The Making of Immigrant Niches in an Affluent Welfare State

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Abstract
This article explores how immigrant niches have emerged within two traditional working-class industries in Norway. Drawing on extensive case studies in urban and coastal areas, we analyze how employers perceive the availability and desirability of native-born and immigrant workers and discuss how these perceptions are related to underlying changes in the structure of employment. The article contributes to the literature by developing a general model of the formation of immigrant niches as well as pointing out the context-specific institutional conditions that explain how and why such niches emerge in the first place.

Introduction
As international migration is changing societies and labor markets across the globe, the employment situation of immigrants is receiving increasing attention. Research has consistently showed that many newcomers tend to concentrate within particular occupations and industries, in what have been labeled immigrant niches (e.g., Waldinger 1994; Waldinger and Lichter 2003; Wills et al. 2009; Ruhs and Anderson 2010). Moreover, such occupational, industrial, and geographical clustering tends to go beyond what could be explained using a standard human capital approach. This

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has led scholars to highlight social networks among immigrants and stereotyped perceptions and decision making among employers as key factors explaining how immigrant niches come to be established (Waldinger and Der-Martirosian 2001).

In this article, we ask how immigrant niches have emerged within the hotel and fish-processing industries in Norway. Our starting point is that any attempt to understand the formation of immigrant niches needs to address two factors. First, as proposed by Krissman (2005), studies of immigrant niches need to put focus on the role of employers and their active demand for particular kinds of labor. Second, as Waldinger (1994) has argued, one cannot understand immigrant workers’ changing position within an industry without taking into account changes in the relative supply of native-born workers\(^1\) with whom immigrant workers must compete. Following this line of reasoning, we focus on Norwegian employers’ and managers’ perceptions about the qualities and characteristics of both native-born and immigrant workers. The aim is to trace the process by which the latter has gradually replaced the former as the primary source of labor in the studied industries.

To make sense of such perceptions, however, we also argue that processes of immigrant niche formation must be analyzed in light of the broader national context in which they take place. During the latter part of the twentieth century, Norway developed into an affluent welfare state with high ambitions for eradicating social class differences through an expansive educational system and generous redistributive social policies, resulting in low levels of social inequality and high levels of social mobility (Kildal and Kuhnle 2005; Brochmann and Hagelund 2012). Almost at the same time, Norway’s population became increasingly multicultural. First, from the late 1960s and onward, labor, refugee, and family migration from Asia, Africa, and the Middle East reconfigured the Norwegian population. More recently, and especially since 2004, large numbers of free-moving labor migrants from Central and Eastern Europe have come to Norway (Brochmann and Kjeldstadli 2008). With an increasingly wealthy, socially protected, and highly educated native-born population, Norway has seen the lower tiers of many traditional working-class industries increasingly dominated by immigrant workers (Friberg 2013). Although this process shares important features of immigrant niche formation occurring in other contexts like the United States (e.g., Model 1993; Waldinger 1994; Waldinger and Der-Martirosian 2001), the United Kingdom (e.g., Wills et al. 2009; Ruhs and Anderson 2010), and the Mediterranean area (e.g., Gertel and Sippel 2014; Corrado, de Castro, and Perrotta 2016), we argue that these contextual specificities are important to understanding how immigrant niches have emerged in Norway.

\(^1\)We use the term *native-born* and occasionally the term *natives* when we refer to members of the majority population in Norway. Traditionally, members of this group have constituted the vast majority of industrial workers in Norway, but since the 1980s, immigrant workers have made up an increasing share of Norway’s working class.
To develop these ideas, we draw on extensive case studies in the hotel and fish-processing industries, both of which have experienced a large influx of immigrant workers over the past three decades. Building on Waldinger’s (1994, 4) insight that “understanding the development of [immigrants’] employment situation requires detailed attention to the native groups for whom they might be complements or substitutes,” we look specifically at employers’ perceptions about the Norwegian, native-born working class, from which workers used to be recruited, in comparison to new immigrant workers. Using qualitative interviews, we focus on how employers and middle managers perceive different groups of workers in terms of availability and desirability and discuss how these perceptions are related to underlying changes in the structure of employment.

Building on the broad narratives found among employers and managers, we trace the processes leading to a reduction in the native-born labor supply, which in turn reduced native/immigrant competition and allowed immigrants relatively easy entry into these two fields. We argue that the formation of these immigrant niches can be described as a case of cumulative causation stemming from two parallel and mutually self-reinforcing processes. First, with increasing levels of education and income among native-born workers, their presence among those seeking employment in the lower tiers of traditional working-class industries has declined while those native-born who do seek such employment are increasingly negatively selected. Second, the large-scale inflow of immigrants, who often lack formal human capital like credentials and formal schooling, has provided employers with ample source of willing and able workers who are perceived as more docile because they have fewer alternative options and may be less concerned with societal status hierarchies (Friberg and Midtbøen 2017). Their presence in turn has reduced the status of those jobs, which are now increasingly viewed as “immigrant jobs,” thus accelerating the withdrawal of native-born workers from these fields. This process is subsequently exacerbated by hiring practices informed by stereotypes about various groups and their abilities to perform different types of work (Friberg and Midtbøen 2017). Once this process is underway and immigrant workers are present in sufficient numbers, the network multiplication effect sets into motion, allowing particular immigrant groups to dominate particular niches.

