

The relative importance of economic and ethnic composition of childhood-neighborhood for future integration at labour market.

A multilevel study of neighborhood-effects in Stockholm.

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# Points of departure

- The cause of advanced social exclusion deeply connected with “race” have been more closely localised to so-called segregated residential areas
- Previous research indicate neighbourhood-effects

# Aim of the article

- To uncover some parts of the “black box”
- Impacts from the economic standards in the neighbourhood vs impact from the ethnic composition

# Hypothesis

1. Culture-hypothesis
2. Social network hypothesis
3. Institutional hypothesis
4. Language hypothesis
5. Ethnic multiple deprivation hypothesis
6. White-flight hypothesis

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# Sweden and Stockholm

- Redistributive welfare state
- Economic crisis in 1990
- Ethnic segregation at labour market
- Ethnic segregation in housing market
- Discrimination
- Big city policy



# Previous findings

- Socioeconomic composition in the neighbourhood or school have effects on individual economic outcomes such as unemployment, income, public assistance allowance (socialbidrag), and education outcomes.
- Neighbourhood influences are limited, compared to family influences in accounting for individual differences in a number of outcomes.

# Method and data

- Hierarchical model or random intercept model
- Neighbourhood 1991: Aggregated data from 16-65 years old in Stockholm
- Cohort born 1974 and 1975 (16-17 years old in 1991)
- Output 1999, (24-25 years old in 1999)

**Table 1. Proportion Unemployed, Not Working and with Low income 1999 from neighborhoods with different levels of mean disposable income.**

<i>Neighbourhood group low high mean disposable income 1991</i>	<i>N</i>	<i>Percentage Unemployed</i>	<i>Percentage Not working</i>	<i>Percentage Low income from work</i>
1 low	4387	23.5	27.8	37.7
2 medium low	4709	19.5	24.9	33.6
3 medium	4650	15.2	24.3	34.5
4 medium high	4982	13.4	26.5	37.4
5 high	4833	11.8	34.1	47.4
<i>Total</i>	<i>23561</i>	<i>16.5</i>	<i>27.5</i>	<i>38.2</i>

**Table 2. Proportion Unemployed, Not Working and with Low income 1999 from neighborhoods with different levels of immigrant density**

<i>Neighbourhood group high low proportion of immigrants 1991</i>	<i>N</i>	<i>Percentage Unemployed</i>	<i>Percentage Not working</i>	<i>Percentage Low income from work</i>
1 high	4465	23.4	28.4	38.7
2 medium high	4866	17.7	25.1	34.7
3 medium	4286	16.1	29.0	40.4
4 medium low	5848	13.0	28.7	40.2
5 low	4096	13.1	26.3	36.6
<i>Total</i>	<i>23561</i>	<i>16.5</i>	<i>27.5</i>	<i>38.2</i>

**Table 3. Log odds to be Registered As Unemployed in the National Unemployment agency**

Intercept, $\beta_{0j}$	-1,66221*** (0,05028)	-1,11407*** (0,09139)	-1,16560*** (0,09756)	-1,23133*** (0,09039)
Control for Individual characteristics, $x\beta_{ij}$	No	Yes	Yes	Yes
Immigrant-density high	0,41965*** (0,07119)	0,18245** (0,07082)	-0,09816 (0,07977)	
Immigrant-density medium high	0,11794* (0,06839)	0,05749 (0,06637)	-0,08356 (0,06675)	
Immigrant-density medium	Reference group	Reference group	Reference group	
Immigrant-density medium low	-0,21498*** (0,06497)	-0,18010*** (0,06735)	-0,08458 (0,06757)	
Immigrant-density low	-0,22060*** (0,07309)	-0,16916** (0,07122)	-0,16328** (0,07045)	
Mean of disposable income low			0,34450*** (0,07513)	0,31126*** (0,06502)
Mean of disposable income low medium			0,27673*** (0,06608)	0,25503*** (0,06282)
Mean of disposable income medium			Reference group	Reference group
Mean of disposable income high medium			-0,07457 (0,06828)	-0,08631 (0,06573)
Mean of disposable income high			-0,19327*** (0,07397)	-0,22615*** (0,06830)
Neighbourhood variance	0,06995*** (0,01479)	0,05323*** (0,01347)	0,03514*** (0,01183)	0,03578*** (0,01187)
VPC*	2,03154	1,54594	1,02056	1,03914

VPC<sup>1)</sup>

3,1913

3,1111

1,84227

1,94686