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IMISCOE Working Paper No. 22

Equal opportunities on the labour market for immigrant people and ethnic minorities

July 2008

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Preface

This working paper stems from an initiative taken by the IMISCOE Network of Excellence in which IMISCOE researchers and practitioners were brought together in an international workshop to discuss the theme of equal opportunities on the labour market for immigrants and ethnic minorities. This workshop was financially supported by the Dutch Ministry of Housing, Spatial Planning and the Environment (*VROM/Directorate Integratie en Inburgering*)

The reason to take this initiative was twofold. On the one hand the need was felt to analyse labour market mechanisms in modern Western societies since immigrants and ethnic minorities still experience unequal and limited access to these labour markets despite the many legislations and (policy) measures developed on European, national and local levels. On the other hand it was felt as important to create a dialogue between parties that have valuable knowledge and experience relating to this field but come from different angles: namely science versus practice. The aim was to go beyond the typical linear communication strategy of researchers towards policymakers and practitioners (`letting them read what they know') and instead share knowledge in a more interactive way in order to identify common experiences, good practices and information gaps.

As preparation for the international workshop IMISCOE researchers prepared state of the art reports with specific focus on: 1) discrimination; 2) female migrants; 3) equity policies and 4) diversity management. Respectively the authors of these state of the art reports were: a) Angela Nilsson (CEIFO, University of Sweden); b) Eleonore Kofman (Social Policy Research Centre, Middlesex University) with Bernadetta Siara (Westminster University), Floya Anthias and Maja Cederberg (FEMIPOL Project, Oxford Brookes University); c) Stijn Verbeek (Erasmus University Rotterdam) and d) Michael Fischer (Migration Research Group, Hamburg Institute of International Economics (HWWI). A compilation of these state of the art reports was first discussed in an expert meeting with representatives of Dutch trade unions and employers associations, co-organised with the Dutch National Network Diversity Management (DIV). A revised paper functioned as main discussion paper during an international workshop in November 2007 in Amsterdam in which IMISCOE researchers and representatives from trade unions, employers' organisations and international companies participated. This revised paper has been transformed into this IMISCOE Working Paper No. 22.

An edited volume is expected to appear in the beginning of 2009 in the IMISCOE-AUP Series including the full and revised state of the art reports as separate chapters. A policy brief has been published as results of the discussions that took place at the international workshop in Amsterdam: http://www.imiscoe.org/publications/policybriefs/index.html

Prof. Dr Rinus Penninx
Coordinator IMISCOE

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1. Introduction: stating the problem

It is common knowledge that not everybody has equal access to the labour market. Evidence suggests that opportunities on the labour market are influenced by such factors as one's age, class, sex and ethnicity. In this paper we specifically focus on the unfavourable labour market position of immigrant people and ethnic minorities.[1] There are abundant statistics and empirical studies that demonstrate that in many OECD countries unemployment rates among immigrants are structurally higher than among the native population.[2] It has long been assumed that the problem of labour market exclusion was one that affected primarily `first generation' immigrants, but it is now clear that ethnic minority young people, even when they are born and educated in EU Member States still do not experience equal employment opportunities. Research has also shown that immigrant workers regularly experience problems once they have a job, such as relative lower wages, unfavourable terms of employment, less access to opportunities for promotion, training or higher pay or verbal or physical harassment (Jonsson and Wallette 2001).

Equal opportunities for all, whether in the labour market or in society at large, has been on the agenda of the European Commission for several decades and measures have been taken to combat discrimination on grounds of gender, ethnic origin, religion, disability, age, political affiliation and sexual orientation.[3] Also at a national level, governments have enacted laws and formulated policies to improve employment equity within their respective countries. This year, 2007, has been designated as the European Year of Equal Opportunities for All by the European Commission and is therefore an important year to give renewed impetus to employment equity policies and campaigns.

