labour market migration. It is rather an extended form of mobility within an emerging European social space. That raises the question whether the concepts of the migration research – the most established approach to the study of the geographic movement of people in the social space – still are suitable or whether new theoretical ground has to be found in order to conceptualise the intra-European movements of people. We plead for a re-conceptualisation of the intra-European movement of people in terms of a model of ‘transnational mobility’ instead of the classic model of intra-European migration or transnational migration (Castles 1986; Bade 1987; Pries 1999; Glick-Schiller and Wimmer 2003; Portes 2003). We do so, because we are not only interested in the movement itself, but in the social-structural effects of intra-European mobility in the context of ongoing Europeanisation.\footnote{Transnational mobility is not a broadly established concept in the research. Recently, the term is used at the interface between labour market research and migration research. Jordan and Duvell (2002) or Fassmann (2003) for example conceptualise migration as transnational mobility because they perceive migration as one form of transnational labour market mobility or as a special mode of inner-European migration, respectively.}
2. Intra-European mobility and class system

It can be assumed that, in the course of time, transnational European mobility has influenced national social structures in different ways. With regard to the labour migration of the 1960s and 1970s, it is usually argued that migration led to an underclass in the social stratification systems of more industrialized nations such as Germany or France, which was above all attributable to the welfare disparity between the underdeveloped southern and the prosperous northern Europe (Granier and Marciano 1975; Krane 1979; Johnson 1980; Castles 1986; Bade 1987; Fassmann and Münz 1994). This was especially assumed in the case of ‘ethnically’ defined labour markets, such as that of the Gastarbeiter (foreign workers) in Germany. Thus, the ‘classic’ research on migration was based on the consensus that social-structural effects of social and geographic movements only go in one direction (‘sub-stratification thesis’).

The process of European integration makes such one-dimensional assumptions increasingly questionable. There are several reasons for this. As mentioned above, the institutional regulations of transnational mobility changed as a result of the Maastricht Treaties. Moreover, transnationally mobile Europeans no longer come exclusively from lower classes and no longer only provide cheap labour for the prosperous industry of affluent European nations. Transnationally mobile Europeans increasingly derive from diverse social classes and possess education and work experience in varying degrees (Verwiebe 2004). This assumption corresponds with the findings of researchers who study the migration of elites (Salt and Findlay 1989; Morokvasic and Rudolph 1996; Cheng and Yang 1998; Peixoto 2001; Martin and Lowell 2002). Finally, the formation of an ethnic underclass of labour migrants (‘sub-stratification’) can be questioned since the premises of the ‘classic’ push–pull model are not given for the European Union: The differences in general economic wealth and individual living standards – and transnational mobility across national boundaries initiated by those differences – are rather low.

The ‘sub-stratification thesis’ describes only one possible side of the emerging social structure. It is equally theoretically conceivable that some nationalities, understood as a homogenous national groups that move within Europe, place themselves at the top end of the class system – for example French people, who all have degrees in higher education (compare Scheme 1). This other effect of Europeanisation would be ‘super-stratification’ or
the formation of an ethnic upper class. Although such a development is empirically not very likely, it would be the ‘counter scenario’ to the classical intra-European labour migration of the 1960s and 1970s.

A different sort of theoretical expectations can be formulated based on the assumption that intra-European mobility no longer is a phenomenon dealing with a homogenous class of mobile people. Following this line of argument, it could be expected that the intra-European mobility of specific social groups results in both superimposition and subimposition effects in national social structures. This would be the case when British construction workers – as one group among other British groups – increasingly enter the German labour market, accepting lower payments than German construction workers. That would result in a ‘sub-stratification’ of the German social structure. However, parallel to this development, also a ‘super-stratification’ of German social structure could be observed when a group of younger British professionals – which is elite mobility – enters the German labour market.

Transnational mobility may have yet another effect on the German class system, which we call ‘standard inclusion’ (Verwiebe et al. 2003). Standard inclusion means that transnationally mobile Europeans experience neither a deterioration nor an improvement of their social status in their arrival country. Traditionally, foreign national origin (e.g., Turkish) led to a placement at the lower end of the German social structure, but that does no longer have to be the case. We expect this to change because educational degrees in the member countries of the European Union are mutually recognized since the Maastricht Treaty. At least Europeans with transparent educational degrees are placed under the same conditions in the German social structure as German graduates with comparable

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2. Super-Stratification is not a widely used sociological term. In historical research super-stratification refers to invasions that installed a ruling class in high civilizations (Allsen 1987). We believe that the notion of super-stratification (i.e., the installation of a (ethnic) upper class ‘on top’ of the existing class structure) applies quite well to our conceptualisation of the possible effects of transnational mobility on national class systems.
educational degrees. Such effects should apply particularly to university graduates, since the tertiary educational systems in Europe resemble each other more strongly than the secondary educational systems (Müller and Shavit 1997; Mytzek and Schömann 2004). Also the age pattern of mobility processes in the European societies speaks for ‘standard inclusion’. Entrance into the job market is characterized by risks for the younger age cohorts, upward mobility processes are typical for middle age cohorts (Esping-Andersen 1993; Almendinger and Hinz 1998; Mayer 2001; DiPrete 2002). Finally, it could be argued that disadvantages for women on the job market are a European standard (Esping-Andersen 1993; Duncan and Pfau-Effinger 2000; Orloff 2002). Therefore it is not unlikely that transnationally mobile women and German women realise similar incomes in the German job market.