This article contributes to the literature in three ways. First, it focuses on the demand side of the employment relationship, which arguably plays a key role in allocating different groups of workers into different job tasks (e.g., Krissman 2005; Bills, Di Stasio, and Gërçhani 2017). Second, it brings to the fore the crucial role of native-born workers, a group that is regularly overlooked in the literature on immigrant employment (cf. Waldinger 1994). Third, it extends the literature on

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2 In acknowledgment of the valuable resources immigrant workers posit and in line with Hagan, Hernandez-Leon, and Demonsant (2015), we refer to this group of immigrants not as low-skilled or unskilled but as individuals lacking formal human capital.
immigrant niches to a new context: the affluent Norwegian welfare state. We conclude by arguing that future studies of immigrant niches would benefit from distinguishing between the general internal dynamics shaping the formation of immigrant niches on the one hand and the more context-specific institutional conditions that explain how and why they emerge on the other.

Theories of Immigrant Niche Formation

The employment situation of immigrants and the formation of immigrant niches have been important topics of study in the field of immigration research (e.g., Portes and Bach 1985; Portes and Jensen 1989; Model 1993; Waldinger 1994; Waldinger and Bozorgmehr 1996; Wills et al. 2009; Ruhs and Anderson 2010). Collectively, this work has sought either to supplement or challenge more mainstream human capital theories about the labor market (Portes 2010). The concept of ethnic niches was developed by Waldinger and associates to describe the situation when a particular group is able to colonize a sector of employment in such a way that members have privileged access to job openings while restricting the access of other groups (Waldinger 1994; Waldinger and Bozorgmehr 1996). An ethnic niche can be said to exist if the percentage of workers is at least one and a half times greater than the group’s percentage in the overall workforce (Model 1993).

How, though, do immigrant niches emerge? The literature on immigrant niches can be grouped into three strands. One strand focuses on the supply side of economic relationships, studying networks and social relations among immigrants rooted in common identity, interpersonal trust, and norms of mutual reciprocity (e.g., Portes and Bach 1985; Portes and Jensen 1989; Portes 2010). In this body of work, it is widely acknowledged that transnational migrant networks constitute valuable social capital that can be transformed into jobs and earnings in the host country (Massey et al. 1987). By facilitating the job search, access to information, recruitment, and training, informal networks are effective in promoting both particular migration flows and employment concentration in specific niches through a process of social closure. A major reason why these networks are so effective is that they work not just for migrants but also in the interests of employers who, uncertain about the abilities and trustworthiness of new applicants, rely on existing staff members to vouch for newcomers, facilitate their training, and ensure their satisfactory performance. A problem with the social network approach, however, is that although it may help explain how immigrant niche employment is perpetuated and reinforced, it fails to explain how and why immigrant niches emerge in the first place (Krissman 2005).

In line with this critique, another strand of literature has focused on the demand side, particularly on employer preferences (e.g., Waldinger and Lichter 2003; Ruhs and Anderson 2010; Friberg and Midtbøen 2017). Employers may, for example, prefer to hire immigrant workers because they are seen as cheaper, more flexible, and more docile because they are more vulnerable and have fewer alternative options in the labor market. From this perspective, “exploitability” is the key
characteristic that makes immigrants popular with employers (Friberg and Midtbøen 2017). It has commonly been argued (e.g., Piore 1979; Waldinger and Lichter 2003) that immigrants tend to view their opportunities through a so-called “dual frame of reference” in which they compare their situation in the host-country labor market to the situation “back home” rather than to the host country’s standards, thus making them less “demanding” than native workers. At the aggregate level, different immigrant groups vary with regard to both the average human capital they bring and the leverage and vulnerability they have when negotiating in the labor market. Since employers typically have limited information about each individual applicant, ethnicity, nationality, or race may come to proxy for individual workers’ skills and desirability (Moss and Tilly 2001; Shih 2002; Waldinger and Lichter 2003; Friberg and Midtbøen 2017). In this way, recruitment practices can become directly related to employers’ sense of whether the ability and suitability of various groups of workers match particular jobs based on their race, ethnicity, or migration status (Massey 2007). Employer preferences and stereotypes thus are key to understanding how immigrants tend to get a foothold in certain industries and occupations. However, a demand-side perspective is not enough to explain the historical processes through which immigrant niches emerge.