With this working paper we want to exchange relevant scientific knowledge to initiate such renewed impetus and incentives. We will have a specific focus on the organisational level and target employers and trade unions since they play a crucial role in creating or fostering equal opportunities on the labour market. After all, it is in the workplace that actual participation in the labour market takes place and where laws and policies are intended to have influence. We want to initiate an interactive discussion with these partners and together identify factors and mechanisms that influence equal access to the labour market. We have asked IMISCOE researchers to focus on four key objectives that are believed to play a crucial role within this theme, namely: a) discrimination in the work place; b) discrimination against migrant women; c) employment equity policies in work organisations and d) diversity management

[1] From here on we will use the term immigrants meaning both people who have migrated themselves as well as subsequent generations (more often called ethnic minorities).
[2] OECD stands for Organisation for Economic Co-operation and Development. A list of OECD countries can be found at:
http://www.oecd.org/document/58/0,3343,en_2649_201185_1889402_1_1_1_1,00.html
[3] See for example: the Racial Equality Directive and the Employment Framework Directive

in organisations. We want to address these themes and discuss how current knowledge and insights can help to combat discrimination and improve and initiate measures to achieve equality. We will start by addressing the issue of discrimination.

2. Discrimination on the labour market[4]

Various factors have been studied in an attempt to explain the differening employment rates of immigrant and native people such as time of residence, change of national labour markets and language skills. A high degree of unemployment however remains unexplained when these factors are taken into account. Researchers therefore generally conclude that a significant degree of unequal opportunities on the labour market is the result of ethnic discrimination (Knocke & Hertzberg 2003, Helgesson 2000, Höglund 2002). Discrimination means to treat persons differently and negatively from others on the basis of their (perceived) belonging to some social group or category like sex, race, religion or ethnicity. The form of discrimination that is known as `ethnic discrimination' takes place when the crucial criterion for negative treatment is based on one's belonging to an ethnic category or group.

Discrimination on the labour market is an important societal problem. Engaging in paid employment is in many cases a condition to fully take part in the welfare state's social security system, to receive sick-, pension and parental benefits and to be able to choose the neighbourhood of residence and schools for children thereby improving their opportunities on the labour market (ILO 2006). But aside from being a general societal problem, discrimination can also result in wasted human capital and valuable knowledge and thereby be very disadvantageous for employers who have a certain demand for manpower and expertise. If selection of staff follows ethnic dividing lines instead of skilfulness it can restrain employer's access to employees, undermine the development of enterprises and the global demand on different types of knowledge (Fridholm 2006). Discrimination then, undermines the ability of European companies to overcome labour shortages and recruit and retain high quality staff in a highly competative international market. From this perspective equal opportunities can maximise available resources in the labour market, create business opportunities and expand the range of customers through the employment of people who have insights into new customer markets (Harris and Foster, 2003).

The question is what employers can do against discrimination. To be able to answer this question one needs to first understand how and when

[4] This section is based on the state of the art report on discrimination written by Angela Nilsson (CEIFO, University of Sweden). This report will be published as separate chapter in the edited volume on equal opportunities that will appear beginning of 2009.

discrimination typically occurs. Such insight is necessary to develop adequate and effective measures to combat discrimination.
One difficulty in measuring the problem is the varying definitions of what discrimination is. Another problem is that discrimination manifests itself in various forms, and discriminatory action is not easy to observe or record when it takes place. Perpetrators are seldom interested in exposing themselves in front of a researcher. There are also many different ways to analyse and explain ethnic discrimination often related to different research perspectives and research findings and data. We can however distinguish between the following forms of dscrimination:

- Direct/indirect discrimination
- Individual/institutional discrimination
- Intentional/unintentional (conscious/unconscious) discrimination