Thus, we can distinguish different variants of how transnationally mobile Europeans might occupy a position in the German class system. A corresponding model for the explanation of the effect of transnational mobility on national social structures would identify on the output-side effects of ‘super-stratification’, ‘sub-stratification’, and ‘standard inclusion’. On the input-side two different explanatory variables can be specified: national origin and/or social-structural characteristics (social status). We assume that national origin is not sufficient for an explanation per se and that a more detailed consideration, including the social status of transnationally mobile Europeans, is more appropriate for such an explanation.

For the empirical examination of such a model, we have chosen transnationally mobile Europeans from countries that allow us to take into account the political-cultural diversity of Europe, the varying traditions of migration and the different welfare regimes that exist in Europe (Esping-Andersen 1990; Fassmann and Münz 1994; Mayer 2001). The first country is Denmark, a Scandinavian country that directly borders Germany. Italy exemplifies the classical intra-European migration of the 1960s and 1970s. As an accession country, Poland represents a specifically Eastern European tradition of linkage to the German labour market. France and England each represent independent welfare and migration models. The intra-European mobility of the French and the British is a relatively new phenomenon that noticeably increased for the first time in the 1990s. For those countries the active student exchange and the stationing of military in Germany play an important role as well. In this

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3. The mobility of Polish is regarded as a special ‘reference case’. Poland did not belong to the EU at the time of the survey. However, it is a full member now. In addition, Poland and Germany are connected by mobility streams since the immigration of Polish workers into the mining fields of the Ruhr District in the nineteenth Century.
way, we can compare several ‘national’ samples with one another. Therefore, we can investigate to what extent integration in the German labour market varies with land of origin and/or with individual social status.4

3. Data, hypothesis, variables

The data basis is a standardized, postal survey of 2043 EU citizens (from Italy, France, Great Britain, Denmark and Poland) and a German control group in Berlin, 1408 of them were in gainful employment at the time of the survey.5 The survey covered the educational and occupational careers of those groups. The questionnaires were distributed to 10,500 people who were randomly selected from the records of the state census bureau and who are representative with regard to age and gender for the examined groups. The survey was carried out between January and March of 2002 with a return rate of approximately 20 per cent. The total design method (Dillman 2000) was used for the survey.6 Controlling the social-demographic variables age and gender with regard to the base population of our study, the following picture emerges: Our sample had 53 per cent women and 47 per cent men, all between the ages of 21 and 65, ages at which people typically engage in employment. Women are slightly over-represented, especially in the Polish and Danish samples. We have compensated for this distortion with a weighting variable. The age

4. Based on the thesis of the importance of national origin (which derived from the ‘classical’ migration research) one would assume that individuals, depending on their national origin, have varying degrees of success in integrating themselves into the German labour market (e.g., French integrate with better results than Italians). Our theoretical model claims that rather social status influences the course of integration of transnationally mobile Europeans. As the empirical results will show, these effects of social status develop in different ways.

5. The empirical results are based on a ‘pilot study’ in Berlin. For the next step it is planned to extend the research to other metropolitan areas in Germany in order to be able to depict the different regional labour markets in a more sufficient manner. The sample of the survey is comprised of 501 people from the German control group, 409 Britons, 426 French, 344 Italians, 263 Poles and 100 Danes. In order to reach a good return rate, a questionnaire in German and in the native language was sent to all interviewees. The address sample had a volume of 11,200 individuals. The net sample of 10,500 individuals was smaller because of address errors.

6. It is assumed that postal surveys have advantages and disadvantages, like other survey techniques do. However, a comparison between postal surveys and telephone or face-to-face surveys shows that mail surveys have specific qualities and are unjustly underrated in sociological research (Dillman 2000).
structure largely corresponds to the marginal distributions that we could ascertain from available statistical information.  

In order to assess and compare the labour market integration of transnationally mobile French, British, Italian, Polish, Danish and a (German) non-mobile group in the German labour market, we will focus on the income people achieve. This procedure is widely used in research since an individual’s income is a solid indicator of integration into the labour market and therefore of the individual social position. From our survey income is available as the categorized personal net monthly income, based on an income question, which had a high answering rate of 93 per cent. The descriptive analysis and the ordered-probit analysis (Greene 2000) use this variable. For the calculation of Gini coefficients the categorized variable was converted into a continuous variable whereby the average values of each original category were selected (Rosenfeld and Kalleberg 1990). With regard to the interpretation of the ordered-probit analysis, there are some limitations because distortions resulting from taxation and social transfers are not taken into consideration.