A third approach is to study the general structure of labor demand, in particular the changing relative supply of native-born workers, to explain why immigrants have been able to insert themselves into some parts of the labor market rather than others. In the original version of segmented labor market theory, Doeringer and Piore (1971) proposed that labor markets tend to be divided into knowledge primary jobs (mostly well paid, stable, and rewarding) and secondary jobs (mostly low paid, unstable, and unrewarding) (see also Piore 1979). In this theory, native-born workers are seen as unwilling to take on peripheral, low-status jobs, not just because they generate low pay but also because they infer low status: When new opportunities arise, jobs that hold low status tend to be abandoned first. Such hierarchical constraints on motivation are accordingly the primary source of labor shortages in the lower tiers of the labor market, which then may be filled by new groups of workers (Waldinger and Lichter 2003; Ruhs and Anderson 2010). Waldinger (1994) expanded on this notion by studying the processes enabling immigrants in the United States to enter existing industries in labor markets previously dominated by native-born workers. According to Waldinger, the growth of an immigrant niche in New York City government, for example, was the result of rapid industrialization throughout post-war United States, which in combination with diminishing public sector investments led certain professionals to opt away from public employment and into new growing markets in the private sector. This shift reduced native/immigrant competition and allowed immigrants entry into the public sector without conflict.

In this article, we analyze the preferences and perceptions of employers in two traditional working-class industries in Norway that have become established immigrant niches. We focus on employer views about the native-born workers whom
immigrants have partially come to replace and discuss how these perceptions are shaped by the broader Norwegian institutional context. As such, we build most heavily on the latter two strands in the literature on immigrant niche formation, focusing on the demand side and the significance of changes in the general structure of employment.

**Methods and Data**

The data used in this article are mainly 40 in-depth interviews collected in fall 2015: 19 in Norway’s hotel industry and 21 in its fishing industry. Interviews lasted between one and two hours and were tape recorded and transcribed in full length. All interviews were conducted in Norwegian and later translated into English. Participants included top and midlevel managers as well as administrative personnel, employees with native-born and migrant background, and trade union representatives. Most interviewees were top and midlevel managers, and we concentrate our analyses on these data. Interviewees in hotels were recruited in the urban Oslo area while informants in the fishing industry were recruited through field work in the coastal area of northern Norway. In this field work, we also gathered valuable data through informal conversations with local community members, guided tours in several sites, and observations of production processes and the divisions of labor apparent in these processes.

Top and midlevel managers interviewed in this study constitute a sort of “expert group” concerning labor market changes, and a majority of interviewees were highly experienced and had a long history in the particular industry. Drawing on this experience, informants were asked to reflect on the development of their industry over the past decades, with particular emphasis on the role of native-born and immigrant workers, respectively. In line with similar studies using employer interviews as a source of data to study how the skills of different groups are perceived and considered (e.g., Kirschman and Neckerman 1991; Moss and Tilly 2001; Waldinger and Lichter 2003; Pager and Karafin 2009; Midtbøen 2014; Friberg and Midtbøen 2017), employers in this study were more than willing to share their views on the particular advantages and disadvantages characterizing different ethnic groups.

The interview guides covered a series of interrelated topics: the competitive challenges and market strategies of the firm and its position in the broader industry, ethnic composition and divisions of labor of the workforce in each firm, recruitment processes and hiring decisions, and formal and informal skills needed for different types of work tasks. Through coding and analysis of the interview data, we sought ways in which employers conceptualized different sets of positions, in terms of job tasks, authority, and work relations; different sets of skills, in terms of the formal and informal qualifications and characteristics they sought when recruiting workers; and different groups that inhabited the work organizations, especially focusing on ethnicity and immigration status. One major tendency
that emerged through data analysis was how these sets of positions, skills, and groups were related to each other.

Another tendency was informants’ inclination to directly relate the declining supply of native-born workers in the lower tiers of the two industries to the changing structure of Norwegian society as a whole, typically by referring to the educational orientation among native-born youth and the changing status of traditional working-class industries. As this is key to understanding the processes of immigrant niche formation in Norway, we start by providing a brief description of macro-level patterns of social change that have affected the supply of labor in the Norwegian labor market’s lower tiers over the past decades before turning to our analysis of the data.

**The Changing Structure of Employment in Norway**

Norway was for centuries a relatively poor rural society in the periphery of Europe, inhabited by a relatively homogeneous population (Brochmann and Kjeldstadli 2008). Since World War II, however, Norway has undergone a remarkable social and economic transformation. Since the turn of the millennium and especially since the 2008 financial and economic crisis, Norway’s exceptional social and economic development, as compared to the rest of Europe, has only accelerated (Dølvik, Andersen, and Vartiainen 2015).

Belonging to the “social democratic” family of European welfare regimes (Esping-Andersen 1990), the Norwegian welfare state offers a generous social safety net, free access to education, and a redistributive system of social benefits. By the early 1960s, Norway had established a universal old-age pension system, health insurance, work injury insurance, child allowances, and maternity leave (Brochmann and Hagelund 2012, 7). The Norwegian welfare state has continued to expand ever since, made possible by a relatively high tax level and high employment rates among both men and women. Since the 1990s, Norway has also experienced a sustained economic boom, partly fueled by an expansive oil sector, and has remained practically untouched by the financial and economic crisis that has haunted the rest of Europe (Dølvik, Andersen, and Vartiainen 2015) (although reduced oil prices since 2014 have produced a minor slump3).