If an employer advertises a vacancy and a number of qualified applicants apply for the post but the most qualified is dropped because of his or her ethnic background we speak of direct and intentional discrimination. When an employer is not conscious that he or she is selecting an applicant from his or her own ethnic group and thereby excludes applicants from other ethnic groups, we call this direct but unintentional discrimination. Discrimination can also take place when no consideration is given to possible differences between people. For example, an employer demands all employers to work at a worktable that is adjusted to the average staff height of a certain ethnic group. This could lead to unnecessary physical strains of staff from a different ethnic group whose average height is smaller or larger than the equipment at the workplace is adjusted to. In this case we speak of indirect discrimination that can either be intentional or unintentional. Intentional indirect discrimination can occur, for instance, if some rules are deliberately created with the aim of excluding people with a certain ethnic origin. Unintentional indirect discrimination occurs when certain rules and modes negatively affect people with a certain ethnic background but have been in use for a long time and were not deliberately installed. These two latter forms of discrimination are also known as institutional or structural discrimination. Institutional discrimination thus stems from sets of rules and regulations that are in use in an organisation and may affect certain ethnic groups. The important distinction between individual and institutional discrimination is that in the first case the individual is the perpetrator and is directly responsible for the action. In the latter case ways of thinking, rules or routines within an organisation are the causes behind the discriminatory action even if individuals are the ones carrying out the procedures within organisations.

Intentional or unintentional, why do people discriminate? The reasons behind discrimination have much to do with prior perceptions, prejudices and thought styles. People understand the world around them in certain ways and socially construct the world into smaller pieces and clear categories (prior

perceptions). When emotional factors start playing a role these prior perceptions may turn in pre judices against people who dot not share the same categorizations and ordening of the world. On an organizational level people share ways of thinking with people in organisations and professional groups with whom they construct a social world together and are in that sense part of the same reality and attribute comparable meanings to the things and phenomena around them (thought styles). A large part of what we perceive as discrimination can be assumed to occur indirectly through routines, regulations and norms which lead to the exclusion of some applicants. Even if the purpose is not to exclude people with other ethnic backgrounds, the dominating way of thinking and acting leads to such a result. Next to these cognitive elements, the lack of social capital and networks through which people most often find vacancies can lead to (indirect) discrimination in the labour market. Most jobs are not advertised but disseminated through informal networks. This form of discrimination could be defined as institutional discrimination because it is the routines and regulations within the organisations that lead to a certain outcome and affects immigrants more than natives.

But at what point or moment is discrimination most critical? Many researchers are of the opinion that the phase of recruitment is probably the most critical point for discrimination in work life, both when it is to enter the labour market and to change jobs while already being in the labour market. The occurrence of discrimination at the recruitment phase has been extensively studied in 7 EU member states by letting test persons with comparable age, background, fictive qualifications and merits, communicate skills and appearance, but differing ethnic background, apply for the same advertised job openings. [5] In all countries evidence for discrimination was found. This could either be direct intentional discrimination based on one's name and colour of skin only, or indirect unintentional discrimination based on thought styles and lack of social capital and networks. Another study of recruitment processes showed that employers often take their own norms, values and routines for granted and prefer to contract persons who are familiar with these thought styles, thereby undervaluing the applicants' education and other formal qualifications.

Besides discrimination at the recruitment phase, immigrants face discrimination when being employed. The share of immigrants engaged in atypical work (temporary work, abnormal work hours etc.) is much higher than among the native population. The disadvantages of such atypical and insecure employment are for instance less access to health services and social rights, less participation in additional training that can increase career chances and loss of jobs in times of economic recession.

5 In the 1990's this specific method was carried out in Spain, Holland, Belgium and Germany. In the 2000's the method has also been applied in Italy, France and Sweden.

Research thus shows that immigrants essentially have unequal opportunities in the labour market and that this is related to both direct and indirect discrimination, intentional or unintentional. Employers can positively influence this situation by reflecting on the possible direct and indirect forms of discrimination in their organisation, and by developing criteria to avoid undervaluing immigrants when they recruit, employ, set wages, promote and apply terms of employment. Not only should people be treated equally from a social perspective, increasing globalisation and demographic changes in Europe require more active recruitment strategies and a more diverse work force that reflects these changes in society and deal with (future) labour shortages. Many anti-discrimination measures are already in place in both EU directives and national laws that further strengthen the urge to create equal work places and avoid negative publicity or even legal fines when standards for an equal work place are not being fulfilled.

3. Migrant women and discrimination on the labour market: double disadvantage[6]

When dealing with the issue of discrimination it is important to note that gender is a central dimension of inequalities in the labour market that intersects with other dimensions of social inequality such as race, ethnicity, age, disability and sexuality. [7] The EU has in recent years increasingly turned its attention to issues of the participation of, and challenges faced by, migrant women in the labour market.