3.1. Hypothesis and independent variables

Risks and chances of transnational mobility will very likely vary with national origin and social status. According to the ‘classical’ migration research, one would expect national origin to be a central variable. This can be attributed to specific traditions migration, but also to the degree of actual institutional and cultural integration into the EU (Krane 1979; Bade 1987; Fassmann and Münz 1994). Accordingly, we expect a negative income effect in the case of transnationally mobile Polish, primarily because Poland was at the time of the data collection not a member of the EU. This has the effect that, among other things, Polish educational degrees are not recognized in Germany.

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7. A further examination of the data quality, e.g., with regard to education, is not possible, for none of the usual comparison methods (census data, official statistics) are available for the investigated ‘national groups’. 

8. The operationalisation and description of all variables can be found in the Appendix. 

9. One could also have chosen a linear regression model (which would have produced results similar to an ordered-probit model) based on a conversion of the original categorised variable into a continuous variable of hourly wage plus using a natural logarithm (Petersen 1989; Rosenfeld and Kalleberg 1990). Such an income conversion corresponds to the procedures in this type of research and is justified by the unequal distribution of earned income and by the interpretability of the coefficients as percentage effects (Petersen 1989). We preferred an ordered-probit model, mainly to be able to apply to the categorised character of the available income variable.
mobile Italians, one could expect a negative income effect due to the ‘classical’ Italian labour migration of the 1960s, which presumably placed many Italians in poorly paid jobs (Bender and Seifert 1998; Del Boca and Venturini 2003). The British, French and Danish should be able to integrate themselves into the German labour market more successfully, since these groups mostly started to move within Europe after the end of the ‘classical’ intra-European labour migration and could therefore benefit from the modification of the European institutional framework (freedom of movement). Presumably, there will be income differences between the different countries. However, the critical point is whether these effects are still significant when we control for the effects of criteria such as education, gender or age.

The gender gap in wages is usually attributed to the disparity between men and women regarding the levels of human capital, to the small number of women in executive positions and in labour market segments with higher wages, to the attribution of ‘soft skills’ to women and ‘hard skills’ to men as well as to the fewer working hours worked by women (Bernhardt et al. 1995; Schubert 1997; Tomaskovic-Devey and Skaggs 2001; Cohen and Huffman 2003). In our analysis, even when we control for the influence of other variable on income, we expect a wage disadvantage for transnationally mobile women and women of the German control group. The gender effect for transnationally mobile women could be stronger if, for instance, transnationally mobile women worked more frequently in poorly paid, typical female occupations. However, one could also assume that women who have chosen to move to another country are particularly confident, striving for a career and therefore overcome gender-specific barriers and practices.10

Sociological research already showed in the 1960s that social origin is a major factor of one’s individual welfare. Most of all Blau and Duncan (1967) raised the question to what extent the circumstances of socialisation condition subsequent status; ever since it is a much discussed topic in the research to what extent social origin influences individual educational and occupational success (Featherman and Hauser 1978; Goldthorpe 1996; Breen and Goldthorpe 1998). In recent work, sociologists found out that social origin is of high importance especially for the early stages of one’s occupational career and that it loses some influence on labour market success in the course of the life cycle (Konietzka 1999). In correspondence with the main findings of the research, we assume that social origin will be part of the explanation of the income distribution among Germans and

10. However, contradicting this second assumption is the fact that the women surveyed indicated relatively frequently that they followed their male partner to the new country (Verwiebe 2004).
transnationally mobile Europeans. Whether the effect of social origin is stronger for transnationally mobile Europeans than that for Germans will be determined empirically.

According to the human capital theory, investments in education, in the form of qualifications, increase the productivity of a supplier of labour, which affects his/her income (Mincer 1962; Becker 1964). Correspondingly, in comparative international research it is argued that especially the German labour market is hierarchically structured according to educational titles (Müller and Shavit 1997; Allmendinger and Hinz 1998; DiPrete 2002). Thus, in the cases of the transnationally mobile workers and the German control group, qualification should be a decisive factor in explaining one’s position in the income hierarchy. For Polish people, educational degrees should have a distinct importance. Contrary to the human capital theory, effects of education on the incomes of Poles should not develop in the same direction as those effects on the incomes of the other people studied, since Polish educational degrees are, in practice, not recognized by German law (Cyrus and Vogel 2003).

Income inequality between different familial types has gained attention in the sociology of inequality only within the last few years, although these income disparities are of a similar magnitude as those between different occupational groups (Blackburn and Bloom 1994; Cyrus and Jiang 1997; Burtless 1999; Christopher et al. 2000; Sigle-Rushton and Waldfogel 2004). Due to the composition of our dependent variable, we use the available information of the familial status and children to control for the influence of taxation and social transfers on these structural factors. We expect that being married and having children has a positive effect on the net level of income. Whether the effect of familial status on income is more accentuated for EU citizens than for Germans can only be answered sociologically because ‘national’ differences are not to be expected from an economic point of view. From a sociological point of view, being married and having children indicates a specific form of social integration. As the data also show, this is often integration because of the marriage to a German partner (Verwiebe 2004). If this notion is accurate, then being married and having children, should also serve as an indirect measure for success in the labour market. In this respect, the effect of familial status on income could be stronger for transnationally mobile Europeans than for Germans.