The result of this historical development can be summed up using basic statistical indicators. To start, Norway has grown rich. Until the mid-1990s, its per capita Net National Income (NNI) was close to the Organisation for Economic Co-operation and Development (OECD) average, comparable to that of Sweden, the United Kingdom, Austria, the Netherlands, and France but well below Switzerland and the

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By the turn of the millennium, however, growth had taken off, and by 2014, Norway’s per capita NNI had surpassed every other OECD country and stood at nearly twice the OECD average. During the same period, wages soared, from 15 percent above the OECD average in 1990 (constant prices at 2015 USD exchange rates) to 60 percent above the OECD average in 2015 — only surpassed by Switzerland and Luxembourg. At the same time, Norwegians grew increasingly educated. By 2015, 48 percent of 25- to 34-year-olds in the country held a university-level diploma. Educational achievements have been particularly striking for women. Between 1980 and 2016, the share of women with higher education quadrupled. Among women 30 to 39 years old, a staggering 57 percent had completed education at university level in 2016, a higher share than any other group.

Furthermore, Norway, along with its Nordic neighbors, has developed into one of the most equal societies in the world. Although income inequality in Norway has been on the rise since the mid-1990s, the development toward greater inequality is far weaker and started at a later stage in Norway than in most of the Western world. Today, Norway has one of the lowest levels of social inequality measured by the GINI coefficient anywhere in the world (0.244, only Iceland is marginally lower). At the same time, the country also has some of the world’s highest levels of social mobility. Measured by the intergenerational earnings elasticity, Norway’s level of intergenerational income mobility is second in the world (after Denmark) and far greater than continental Europe or the United States (Corak 2013).

Just as Norway grew increasingly rich, educated, and mobile, it was also transformed from a relatively homogeneous society to an increasingly multicultural one. In the late 1960s, a substantial number of labor migrants from Pakistan, Morocco, India, and Turkey arrived in response to Norway’s recent economic growth (Brochmann and Kjeldstadli 2008). Like many other Western European countries, Norway inserted a moratorium on non-European labor migration (with the exception of highly skilled workers recruited to the oil industry) in 1975 and in 1981 made the moratorium a permanent policy measure. However, since the late 1970s, successive groups of refugees have also entered Norway, and family reunification and

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5 https://stats.oecd.org/Index.aspx?DataSetCode=AV_AN_WAGE#.
transnational family formation have continued to be important sources of immigra-
tion throughout the period. After the EU enlargements in 2004 and 2007, labor
migration reemerged as the major source of migration to Norway, particularly from
Eastern Europe. Thus, Norway is today one of the top destinations, per capita, for
intra-EU labor migrants, and labor migration, particularly from Poland and Lithu-
ania, constitutes by far the largest migratory flow to the country in history (Friberg
2016a). Over the past decade, the inflow of refugees and asylum seekers has also
been on a steady rise. By January 1, 2017, immigrants and their children made up 17
percent of the Norwegian population, with Polish labor migrants constituting the
largest immigrant group, followed by immigrants from Sweden, Lithuania, and
Somalia.11 Norway’s transformation into a society consisting of a rich, highly edu-
cated, and upwardly mobile native-born population and of employers with almost
unlimited access to foreign labor from poorer countries has had a major impact on
the structure of employment in the lower tiers of the country’s traditional working-
class labor markets.

The Emergence of Immigrant Niches in Norway’s Hotel and Fish-Processing
Industries

Despite representing very different types of industries — industrial manufacturing
on the one hand and customer-related services on the other — Norway’s hotel and
fish-processing industries share several common features. First, both industries have
been subject to intensive rationalization of labor. Given Norway’s high labor costs
and tightly regulated labor markets, employers go to great lengths to rationalize
labor needs, and both industries have, since the mid-1990s, experienced a reduction
of total employment despite increasing production (Ødegaard and Andersen 2011;
Ødegård 2014). In the fish-processing industry, this has been accomplished through
increasing use of technology. In particular, factories processing farmed salmon have
invested heavily in robotics and automatization. Nevertheless, there is still a signif-
ificant demand for manual processing, especially in factories processing wild-caught
fish due to the unpredictable supply and nonstandardized nature of its raw material.
Similarly, manpower functions in Norwegian hotels are usually rationalized to the
bone. You will not find many bell-boys, parking valets, or people handing out towels
in the bathrooms in Norwegian hotels. However, reception desks, kitchen, and
housekeeping remain three main functions that cannot be entirely rationalized away
(Friberg and Midtbøen 2017).