While the EU is moving towards addressing multiple inequalities (Verloo 2006), a long history of treating different forms of discrimination independently has made it difficult to understand the ways in which they dynamically interact. The tendency has been for policy to treat discrimination based on grounds of gender separately from other forms of discrimination. Gender as a ground for discrimination is in fact excluded from the 2000 anti-discrimination directives and from the programme to combat discrimination. In addition, the lack of appropriate tools and methods for studying the relationships between various forms of discrimination contributes to the tendency to treat each inequality separately and then add them together. They have also been based on an approach of double disadvantage in which the

[6] This section is based on the state of the art report on gender written by Eleonore Kofman (Social Policy Research Centre, Middlesex University) with Bernadetta Siara (Westminster University), Floya Anthias and Maja Cederberg (FEMIPOL Project, Oxford Brookes University). This report will be published as separate chapter in the edited volume on equal opportunities that will appear beginning of 2009.

[7] This section is primarily concerned with migrant women rather than subsequent generations. Unequal acces of migrant women to the labour market is quite important where nationalities such as the Bangaldeshis, Pakistanis and Turkish maintain high levels of family migration.

inequalities experienced by women migrants are compared with on the one hand non-migrant women and on the other migrant men.

Research shows that the cumulative effects of gender and ethnic discrimination place migrant women in the most disadvantaged positions in many EU member states, and their employment is often concentrated in particular segments of the labour market characterised by low pay, low status and insecure jobs (EU Monitoring Centre on Racism and Xenophobia, 2003). Migrant women not only experience difficulties similar to other migrants, such as lack of domestic labour market experience and human capital, language problems, lack of recognition of qualifications, discrimination, but also face gender-specific difficulties such as undervaluation of their capital (Dumont and Liebig 2005) and their social competence (Knocke 2005). Whereas native-born women have moved into higher skilled occupations, this has not generally been the case for migrant women. Analysis of recent statistical data suggest that discrimination may play an important part in explaining the differences observed between migrant women and native women with regard to their labour market situation. We can specifically distinguish various forms of discrimination and exclusion that relate to 1) state policy and immigration regulations (legal discrimination, 2) the social context of migrant women, 3) the specific economic sector they work in and 4) the route of entry through migration.

The discussion of discrimination has tended to focus on the labour market and the workplace. However, state policy and immigration regulations play a major role in the workforce position of migrant and minority ethnic populations. Whilst minority ethnic citizens, including migrants who have been naturalized, may not confront legal discrimination, many non-EU denizens, who have full rights to residence and work suffer not only informal racial discrimination but also formal legal discrimination excluding them from certain forms of employment. In addition, immigration regulations have gendered implications, which we can see for example in relation to quotas for certain sectors that are either largely occupied by men, such as construction, or filled by women, such as domestic labour and care. The quotas in the latter case may be insufficient due to the undervaluing of this form of labour, and thus forcing many women to work undocumented. Other regulations may seem gender neutral, but in effect include criteria, such as previous earnings, which tend to favour men. For women migrants, who enter the country disproportionately through family routes, the conditions of immigration are particularly salient.

We also need to take into account processes at play in the home and the community more generally in order to fully understand the labour market outcomes of female migrants. Women are usually responsible for care, and may have greater difficulty in reconciling their family responsibilities with their working lives. For recently entered migrant women this becomes even more daunting without family support and, in many cases without entitlements to family benefits. This raises the question of the extent to which anti-discrimination policies take into account factors outside of the labour market

and the role of the state and the private home sphere in contributing to the production and maintenance of inequalities.

The majority of migrant women are employed in sectors that do not require high levels of skills like domestic labour. The use of migrant women to fill less skilled jobs in these sectors has grown considerably over the past decade. The difficulty of getting qualifications recognized and the closure of regulated professions and public sector employment have resulted in a pattern of high concentration in a few sectors and very low proportions in skilled occupations. This over representation in marginal and flexible sectors results in low pay and poor protection and conditions.