We assume that the Europeanisation of labour markets with the Maastricht process creates a different type of transnational mobility than that of classical labour migration; ergo, the time of mobility should be a decisive factor for the labour market integration of transnationally mobile Europeans. While Gastarbeiter primarily work in the industrial sector and in low-qualified service jobs (Rist 1978; Johnson 1980; Castles
1986; Bade 1987; Bender and Seifert 1998), the ‘new’ migrants, who have a broader range of qualifications, have access to the better-paid segments of the labour market (Verwiebe 2004). Accordingly, it can be expected that those EU citizens who have come to Berlin in the last decade will integrate themselves more fully into the labour. In our analysis, we compare those who moved to Berlin before 1990 with those who moved to Berlin in 1990 or later. Given the radical change that Berlin experienced with the reunification of Germany in 1989–1990, this time period distinction seems justified. We do not mean to assert that this new type of mobile EU citizens first came into existence in 1990, but the disappearance of mobility barriers with the implementation of the Maastricht Treaties suggests an increase in migration movements in the qualified segments of the labour market.

According to Mincer (1974), income is a function of training, work experience, work experience squared and an unobservable residual. In our analysis, work experience is additionally squared, because a concave income curve over the course of one’s working life is expected. Consequently, we can predict a positive influence of work experience and a negative influence of squared work experience on the wages of the transnationally mobile Europeans and of the German control group. Additionally, we assume that the Europeanisation of the labour markets in the 1990s created new opportunities, in particular for young, highly qualified workers. If there should actually be a high number of young and highly paid transnationally mobile Europeans (the elite migration phenomenon), then a different work-experience pay curve for the transnationally mobile workers in comparison to the Germans should be expected.

Economic as well as occupational factors should also have a part in the explanation of the income situation of Germans and transnationally mobile Europeans. From the perspective of the sociology of inequality, a negative income effect for labourers is to be expected because labourers in modern society are losers in the process of tertiary restructuring (Esping-Andersen 1993; DiPrete 1999; Katz and Autor 2000; Goldthorpe 2001; Weeden 2002). The efficiency wage theory (Akerlof 1984; Weiss 1991) argues that negative income effects for labourers are also plausible because there is no control deficit for employers – as is the case with bureaucratic occupations. We assume that more highly qualified blue-collar jobs, which are obtained primarily through company-specific qualifications, are less open to transnationally mobile workers than to Germans. Therefore, a particularly clear connection between being classified as a labourer and one’s income-level should emerge in the case of the transnationally mobile Europeans. Furthermore, one’s position in the company hierarchy should have a positive effect on the compensation for work performed, according to the efficiency-wage theory (Calvo and Wellisz 1986; Malcomson 1986).
Therefore, wage increase can be expected for those transnationally mobile Europeans and Germans who have occupational authority. Income effects should be found more frequently in the case of transnationally mobile workers with high positions in the command structures of firms than in the case of Germans with similar positions, due to the increase in intra-European migration of highly qualified people and the growing value placed upon those types of migration (Morokvasic and Rudolph 1996).

It is widely accepted that income varies between different economic branches (Kalleberg 1988; Scharpf 1990; Card and Krueger 1994; Granovetter 1994). Specifically, salaries are low in some parts of the service industry, such as retail service, medical attendance or personal services. In contrast, wages are much higher in the industrial production and in those parts of the service industry, which are associated with knowledge production and business services (e.g., consulting, finance, real estate, IT, media). Thus, in the cases of transnationally mobile European and Germans, the industry affiliation should be a factor for income distribution. There is consensus in social-structural research that disparities in earnings and disposable income reflect not only institutional structures (educational system, productivity, occupational structure) but also differences in labour force participation and individual working hours (Andersen and Schmidt-Sørensen 1988; Petersen 1989; Rosenfeld and Kalleberg 1990). For example, the comparatively high incomes in the United States and Great Britain are explained with, among other factors, the long average working hours (Anxo and Flood 1999). Based on those findings it can be assumed that there is a strong relation between the realised working hours and payment also in the case of the surveyed ‘national groups’. Whether the income effects of industry affiliation and working hours on income are stronger for transnationally mobile Europeans than for Germans, is then to be decided on empirical grounds.

An additional factor in the explanation of income disparities is company size. Large companies generally pay higher wages than small companies. This is primarily explained within the context of the efficiency wage theory (Weiss 1991). Because of greater control deficits and a higher level of productivity in larger companies, it is necessary and possible to provide performance incentives in the form of higher wages there. At the same time, this can minimize the transaction costs, which are related to fluctuation (Williamson 1985; Gerlach and Hübner 1998). In the debate about the service society, it is also pointed out that the employees of small production firms and service businesses were put at a disadvantage by the process of tertiarisation. That is, they are frequently employed in poorly paid and precarious jobs. Because of this vertical structuring feature of modern societies, we expect a negative income effect of employment in small companies for transnationally mobile Europeans as well as for the
German control group. This effect could be especially recognisable among Italians, who are often employed in the restaurant industry.