Both industries have also experienced an influx of immigrant workers in the past
three decades. Although historically both industries depended on women and young
adults for certain types of work tasks, they now rely heavily on immigrant workers.
In the hotel industry, this process began in the 1980s, when a substantial number of

11https://www.ssb.no/befolkning/statistikker/innvbef.
East Asian workers, mainly women, was hired in backstage positions like housekeeping (Friberg and Midtbøen 2017). The industry’s diversification intensified in subsequent years, and in addition to East Asians, migrant workers and refugees from the Middle East, North Africa, and most recently Eastern Europe today constitute large fractions of the hotel industry’s workforce, especially in the capital area of Oslo. In frontstage positions such as the reception desk, young Swedish labor migrants have become the dominant source of workers (Friberg and Midtbøen 2017).

The fish industry, which is a major industry along Norway’s western and northern coastlines, has similarly become increasingly dependent on different “waves” of immigrant labor: Tamil refugees in the 1980s and 1990s, Bosnian refugees in the 1990s and 2000s, and Polish and Lithuanian labor migrants since 2004. The fish industry has traditionally had a clear gender division of labor in which cutting and packing of fish were regarded “women’s work” while heavy lifts were considered “men’s work” (Rogstad 2001). The industry still has a mix of men and women employed, but since Tamil refugees entered the industry in the 1980s, traditional women’s tasks have been gradually reframed as “immigrant work” (Brochmann and Kjeldstadli 2008, 245), while native-born women either moved out of the industry altogether or advanced to administrative tasks (Friberg and Midtbøen 2017).

Figure 1 shows these changes by displaying the number of employees in the two industries in the period between 1995 and 2013, broken down by region of birth. Although the number of native-born Norwegians clearly has decreased over the period, natives still comprise the majority of employees in both industries. In 1995, immigrants constituted 11 percent of all employees in the hotel industry and 10 percent in fish processing. By 2013, their share of total employees had risen to 41 and 48 percent, respectively. As immigrants make up approximately 15 percent of Norway’s total workforce, both industries qualify as immigrant niches by a wide margin.

Both industries are also characterized by socially segregated divisions of work tasks that form a clear hierarchy, which today tends to follow ethnic lines. In the hotel industry, three main types of jobs are inhabited by different groups of workers. Management positions are mainly held by native Norwegians. Frontstage, customer-related positions like receptionists and waitresses are typically occupied by Scandinavian workers, including both native-born Norwegians and Swedish immigrants. Backstage positions such as kitchen and housekeeping have been held since the 1980s by various immigrant groups, first from South and East Asia but more recently from Central and Eastern Europe (Friberg and Midtbøen 2017).

Although lacking the distinction between frontstage and backstage positions, a similar hierarchy may be observed in the fish-processing industry. Here, though, it is related to technology and authority rather than customer relations. First, a small set of positions within management and administration are almost exclusively occupied by native Norwegians. Second, a relatively small set of key function positions related to communication, control of production, and technical work are also dominated by native workers. Third, a large set of workers without formal qualifications
are responsible for the manual tasks of fish processing. These latter positions have, since the late 1980s, been dominated by immigrants (Ødegaard and Andersen 2011).

Finally, both industries are characterized by more or less predictable fluctuations in labor demand, and employers utilize a variety of strategies to obtain flexibility. Hotels typically use temporary contracts, outsourcing of key functions (e.g., restaurant and sometimes housekeeping) to franchise chains or specialized subcontractors, and combinations of part-time and “on-call” contracts. Especially in housekeeping, it is common to have rather “small” part-time contracts — often down to 10 or 20 percent — while at the same time to work on call dependent on demand. Fish factories also use a variety of contractual arrangements to obtain flexibility, including temporary and seasonal labor contracts. Over the past decade, however, temporary staffing agencies that specialize in workers from Poland and Lithuania have become widely used in the fish-processing industry. The common denominator for these various flexible staffing arrangements is that they leave workers in a highly precarious situation both financially and in terms of their bargaining power vis-à-vis employers (Friberg 2016b).

To understand how the lower tiers of the fish-processing industry and the hotel industry have gradually transformed into immigrant niches over the past three decades, the next sections of this article draw on in-depth interviews with employers and employees in the two industries. The interview material suggests some answers to the questions of why native-born workers abandoned employment in these
traditional industries in the first place and how different groups of workers are perceived by employers in the current context of ethnically divided industries. In the end of the article, we propose a theoretical model that captures key elements of immigrant niche formation and discuss the role of context-specific institutional conditions under which such niches have emerged and developed in Norway.

**From Decent Working-Class Jobs to “Immigrant Jobs”**

Throughout our interviews with managers and workers in both the hotel and fish-processing industries, a narrative of declining social status came to the fore. In the fish industry, from the 1980s onward, native-born teenagers and young adults who would previously seek work in the industry, like their parents before them, started moving away from the small coastal fishing communities and toward educational opportunities in the cities. One part of this story relates to the preferences and ambitions of native-born youth and another to the changing face of the industry, whose jobs have gradually transformed from representing decent working-class jobs to being viewed as low-status jobs appropriate for immigrant workers.