When looking at the route of entry we can observe that this is especially of influence for non-EU migrant women. Although independent female labour migration has increased in the past decade, in many EU states, the dominant majority of migrant women enter through family streams. Many of these women may not have initially been eligible to work and face restrictions on their entry into the labour force, at least during the initial years of residence (again a form of legal discrimination). For some migrant women length of stay helps them to overcome the initial handicap, but not to the same extent as it does for migrant men.

The evidence on which this section on migrant women is based collapses differences between nationalities, ethnicities, established and recent migrants and routes of entry. However, the degree to which these inequalities apply and the interplay of different dimensions of discrimination vary substantially, also reflecting internal gender dynamics which operate differently within particular communities.

We are beginning to build up a cross-national picture on gendered and ethnic inequalities in labour market outcomes in terms of rates of participation, unemployment and level of over qualification but there is still a rudimentary understanding of how different forms of discrimination interact with socio-economic characteristics across states and by nationality at different stages of the life cycle and in the workplace. This will require more penetrating analyses of quantitative and qualitative data in different states.

The key recommendations to improve the situation of immigrant women in receiving countries were that the remaining restrictions on participation in the labour market by long-term immigrants entering for reasons other than labour should be removed and that access to public services needs to be made available on the same basis for immigrant women as for native-born women. Related to the absence of legal status for undocumented migrant women and to domestic work, it is recommended that the private home be recognised as a workplace and domestic work as an occupation in its own right. This kind of work in the informal sector should be regulated and the full range of anti-discrimination legislation applied. Finally, there is a concern regarding the lack of recognition of experience and informal/formal qualifications of the many middle class and educated women who migrate to the EU. Individual states, however, seem to be more preoccupied with low

levels of labour force participation, especially amongst women from Muslim countries who have largely entered through family or refugee routes.

4. Strategies to promote a diverse work force in organisations

There are different possibilities to combat ethnic discrimination on the labour market. Discrimination can be tackled by changes in government laws on local, national and European levels, thereby forcing employers to actively recruit a diverse working force. But policies and actions on an organisational level also play a crucial role. After all, it is within the organisations that people are actually recruited and work and (un)equal access takes place.
An increasing number of European companies are nowadays adopting diversity and equality strategies for ethical, legal and economic reasons to facilitate the recruitment, inclusion and retention of employees of diverse backgrounds. Research shows that of all the business benefits that companies either are achieving or expect to achieve from their diversity policies, the most important is the resolution of labour shortages and recruiting and retaining high quality staff, followed by improved corporate image and reputation, greater innovation and enhanced marketing opportunities.

In the coming years Europe's demographic changes (low birth rates, ageing population and resulting shrinking workforce) will force many more companies to consider a (cross-border) diverse pool of talent to meet their recruitment needs. What can we therefore learn from current insights into employment equity policies and diversity management that can help to effectively promote a diverse work force and tackle discrimination and unequal access?

4.1 Employment equity policies[8]

Employment equity means different things to different people, but three broad definitions may be discerned: 1) equal treatment (no direct discrimination), 2) equal results (no indirect discrimination) and/or 3) individual recognition. Within the world of research there is a controversy surrounding employment equity policies (EEPs) and their goals, effectiveness and implementation. Employment equity policies may be regarded as a blessing by some and a curse by others, policies are recommended by some and seriously advised against by others and there is no consensus on their failure, success and form. Some scientists, for instance, regard the monitoring of the ethnic make-up of the workforce as indispensable, whereas others regard this as discriminatory in

[8] This section is based on the state of the art report on equity policies written by Stijn Verbeek (Erasmus University Rotterdam). This report will be published as separate chapter in the edited volume on equal opportunities that will appear beginning of 2009.

itself.

To be able to understand possible effects of EEP's it is worthwhile to analyse the different classifications that authors makes of these policies and see 1) what and how they classify, 2) in how far this classification is based on actual empirical research and 3) what assumptions or frames of thinking lie beneath these classifications. In such analysis it is crucial to realize that policies are embedded in a larger social context that influences their effects and may even lead to unintended effects.