4. Results

4.1. Descriptive analyses

First, we want to examine the average income levels according to national origin. These results are displayed in Table 1. Taking the British, French, Italians, Danish and Polish as one group and comparing them with the Germans shows that Europeans ‘occupy’ much more often the two lower income categories and the highest income category. A second look at the table reveals that low income is mainly common among Italians and Polish, while Danish and Britons very often work in very well paid jobs (more than DM7000 (€3570) income). The proportion of Danish and Britons is twice as high as the proportion of Germans in that income class. Polish individuals are very unlikely to be found in the higher income categories. The differences in the distribution of income according to national origin are less pronounced in the middle income categories. Nevertheless, it can be seen that the share of the Germans in the income category of DM3000–3999 (€1530–2040) is above average among the groups surveyed. All in all, one could argue that people from Denmark and those from Poland mark the endpoints of ‘successful’ and ‘problematic’ labour market integration, respectively. The Gini coefficients point in a similar direction and show that income inequality in the German control group is significantly lower than in the case of the Danish, British, French, Italian and Polish workers, for small changes in the Gini index signify relatively large changes in the income structure. The highest degree of income inequality exists in the case of the Italians, for whom the Gini coefficient is 0.326. The other nationalities show equal degrees of inequality.

Already at this early stage, the analysis has produced an interesting finding: transnationally mobile Europeans do not automatically occupy positions in the lower classes of the German social structure, as the research on migration would suggest. An analysis of the income distribution reveals, on one hand, that Europeans accentuate the vertical structuring of the German social structure – some at the lower end (Polish, Italians) and some at the top end (Danish, British). On the other hand, some transnationally mobile Europeans (French) do not change the structures of the German class system in a noticeable way.
<table>
<thead>
<tr>
<th>Income Level (DM)</th>
<th>German</th>
<th>British</th>
<th>French</th>
<th>Italian</th>
<th>Danish</th>
<th>Polish</th>
<th>Non-German</th>
<th>Total</th>
</tr>
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<tr>
<td>Below 1000</td>
<td>3.3</td>
<td>5.4</td>
<td>6.3</td>
<td>7.7</td>
<td>5.8</td>
<td>12.1</td>
<td>7.2</td>
<td>6.2</td>
</tr>
<tr>
<td>1000–1999</td>
<td>14.5</td>
<td>14.3</td>
<td>16.2</td>
<td>25.0</td>
<td>5.8</td>
<td>28.6</td>
<td>18.6</td>
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<tr>
<td>2000–2999</td>
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<td>27.9</td>
<td>26.4</td>
<td>27.3</td>
</tr>
<tr>
<td>3000–3999</td>
<td>26.0</td>
<td>18.7</td>
<td>19.6</td>
<td>21.4</td>
<td>13.0</td>
<td>21.4</td>
<td>19.5</td>
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<tr>
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<td>10.3</td>
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<td>5.0</td>
<td>9.0</td>
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<tr>
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<td>7.1</td>
<td>7.0</td>
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<td>10.1</td>
<td>1.4</td>
<td>6.3</td>
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<tr>
<td>6000–6999</td>
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<td>5.5</td>
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<td>7.2</td>
<td>1.4</td>
<td>3.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Over 7000</td>
<td>5.3</td>
<td>13.3</td>
<td>8.9</td>
<td>7.3</td>
<td>18.8</td>
<td>2.1</td>
<td>9.6</td>
<td>8.5</td>
</tr>
<tr>
<td>Gini</td>
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<td>0.304</td>
<td>0.299</td>
<td>0.326</td>
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<td>0.300</td>
<td>0.317</td>
<td>0.304</td>
</tr>
</tbody>
</table>

4.2. Multivariate analyses

The following multivariate analyses serve the purpose of checking whether these findings can stand up further tests. To do so, we specify several ordered-probit models. The independent variables are gender (1), familial status (2), social origin (3), education (4), time of mobility (5), work experience (6), occupational position (7), position in the command structure (8), branch (9), working hours (10), and company size (11). The results of the analyses can be examined in Table 2. The first model contains only the effects of national origin; the category of reference is the German control group. As we can see by looking at the coefficients, the incomes of Poles ($\beta = -0.553$), Italians ($\beta = -0.209$), and Danes ($\beta = 0.369$) differ significantly from the income of the German reference group at the time of investigation. The anticipated negative effects for those countries with a participation in traditional labour migration (Italy) and for those who did not belong to the EU at the time of the data collection (Poland) can be confirmed. The fit of this first model (pseudo $R^2 = 0.021$) indicates that the weight of national differences is, on the whole, relatively small.

In the second model, the social-structural variables and the labour market variables are included in the analysis. The fit of the model improves significantly. The effects of national origin remain for the Italians, Polish and Danish. The main effects of gender (0.380), familial status (0.245), social origin ((service class) 0.173), education (0.213; 0.777), work experience, occupational position ($-0.284$), supervision (0.448), branch (0.436; 0.195), working hours (0.047), and company size ($-0.286$) are significant, mostly at a high level. For the time of mobility significant main effects can not be shown. In accordance with our assumption regarding the consequences of the opening of the European labour markets, a positive effect of a move to Berlin after 1990 was to be expected for EU-foreigners, though not for Germans. Accordingly, the lack of a significant main effect is not particularly surprising. Nevertheless, for one of the ‘national groups’, an effect of this kind can be found in the third model.