Consider, for example, this excerpt from an interview with a 63-year-old worker who had been employed in a fish factory in a small island in northern Norway since he was a teenager:

*Informant:* Yeah, there were a lot of people coming in both the winter and summer to work here as seasonal workers . . . But that’s such a long time ago, at least 20 years.

*Interviewer:* But the Norwegian youngsters here on the island, are they not interested?

*Informant:* No, they move away from here. They have to go to school, you know. And when they enter college and stuff, then there’s nothing to do . . . Sure, they could get a job here, but they want an education . . .

*Interviewer:* Would you consider moving somewhere else?

*Informant:* No, not now. I’ve stayed here for so long. I’ve had a good job and earned enough. Not that I couldn’t enjoy living elsewhere. I have two daughters who live in Oslo, and they come visiting occasionally.

*Interviewer:* But they are not interested in living here?

*Informant:* Oh no, they have nothing to do here. You have to have an education to be able to stay here. I mean, there’s nothing for them here, only salmon. Besides that, there’s nothing.

This informant points to two important aspects of the fish-processing industry’s development over the past three decades: First, the rise in educational level among native youth resulted in an orientation away from remote coastal communities in
northern Norway and toward larger cities. Second, there is a clear perception that native-born youth no longer can find work in the local community. “There’s nothing for them here, only salmon” is indeed a striking testament of the fishing industry’s changing face. Less than 30 meters away from where our interview took place, more than 40 people were soaked in work, processing fish from the local fish farms. Apart from the interviewee and the foreman, they all were foreign-born workers.

Similar changes were described by informants in the hotel industry. Native-born women, who previously dominated housekeeping and other service positions, increasingly saw opportunities elsewhere. One informant, an experienced union representative in a major Oslo hotel, described how housekeeping positions now are considered suitable for immigrants only:

**Informant:** Most [native-born women] who used to be room maids at Norwegian hotels are retired.

**Interviewer:** Norwegian women don’t work as room maids anymore?

**Informant:** No, no, no, are you crazy?

**Interviewer:** When did this change happen?

**Informant:** I think it was in the ‘80s.

**Interviewer:** At the same time as when women from other countries started to apply?

**Informant:** Yes, that too, but what happened at that time? Norwegian women started getting an education and professional careers.

These conversations pinpoint how industries and particular positions previously dominated by native workers today are viewed as suitable only for immigrant workers. Particularly notable is how self-evident this development is described by informants. The idea that Norwegian women (not to mention men) should take jobs in housekeeping is considered “crazy.” In similar fashion, young Norwegians settling in fish-producing communities in northern Norway seem impossible since “there are no jobs there.” Both informants point to the importance of rising educational levels among natives, not least among women. Implicitly, however, they also point to how jobs in the two industries have undergone a gradual decline in social status in which hard manual work is no longer considered a decent option for native-born workers.

**The Dual Face of the Native Worker**

Overall, our interviews revealed a contrasting portrait of native-born workers in these traditional working-class industries. Despite differences between the hotel and fish industry, employers in both industries shared a view of native-born workers as unwilling to take on low-status, working-class jobs, but they also explicitly stated that the native-born who were willing to take these jobs were actually unwanted. This “dual face” of the native-born worker is key to understanding both industries’ transformation into immigrant niches.
Natives unwilling. The alleged unwillingness among the native-born to work in the lower tiers of both industries is explained by employers in different ways. A first important factor relates directly to the rising wealth in Norwegian society, which according to most employers, has led native youth to expect high-income jobs, typically illustrated with work in the oil sector. This excerpt from an interview with the owner of a fish factory in the Lofoten area in northern Norway represents a typical statement:

Things are too good. The oil industry has destroyed the price level, and the level of unemployment has been too low. The [native-born] youth are obsessed with the idea that if they get an education and are able to work in the oil sector, they will get a lot of free time and money. The fish industry doesn’t work that way.

The manager of a different fish factory expressed the same sentiment as to why native Norwegians were unwilling to take on employment in the industry:

I think most people like to be comfortable. They want to have well-paid jobs. They don’t have the economic incentive to work in the afternoon and evening. It’s somehow not the same anymore. . . . Very rarely do we get job applications from Norwegians. The labor market in Norway is different today than it was 20–30 years ago. It used to be much tighter, and then you had to put more effort into your work. Things were tougher back then. Today it’s much easier, and also it’s easier to get a job somewhere else, a job that is a little more comfortable.

Similar narratives are found in most interviews with employers in the hotel industry. A good illustration is this response from a hotel manager in downtown Oslo. When asked why hardly any native-born youth applies for work, he replied:

Why would I bother sitting two years as an apprentice at a hotel and earn a meager 120,000 Norwegian kroner [approximately $16,000], when my buddy sits on an oil platform and earns 350,000 kroner [approximately $47,000]? Norwegians are so focused on, like, “Oh, I’m going to make a lot of money, and I’m going to be so incredibly perfect. Having a lousy job is not for me because I am Norwegian.”