The authors who classify EEPs differ in many respects: they identify different kinds of equity policies, describe different cases or countries, have different methods of analysis, etc. They do however have something in common: they order the different policy types identified by them according to two opposing frames: a dominant 'good practice' frame and a dissenting 'bad idea' frame. In the 'good practice' frame, researchers focus on organisations that fight structural discrimination by taking positive action measures and define this as criteria for success. Preferably, these organisations should aim at equal results by formulating numerical targets and monitoring the ethnic make-up of their workforce. The number of good practices presented is however often small and are hard to find, as the authors stress themselves. Also, the empirical knowledge on the actual implementation and evaluation of different policy instruments is rather superficial. The basic recommendation coming from 'good practice' framed research is that the `good practices' should become the rule and most of the literature can be read as a wakeup call: organisations need a new philosophy and these authors have some suggestions. The 'bad idea' frame almost completely mirrors the 'good practice' frame. Authors in this tradition downplay the intended effects of the policies proposed by their opponents.[9] They seriously advise against EEPs that aim at equal results and consider targets or quotas a bad idea. This does not mean that these authors do not worry about the unequal participation of immigrant people on the labour market but they seem to be driven by the motivation to show how good intentions may turn out to have bad consequences in *practice*.

The conclusions and recommendations in the scientific literature on EEPs should thus be viewed sceptically. On the one hand, the negative advice coming from 'bad idea' framed research clearly supports a conservative agenda. On the other hand, the main recommendations coming from 'good practice' framed research are not selfevident either and the validity, reliability and generalisation of good practice research findings are questionable. Organisations might end up having a new 'diversity management philosophy', but no ethnic minority employees.

We can however do more than advising scepticism in this regard by identifying 4 important elements or stages that need to be considered when developing and implementing equity policies:

[9] Sowell (2004) for example was accused by a reviewer of concentrating on 'the case against affirmative action' rather than 'the empirical study of affirmative action', as the title of his latest polemic book claims (Conrad 2004).

1. The *goal* or the intent of the policy: a clear definition of the problem that needs to be tackled.
2. The *planning* stage: a determination of the instruments that are required, the actions and the physical resources that are needed and acknowledging co-determinants of policies or factors outside of the EEPs explicit scope that influence its objective.
3. The *implementation*: taking concrete actions and using the actual resources
4. *Evaluation*: monitoring the effects of policies and the situation perceived to be problematic and possible negative- side and non effects and co-determinants of policies. [10]

Together, these elements stress the need for 'thinking outside the box' since policies do not exist in a void but are embedded in their social context. A simple one-way relationship between policy and practice does not exist. We should analyse current equity polices keeping these elements in mind with the aim of improving them and to enable the use of good practices in order to achieve equal treatment, equal results and/or individual recognition.

4.2 Diversity management and the business case[11]

Diversity management, as an approach to employment, is gaining importance, but has a very different character than other employment equity approaches. It is a management strategy that intends to make productive use of (ethnic and other) differences between individuals. It is based on the premise that well managed diverse teams will produce better results and diverse companies will gain market advantage. In contrast to other employment equity policies, diversity management is primarily driven by the 'business case' rather than by the case for social justice: its primary purpose is to increase organizational efficiency and profitability. Furthermore diversity management is based on a broader understanding of 'diversity' than only ethnic minorities and attempts to take into account all sorts of differences between people like sex, age, background, disability and workstyle. Diversity management does not only focus on recruitment and selection, but attempts to bring about a thorough transformation of organizational cultures and create a 'culture of diversity'.

The supposed benefits of diversity management can be grouped into five major categories: 1) making use of talents, 2) access to markets and legitimacy with (potential) partners and customers, 3) a greater variety of perspectives resulting in better problem solutions, increased creativity and more innovation

[10] See for an overview of unintended effects of social policies in general: Engbersen & van der Veen 1992.

[11] This section is based on the state of the art report on diversity management written by Michael Fischer (Migration Research Group, Hamburg Institute of International Economics (HWWI). This report will be published as separate chapter in the edited volume on equal opportunities that will appear beginning of 2009. It has also been published as HWWI Research Paper (Fischer, 2007)

-called cultural synergy-, 4) enhanced job satisfaction and performance through an inclusive environment and 5) reduced costs of discrimination.