In the complete model the interaction effects are included in the analysis. The goodness of fit improves slightly. The effects of national origin are no longer significant. In contrast, the effects of social status, i.e., social-structural effects, labour market effects and some interaction effects, are highly significant. In other words: the inequality of income between the observed nationalities, e.g., the labour market integration, is

11. We only report the significant interaction effects. The complete tables are available upon request.
## TABLE 2. Ordered-probit-analysis of income

<table>
<thead>
<tr>
<th></th>
<th>Regr. coefficient (z value)</th>
<th>Regr. coefficient (z value)</th>
<th>Regr. coefficient (z value)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Germans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polish</td>
<td>−0.553 (−5.20)***</td>
<td>−0.405 (−3.38)***</td>
<td>0.813 (0.96)</td>
</tr>
<tr>
<td>Italian</td>
<td>−0.209 (−2.34)**</td>
<td>−0.204 (−1.99)**</td>
<td>−0.410 (−0.56)</td>
</tr>
<tr>
<td>British</td>
<td>0.015 (1.02)</td>
<td>0.063 (0.70)</td>
<td>−0.724 (−1.16)</td>
</tr>
<tr>
<td>French</td>
<td>0.082 (0.19)</td>
<td>0.008 (0.10)</td>
<td>−0.811 (−1.29)</td>
</tr>
<tr>
<td>Danish</td>
<td>0.369 (2.48)**</td>
<td>0.356 (2.37)**</td>
<td>0.256 (0.23)</td>
</tr>
<tr>
<td>Gender (men = 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familial status (married with children = 1)</td>
<td>0.380 (5.70)***</td>
<td>0.275 (2.09)**</td>
<td></td>
</tr>
</tbody>
</table>

**Social origin:** Manual labourer

| Social origin: Manual superv. and skilled manual | 0.074 (0.67) | −0.024 (−0.12) |
| Social origin: Self employed | −0.019 (−0.13) | −0.264 (−0.78) |
| Social origin: Routine non-manual | 0.171 (1.60) | 0.184 (1.09) |
| Social origin: Service class | 0.173 (1.79)* | −0.092 (−0.57) |

**Without vocational training**

| Vocational training | 0.213 (2.24)** | 0.440 (2.19)** |
| University/College degree | 0.777 (7.52)** | 1.207 (5.42)** |
| Time of mobility (after 1990 = 1) | 0.003 (0.04) | −0.107 (−0.55) |
| Work experience | 0.070 (5.85)** | 0.073 (3.21)** |
| Squared work experience | −0.001 (−5.07)** | −0.001 (−2.86)** |
| Occupational position (labourer = 1) | −0.284 (−2.86)** | −0.194 (−1.71)* |
| Supervision (supervisors = 1) | 0.448 (6.66)** | 0.440 (3.61)** |

**Personal, retail, wholesale, medical service**

| Business service | 0.436 (5.73)** | 0.627 (4.56)** |
| Industry, construction, distribution | 0.195 (1.98)** | 0.276 (1.44) |
| Working hours | 0.047 (11.33)** | 0.038 (5.30)** |
| Firm Size (small company = 1) | −0.286 (−2.97)** | 0.133 (0.68) |
| Polish*Familial status | 0.478 (2.04)** |
| British*Familial status | 0.423 (2.09)** |
| French*Familial status | 0.377 (1.95)* |
| British*Social origin (service class) | 0.625 (2.18)** |
| French*Social origin (service class) | 0.342 (1.80)* |
| Polish*Vocational training | −0.696 (−2.24)** |
| Polish*University/College degree | −1.060 (−3.02)** |
| French*Work experience | 0.060 (1.76)* |
| French*Squared work experience | −0.002 (−2.02) |
| Danish*Time of mobility | 0.790 (1.83)* |
| British*Working hours | 0.021 (1.78)* |
| Polish*Business service | −0.562 (−2.13)** |
| Polish*Firm size | −0.624 (−1.90)* |
| Italian*Firm size | −0.724 (−2.39)** |
| French*Firm size | −0.462 (−1.69)* |
| Pseudo R² | 0.021 | 0.173 | 0.200 |

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**Source:** BSTME 2002, own calculation. Level of significance: *significant on 10 per cent level, **significant on 5 per cent level, *** significant on 1 per cent level.

\[
\begin{align*}
\mu_1 & = 1.629 & \mu_2 & = 0.847 & \mu_3 & = 0.756 & \mu_4 & = 0.574 & \mu_5 & = 0.318 & \mu_6 & = 0.248 & \mu_7 & = 0.210 \\
\text{Model 1} & \quad 1.629 & 0.847 & 0.756 & 0.574 & 0.318 & 0.248 & 0.210 \\
\text{Model 2} & \quad 1.679 & 1.164 & 1.039 & 0.810 & 0.450 & 0.387 & 0.291 \\
\text{Model 3} & \quad 1.429 & 1.223 & 1.080 & 0.858 & 0.484 & 0.413 & 0.307
\end{align*}
\]
primarily to be attributed to the social-structural composition of the ‘national groups’ studied.

