

## ABSTRACT

In this thesis immigrants' performance on the labour market and intergenerational economic mobility are examined. The first paper investigates net contributions to the public sector budget in Sweden using large samples of foreign born and native born. The accounts build on various assumptions which include expenditures on public consumption being allocated according to the age of the person. The results indicate that during the period 1983 to 1992, net contributions of immigrants deteriorated. Upon arrival to Sweden, immigrants on average place a burden on the public sector budget but after a few years this no longer applies. Refugees initially put a greater burden on the public sector budget than other immigrants, but such a difference declines with years since immigration.

The aim of the second paper is to investigate intergenerational income mobility in Sweden by means of a representative sample drawn from tax-data files. Longitudinal data on actual parent-child pairs spanning from 1978-1992 are employed. Regression and correlation coefficients are analyzed and transition matrices calculated in order to investigate income mobility over generations. The results achieved show high intergenerational income mobility in Sweden between fathers and sons in comparison to estimations performed in most other countries and more especially compared to the U.S. This indicates that Sweden does not only have lower cross-sectional income inequality, but also higher intergenerational income mobility than those countries. The mother's earnings influence children's earnings less than the father's. However, the mother's earnings correlate more strongly with a daughter's earnings than they do with that of a son. The major indication of immobility across generations is found in the upper income deciles.

The third paper explores whether ethnic externalities in the human capital accumulation and earnings formation for children with immigrant background exist, using data for Sweden. The results show few negative ethnic externalities in educational outcomes. Observed low educational levels among immigrant's children seem instead mostly due to the low socio-economic position of the parents. Some positive ethnic externalities in the educational choices are found however. There seems nevertheless to be strong negative ethnic externality in the earnings formation compared to natives for several categories of children with immigrant backgrounds as they seem to be unemployed or out of the labour force to a greater extent.

Intergenerational earnings mobility is estimated in paper 4 for individuals of different ethnic origin, second generation immigrants, those that arrived at a young age and foreign-born adopted individuals. A quantile regression approach is used to be able to detect where in the earnings distribution the mobility is higher or lower. Individuals with immigrant parents seem to have more difficulty in intergenerationally moving up in the earnings distribution and less difficulty in moving down compared to natives. Few indications of intergenerational assimilation for immigrants are found but several groups have experienced widening earnings differentials in comparison to natives.

**Key words:** Economics of Immigrants, Employment, Age Structure, Public Sector Budget, Intergenerational Income Mobility, Second Generation Immigrants, Young Immigrants, Foreign-born Adopted, Ethnic Externalities, Human Capital, Education, Earnings, Unemployment.

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