Implementing diversity management might begin by *analyzing the company/organization* regarding the present state and effects of diversity, e.g.: what languages are spoken by the clients, which countries does the company operate in, how high is employee turnover, how high are the costs due to discrimination or harassment, are there group conflicts within the company, do the employees feel valued and satisfied, etc.? (cf. Schwarz-Wölzl/Maad 2004a: 42) Following this analysis, a variety of programmes can be applied. There is no comprehensive and well-defined set of measures that constitute diversity management. Broadly speaking, diversity management may involve 1) recruitment programmes aimed at systematically increasing the diversity of employees, 2) programmes to increase cultural awareness that aim at minimizing the potential costs of heterogeneity while maximizing effects of cultural synergy, and 3) pragmatic management policies directed at increasing flexibility and job satisfaction through taking into account the needs of a diverse staff.

With diversity management as a business practice becoming more and more popular in Europe, the question of whether this policy actually delivers the business benefits its advocates promise, becomes increasingly relevant to anyone involved in the discussion and implementation of employment policies relating to ethnic and other minorities.

While for many advocates of diversity management the business case seems to be rather self-evident, there is not much clear evidence on the effects of diversity that objectively measures and evaluates the *financial benefits* of *diversity management* on an *organizational level*. A majority of studied companies in Europe that have or are implementing diversity policies fail to regularly monitor their impact, partly due to difficulties of measuring the results of diversity. Still, a vast majority of the companies are convinced about the business benefits of diversity. They are keen to stress their commitment to diversity as a matter of ethics, progressive outlook and good management practice (European Commission, executive summary).

Most observers agree that diversity has the potential for positive effects (like increased creativity, innovation, and flexibility) as well as for negative effects (like worse communication and increased conflicts), and that the actual effects strongly depend upon contextual factors. The impact of diversity will vary with types and degrees of diversity, and will be influenced by contextual variables such as the economic sector in which a company operates, the mode of economic activity, the organizational culture, business strategy, human resource policies and diversity perspectives. Given the inconsistency of diversity outcomes and the difficulty to predict the effects in real world situations, some critics consider the business case rhetoric for diversity as much overdone and, thereby, the case for diversity management to be weak or even to be conflicting with scientific evidence. Some critics argue that scientific evidence supporting the business case is lacking, and that the 'diversity

industry' is simply earning a lot of money selling diversity training and advice when the business benefits of diversity are not proven by research. The consequence seems to be that a rational employer would have to abandon diversity management until such proof exists.

We should however clearly distinguish between diversity and diversity management. The actual effects of diversity may strongly depend on appropriate diversity management. Research does suggest that managing diversity may be a way to diminish potential negative effects of diversity, promote potential positive effects and may lead to various benefits, such as increased efficiency: "Simply having more diversity in a group is no guarantee that the group will make better decisions or function effectively…diversity is a mixed blessing and requires careful and sustained attention to be a positive force in enhancing performance' (Williams and O'Reilly 1998: 129; quoted in Wrench 2007: 85). Hence, while studies on the impact of diversity indeed indicate that the 'diversity is good for organisations' mantra (Wrench 2007: 85) found in much of the managerial literature has been overstated, this might not constitute an argument against, but *for* a sensible diversity management that attempts to create conditions under which negative diversity effects are minimized and positive effects maximized – especially when the workforce is diverse anyway. The supposed benefits of diversity, making use of diversely talented personnel and improving *access* to markets and *legitimacy* with partners and customers, are thus effects of diversity management *allowing for diversity* and will depend upon the characteristics of the markets, partners, and customers in question. If diversity management practitioners see clear benefits of diversity management while research suggests that the effects 'of diversity' are often questionable, this may be because practitioners follow their wishes more than reality. But it may also be because researchers, influenced by the common confusion of diversity and diversity management have been researching the effects of diversity more than the effects of diversity management – and may have neglected the other, sometimes more obvious and simple potential business benefits of managing diversity.