The causal direction of the main effects corresponds mainly with our hypotheses: (1) For transnationally mobile and German men (0.275), the income is significantly higher than that of women, as already shown in many other studies (i.e., Rosenfeld and Kalleberg 1990; Bernhardt et al. 1995; Schubert 1997; Tomaskovic-Devey and Skaggs 2001). (2) With increasing working experience, transnationally mobile and German workers earn more money. Squared working experience has the expected negative influence on income (Mincer 1974). (3) Education proves to be a very important factor for the explanation of income inequality (Mincer 1962; Becker 1964). The analysis predicts that, compared to those without professional training, those with a university/college degree (1.207) and those with a vocational training (0.440) will have higher incomes. (4) The effects of the labour market variables correspond to our hypotheses: an occupational position as a labourer (−0.194) has a negative effect on one’s achievable income. For those surveyed who have the task of supervising other employees, expected income is higher (0.440). Both results are consistent with common research findings (Akerlof 1984; Calvo and Wellisz 1986; Malcomson 1986; Esping-Andersen 1993; Weeden 2002). Europeans and Germans who work in business services (0.627) and in industry, construction and distribution earn a higher income than the reference group of employees in personal and consumer services, which is an outcome that corresponds quite well with the literature (Scharpf 1990; Card and Krueger 1994), although only the effect for affiliation with business services is significant. (5) The main effects for social origin, familial status, time of mobility and working in a small company are not significant in the final model. Even though we could not verify the corresponding hypothesis with our general model, such effects are observable at least for certain ‘national groups’ (see below).

Nevertheless, what are the particularities for the different ‘national groups’ regarding the examined labour market integration? The hypothesis that a family-supported integration into German society also has a positive effect on the labour market integration, can be confirmed for familial status of the British (0.423), French (0.377) and Poles (0.478). Interestingly, the interaction model shows that there are specific effects of social origin for the British (0.625) and the French group (0.342). In Great Britain and France, class differences are relatively high, at least in comparison to Germany (Allmendinger and Hinz 1998; Mayer 2001). This apparently has an impact on the labour market integration of individuals from those countries who derive from the highest social class (taking the Erikson-Goldthorpe class scheme) and helps them gain higher incomes in Germany. For the case of transnationally mobile Poles the
hypothesis that education plays a distinct role in the explanation of income differences can be confirmed. In particular, negative interaction effects for Poles with university/college degree (−1.060) or vocational training (−0.696) can be found in the analysis. This proves the theoretically predicted income situation of Polish people, which is based on the fact that educational degrees from accession countries are, in practice, not recognized (Cyrus and Vogel 2003). There is a significant interaction effect of work experience in the case of the French, the interaction model reveals a positive influence of the work experience (0.060) and a negative effect of the squared work experience (−0.002) in addition to the main effects. This indicates that the curvature of the income curve is particularly strong in the French case, resulting in a higher income yield at the beginning of professional careers and a lower income yield at the end of professional careers, and confirms for the French our hypothesis that intra-European mobility is increasingly a phenomenon of young, highly qualified and well paid individuals (Verwiebe 2004). Somewhat in correspondence with these findings, the ordered-probit analysis indicates a higher income for the Danish who moved to Berlin after 1990. This is another indication that intra-European mobility is increasingly a phenomenon of the movement of well paid elites which no longer leads to a sub-stratification of the German social structure – time of mobility matters. According to our results, income increases with the hours worked for British people (0.021) and decreases with an enrolment in the business service for Polish people (−0.562), actually, the economic sector with the best paid jobs. The latter is again an indication for the specific conditions of intra-European mobility for people from accession countries. In contrast to our assumption, no effect was found for the occupational position as a labourer among the transnationally mobile Europeans. However, a significantly negative effect of company size appears in the cases of the Poles (−0.624), Italians (−0.724), and French (−0.462). The questions as to whether or not this concerns small companies within the context of an ethnic economy (Light and Gold 2000), like Italian food businesses, and to what extent illegal employment exists cannot be answered on the basis of our data. At least in the Italian part of the survey, several of those surveyed complain about having to participate in illegal labour.

5. Conclusion

In this contribution, based on a pilot study of the Berlin labour market as a case of transnational mobility to Germany, we took up one of the central questions of sociological research on Europe: what are the social-structural
consequences of Europeanisation? Specifically, we studied the integration of transnationally mobile Europeans in comparison to the integration of Germans in the German labour market. With this research question, we have distanced ourselves from recent sociological research on migration, which, under the heading of transnational migration, focuses on migrational movements in transnational social spaces. Interest in a comparable subject associates us with sociological migration research. The specific research methods, however, are more influenced by the research tradition on social mobility.

