

- Title:** Citizenship, Co-ethnic Populations and Employment Probabilities of Immigrants in Sweden
- Authors:** Pieter Bevelander, University of Malmö  
Ravi Pendakur, University of Ottawa
- Contact:** Pieter.bevelander@mah.se  
pendakur@uottawa.ca
- WP Number:** 09-09
- Research Question:** The aim of this paper is to explore the link between citizenship and employment integration of immigrants in Sweden controlling for a range of demographic, human capital, and municipal characteristics such as city and co-immigrant population size.
- Importance:** Looking at citizenship and employment from a policy perspective, what are the implications of tightening up citizenship acquisition requirements? Our contention is that given citizenship's apparent link to employment prospects, tightening up citizenship regulations may result in decreased employment opportunities for immigrants in receiving countries. This could have the effect of actually increasing social welfare costs.
- Findings:** We find that acquisition of citizenship makes a real difference to the probability of obtaining employment. Foreign-born men and women who acquire citizenship are far more likely to be employed than those who do not.
- We find that the impact of the co-immigrant population is particularly important for immigrants from Asia and Africa, immigrant groups that also have the lowest employment rate. Thus, for these immigrants, the co-immigrant population may serve as an employer of last resort, buffering the impact of possible discrimination by the majority population. It could also be an indicator of a lack of linguistic integration, which effectively locks immigrants out of the majority labour force.
- Implications:** In a country where the barriers to non-citizens are relatively few, why might citizenship help in employment prospects? Spence (1973) argues that observable characteristics act as signals to employers about the potential risk of hiring new employees. Within this context, citizenship may act as a signal to employers about an immigrant's commitment to remaining in Sweden. Hiring a citizen thus reduces transaction and risk costs to employers because they can be more certain that the new employee will remain in the position.