The literature offers some basic models and does point to a number of factors that may have an impact on the relationship between diversity and organizational outcomes and should thus be considered when thinking about managing diversity: 1) effects of diversity will vary with types of diversity, 2) effects will vary with degrees of diversity, 3) there are different effects according to different economic sectors, 4) there are organisational context variables and 5) there are certain perceptions and interpretations of differences. To successfully implement diversity management leadership should be committed and top management should be involved; managing diversity should constitute a strategic element of the business plan; diversity missions should be formulated; diversity policy should be communicated to the staff; diversity should become an integral part of the organisational culture and its effects should be evaluated or diversity should be benchmarked (evaluating how far the diversity idea has been implemented and internalised).

5. Conclusion

Equal opportunities in the labour market are important from both a social and ethical perspective as well as an economic point of view. From an ideological point of view people should be treated equally and deserve comparable opportunities. From an economic point of view employers will have to deal with an increasingly diverse pool of potential workers and consumers, (future) labour shortages and a highly competitive globalised world market. Evidence suggests that, currently, people experience unequal labour market opportunities due to discrimination based on various factors of which one is ethnic background. Ethnic discrimination can furthermore interact with other dimensions of social inequality and thus lead to multiple exlusion as was clearly shown in the section on migrant women. Although the EU is increasingly moving towards addressing these multiple inequalities a long history of treating different forms of discrimination separately has rendered difficult the understanding and recognition of ways in which they dynamically interact.

To achieve equal opportunities we have to understand how discrimination works (when and what kind of discrimination and how can various forms of discrimination interact) and gain insight into the mechanisms underlying policies and strategies that are taken to combat discrimination (equity policies and diversity management). In this paper we argued that we should focus on the organizational level where people are actually recruited and work.

We have shown that discrimination especially influences access to the labour market during the phase of recruitment, which also includes when people change jobs. We distinguished between various forms of discrimination -direct/indirect, intentional/unintentiontal and individual/institutional- and various factors explaining discrimination – prior perceptions, prejudices, thought styles and lack of social capital and networks. Employers can directly discriminate by judging one's capacities on one's ethnic background or indirectly discriminate through unwritten norms and values. Once in the job market immigrants still experience discrimination through unfavourable work conditions that hinder their career prospects and full participation in society. Migrant women are often in an even worse position due to the interaction of various forms of discrimination observed against gender and ethnicity. When discussing their labour market position, we have placed them in a wider social context and identified factors of influence as: legal discrimination arising from the application of immigrant regulations and conditions; the social context and family responsibilties; the specifics of the economic sectors in which they become occupied and the route of entry (family versus labour migration).

Employers can improve the labour market position of immigrants and thereby enlarge their pool of potential talent by becoming more aware of the effect of their recruitment strategies and contract policies. They can adjust these strategies to the needs triggered by a diverse workforce, but can also develop more pro-active employment equity polices or diversity management

strategies. For such strategies and management to be effective it is fruitful to learn from the past and from analytical insights into equity policies and diversity management. In this paper we have argued that policies have to be placed in a larger context and that we cannot simply link a certain preferred outcome to a specific policy. It is rather the insight into the underlying mechanisms that defines a good and effective policy that can help us to improve anti-discrimination measures and ensure equal access to the labour market.

Equity policies in organisations should not to be seen as a substitute for anti-discrimination measures at national and EU levels. For one thing, some kinds of discrimination cannot be tackled by organisational policies – for example, 'legal' discrimination and exclusion can only be tackled by changes in the law. Organisational equity policies should be seen as complementary to anti-discrimination laws and laws as providing the context in which these policies are adopted.

In the introduction of this paper we stated that we wanted to exchange relevant scientific knowledge to initiate renewed impetus and incentives to employment equity policies and campaigns. For this purpose we want to initiate an interactive discussion with employers, trade unions and relevant associations on the research and conclusions presented in this paper and together formulate factors and mechanisms that influence equal access to and opportunities on the labourmarket.

We believe that the world of research and the world of policy making, also on the organisational level, can work closer with each other to come to new insights and solutions. Even though our respective working fields come with different constraints and demands, together we can identify information gaps and build avenues to new knowledge that will lead to an improved knowledge base for equity policies.

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