Expectations among native-born of achieving high-income positions in the upper parts of the employment hierarchy are contrasted against the relatively low salaries and poor working conditions offered in the two industries under study. No doubt, jobs in hotel housekeeping or fish processing consist of hard work, long hours, and unpredictable work schedules for relatively low pay. According to most employers, however, native-born workers’ unwillingness to take jobs in the industry is also linked directly to the low social status characterizing this type of work. As an owner of a fish factory spelled it out, “I guess Norwegian youth don’t want to get fish goo in their hair products.” Another employer claimed similarly that Norwegian youth were spoiled: “You’re not supposed to get cold and wet. And fish? ‘Ugh, it smells.’”
These status-related concerns, highlighting the importance of having a job seen as appropriate in social circles, is pinpointed by this manager of a hotel outside Oslo: “I think very few Norwegian youths would like to say to his buddies: ‘Oh, well, I clean hotel rooms — what do you do?’”

Our interviews show how employers’ conceptions of native-born workers’ unwillingness to work in hotels and fish processing build on a blend of factors ranging from Norwegian society’s affluence and young natives’ high expectations for their careers to the low pay, poor working conditions, and low social status inferred by such jobs. In fact, the same cluster of factors — most importantly, low wages, unpleasant working conditions, and low social status — run through all our interviews with employers in both industries as reasons why native-born have withdrawn their supply of labor. Still, this avoidance of low-status industrial jobs is but one side of this narrative. Along with the various reasons why employers find that native-born youth are unwilling to take on jobs of this kind is a consistent conviction that this group is not really suited for this type of work in the first place.

Natives unwanted. A constant theme throughout interviews with employers was that they actively avoided hiring native-born Norwegians. Why would employers want to avoid native-born workers actually willing to take on working-class jobs? A number of factors were mentioned by informants. First, native-born workers were seen as lacking the work ethic required to handle the physically hard, manual, and routine job tasks involved in both industries. This is related to what many employers called the “rights orientation” among native-born youth. It was commonly assumed in interviews that the Norwegian welfare state has had a negative effect on young native-born individuals in the sense that they tend to call in sick and leave work if it gets too hard. An illustrative example is an interview with an Oslo hotel manager, who stated that:

We have had Norwegian youth here, but it hasn’t worked out. They are more concerned with their mobile phones, and they are much more concerned about their rights than with the jobs they are supposed to do. They are, like, “Oh, I’m tired, I have a headache, I’m sick today.” I mean, that’s just wrong. We depend on having employees that don’t call in sick every week.

In both hotels and fish factories, employers told us that the few native-born applicants they get are often referred to them through the public employment and welfare office (NAV). Most informants had had negative experiences with such referrals, as this owner of a fish factory makes clear: “We have been very disappointed time after time . . . . The work ethic of those Norwegians registering at NAV is, well . . . . No, we prefer to recruit foreigners.”

In essence, native-born youth were consistently viewed as lazy and lacking in productivity and flexibility, especially when contrasted with immigrants. Consider, for example, this statement from the owner of a fish factory describing the peak
season in which arctic cod are caught off the spawning grounds of northern Norway: “The Norwegians disappear at seven or eight in the evening, while the foreigners continue working to 12 o’clock at night. ‘More fish,’ they say then, ‘more fish.’”

Similar points of view were prevalent among employers in the hotel industry. For example, this Oslo hotel manager contrasted native youth with the young Swedes who currently dominate frontstage positions in hotels as well as with several other parts of the customer service sector in Norway:

It is only in recent years that you actually get a smile and a hello when you walk into a store or café in Norway. You didn’t get that kind of service before; Norwegians hardly talk to you. But the Swedes, they have the service, they haven’t lost themselves like we Norwegians have in our prosperity.

In summary, employers’ narratives about native-born Norwegians not only portrayed them as unwilling to seek the kind of employment they had to offer but also tended to echo the famous line from Groucho Marx, although with a twist: They would never accept an applicant who would actually want to work in their industry. Willingness to take on the type of low-status jobs that these employers have to offer seems to automatically disqualify native-born applicants by implying that there must be something wrong with them. In the next section, we show how this dual face of the native-born worker — as both unwilling and unwanted — is intrinsically linked to the inflow of immigrant workers and mirrored by how these newcomers are perceived by employers.

**Enter the Immigrants**

It is no accident that during the same period in which the native-born Norwegian working class seemingly lost its “Protestant work ethic” and perceived willingness to take on low-status jobs, Norway’s demographic composition rapidly changed through immigration, granting employers access to a new labor source. Especially since the EU accession in 2004, which gave rise to a massive influx of immigrant workers from the new EU member states, Norwegian employers have been able to recruit directly from the vast labor reservoirs of Eastern and Central Europe.

