

## IAB-DiskAB

Einladung 07/2009

## The Immigrant Wage Gap in Germany: Are East-Europeans Worse Off?

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This study compares the outcomes of male foreign workers from different countries, who entered the German labour market between 1995 and 2000, with those of male German workers. We find that the immigrant-native wage gap differs significantly between nationalities: the differential is largest for workers from Poland (-44 percent) and the Czech Republic (-38 percent) and, by far, lowest for Spaniards (-8 percent).

Results from an Oaxaca/Blinder type decomposition technique show that unfavourable characteristics (compared with German workers) contribute significantly to the explanation of the immigrant wage gap. This is especially true for workers from Poland, Portugal, Italy and Slovakia. For all other countries, one observes that the coefficients effect dominates. One can conclude therefore, that immigrants generally are hit by discrimination. Contrasting the effects for workers from East European EU member countries with those for other nationality groups, it comes out that East Europeans are not worse off than others. The most pronounced discrimination is found for immigrants from East Europeans non-EU members.

Mittwoch, 22. April 2009

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