The theoretical starting point of the empirical analyses has been the thesis that national origin as well as social-structural characteristics influence the social and economic integration of transnationally mobile Europeans. Empirically, we could demonstrate that income differences between nationalities are mainly attributable to social-structural differences like gender, education or position in the occupational structure. The effects of national origin, which could be predicted on the basis of theory, proved in the end to be less important than social-structural variables. The original hypothesis, postulating the significance of national background, must therefore be dismissed. The differences in income (based on national origin) that could be observed initially are primarily due to the social-structural composition of the ‘national groups’. Discrimination with regard to national background scarcely exists in labour market integration. This is very likely the main characteristic of intra-European mobility, as we studied it, and the critical difference from the labour migration of the 1960s and 1970s.

Regarding social-structural characteristics like age, work experience, gender, education or occupational position, we can differentiate two different kinds of social-structural effects. Firstly, some effects that exist in all ‘national samples’ have been found: the educated and those individuals entrusted with command positions earn above-average incomes; work experience pays off as well, while labourers, women and employees in personal, retail, wholesale, medical service, regardless of their national backgrounds, are disadvantaged in the labour market. These are the effects of ‘standard inclusion’, as described in the theoretical part of the article. In this form of intra-European mobility and its individual consequences, we see an indication of a specific form of the Europeanisation of social structures. The fact that a number of parallel effects exist for all Europeans substantiates the idea that European social structures are similarly constructed and characterized by comparable principles of operation (Rokkan 1999; Kaelble 2002). Perhaps this is even a first indication of an emerging transnational European labour market, for such a labour market theoretically should be structured according to these ‘European principles’ of operation.
Secondly, our results also provide evidence that intra-European mobility leads to the phenomenon of a particularly well-off group of Europeans within the German social structure. The Gini coefficients indicate a greater polarisation within the non-German groups than within the German control group. Correspondingly, the results of the multivariate analysis indicate that there are certain groups of transnationally mobile Europeans who earn particularly high incomes. Interestingly, French and British people from higher social origins are able to materialize their background in higher incomes in the German labour market. For the French, a significantly different variance in income with work experience has been shown which indicates that there is a group of young, well-qualified, transnationally mobile individuals for whom the Europeanisation of the labour market provides new opportunities. Signs of a post-1990 change in the mobile populations were also found, indicating an increased mobility of elites. These have produced effects of ‘super-stratification’ by specific social groups, who occupy elite positions. On the other hand, non-Germans are, to a large extent, affected by the particularly precarious employment conditions in small businesses. This is an effect of ‘sub-stratification’ by specific social groups, who occupy subordinate positions. In short, transnational mobility creates new career chances in the upper segments of the labour market, but, on the other hand, also increases the risks of having to integrate oneself into the lower end of the income hierarchy.

Based on our results, the European integration proves itself to be a process in which institutionalized political will is no longer the only point of importance. Increasingly, we have to take into account the social-structural consequences of this political will. We cannot discern clear indications for a polarisation of the German social structure or even of a polarized European social structure, although some of the results point in that direction. However, hypotheses of levelling-out tendencies in the course of Europeanisation can be ruled out. Finally, as to whether our results for Berlin’s labour market can be generalized for the European level must be shown by future analyses with more extensive data. But they already have given us an empirical indication of the social-structural dynamics working in Europe.

References


Net-income

Could you please indicate approximately how much you currently earn per month – after the deduction of taxes and social security contributions: (1) less than 1000 DM, (2) 1000 to 1999 DM, (3) 2000 to 2999 DM (4) 3000 to 3999 DM, (5) 4000 to 4999 DM, (6) 5000 to 5999 DM, (7) 6000 to 6999 DM, (8) more than 7000 DM.

Independent variables

Polish
Dummy-code (1 = Polish; 0 = all others)

Italians
Dummy-code (1 = Italians; 0 = all others)

British
Dummy-code (1 = British; 0 = all others)

French
Dummy-code (1 = French; 0 = all others)

Danish
Dummy-code (1 = Danish; 0 = all others)

Gender
Dummy-code (1 = men; 0 = women)

Familial status
Dummy-code (1 = married with children; 0 = all others)

Social origin: Highest position of family of origin (father or mother) on collapsed Erikson-Goldthorpe Five-class scheme

Social origin: Manual supervisors and skilled manual
Dummy-code (1 = manual supervisors and skilled manual workers; 0 = all others)

Social origin: Self employed
Dummy-code (1 = self employed, petty bourgeoisie with and without employees; 0 = all others)

Social origin: Routine non-manual
Dummy-code (1 = routine non-manual workers; 0 = all others)

Social origin: Service class
Dummy-code (1 = service class, higher and lower controllers service; 0 = all others)

Vocational training
Dummy-code (1 = skilled worker, journeyman’s certificate, master craftsman’s certificate; 0 = all others)

University/College degree
Dummy-code (1 = college or university degree/BA, diplom, MA or PhD; 0 = all others)

Work experience
Age of interviewees, in years, on 01/01/2002 minus years of schooling, professional training and the first 6 years in life

Time of mobility
Dummy-code (1 = move to Berlin in 1990 and afterward; 0 = all others)

Occupational position
Dummy-code (1 = labourer; 0 = all others)

Position in the command structure: Supervision
Dummy-code (1 = supervision of other people; 0 = all others)
The positioning of transnationally mobile Europeans in the German labour market


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