According to employers interviewed in this study, immigrants possessed all the characteristics that native-born workers were presumed to lack. Immigrants were not just perceived as hard workers with a superior morale but were described as willing to accept the demands for flexibility required in the lower tiers of both industries. This narrative was prevalent across interviews, as is clear in the words of a fish factory manager in northern Norway:

The foreigners have an amazing work ethic. They show up at work precise every morning, and when it’s time to start, they’re ready to just shuffle on. It’s a quite
different from Norwegian culture, which is more, like, when it’s eight o’clock and you’re supposed to start, “Let’s have a coffee before we go to work.”

A similar observation was pointed out by this manager of a hotel outside Oslo: “If you ask a Pole about working overtime, he’s like, ‘Yes,’ right? They’re not picky about work. They’re simply just doing their job from A to Z.” These perceived differences between native-born and immigrant workers were often framed in terms of culture, implying that immigrants brought different cultural expectations and attitudes toward work. However, most employers interviewed recognized that this was also a question of power to negotiate their terms in the labor market, as illustrated by an interview with an Oslo hotel manager, who contrasted the “docile immigrant worker” with the “spoiled native worker”:

Immigrants have a completely different culture. They are more worried about their jobs and have it in their blood that work is something you care about and that you’re supposed to do it good. Because down there, you know, you lose your job very quickly. Compare that to a lazy Norwegian who is so spoiled and just shows up at work because his mom forced him out to earn his own pocket-money.

It should be noted, however, that despite their perceived superior work ethic, immigrants were usually only preferred for the most menial jobs with the lowest social status. In the fish-processing industry, native-born workers were still preferred when recruiting for positions that required a sense of quality and product knowledge or involved responsibility for expensive technical machinery. Similarly, native-born workers, or at least Scandinavians, were preferred for positions that involved direct customer relations in hotels, such as front desk receptionists. The allocation of different ethnic groups into specific jobs suggests that in the labor market’s lower tiers, workers’ ethnic backgrounds have become almost indistinguishable from their presumed skill levels (Friberg and Midtbøen 2017).

Discussion

Returning to our original question of how the lower tiers of Norway’s hotel and fish-processing industries have emerged as significant immigrant niches, we argue, in line with Krissman (2005) and Waldinger (1994), that we cannot understand how immigrant niches develop without paying attention to employer preferences and the changing relative supply of native-born workers. The implication of this claim is that we see processes of social closure through ethnic network recruitment as less relevant in explaining why immigrant niches emerge in the first place. Putting employer preferences and the relative supply of native-born workers center stage in the explanation of immigrant niche formation does not, however, imply that ethnic network recruitment is not operational. Indeed, informants offered numerous accounts of how certain groups had come to colonize particular workplaces through self-recruitment.
In the coastal communities in which fish processing was a major industry, employers shared how individual immigrant entrepreneurs could supply entire communities with workers from their own hometown. Especially for migrant workers from Central and Eastern Europe, who could move freely and take up employment in Norway as EEA citizens, there were significant economic rewards involved in engaging in this type of network-based labor brokering. Similarly, in hotels, it was not uncommon to have the heads of housekeeping recruit workers through their own ethnic networks. Managers in both industries were somewhat ambivalent about having particular groups dominate certain positions as the advantages of outsourcing recruitment and disciplining of the workforce to co-ethnic middle managers and labor brokers had to be weighed against the drawbacks of losing oversight and managerial control in cases of personnel conflicts. Although effective in perpetuating and reinforcing the processes under study here, informal social networks, however, were not the root cause of immigrant niche formation.

What did seem to be key elements in the development of immigrant niches were employer preferences for immigrant workers presumed to possess certain skills. Employers and managers in both industries consistently talked about their active preference for immigrant workers over native-born workers when filling certain manual and low-status positions. In one sense, these preferences were informed by stereotypes about nationality, race, and ethnicity. Throughout interviews, employers and managers typically referred to broad perceptions about group characteristics as justifications for their recruitment practices and preferences: “Lithuanians are fantastic workers,” “Africans are a bit lazy,” “Asians work hard but lack initiative,” “Poles are good workers but not as friendly as the Swedes,” and so on. At the same time, they would also confirm that both efforts and opportunities for individual vetting of candidates were in fact minimal when hiring at the bottom of the employment hierarchy. Group stereotypes about “lazy Norwegian youth,” “hard-working Eastern Europeans,” and “submissive East Asians” appeared to trump actual individual characteristics in hiring decisions and thus played a significant role in allocating certain groups to certain positions (Friberg and Midtbøen 2017).

Such stereotypes about immigrant and native-born, however, did not arise out of thin air. Immigrant workers differed from native-born workers in important respects: They generally had weaker bargaining power vis-à-vis employers due to a lack of language proficiency and relevant cultural and social capital and were more vulnerable for exploitative treatment from employers looking for cheap and docile labor. Moreover, according to employers, immigrants were often less concerned with local status hierarchies due to their “dual frame of reference,” at least for as long as they perceived their stay as temporary. Finally, with borders open, free-moving labor migrants from Central and Eastern Europe could move back and forth between origin and destination according to seasonal and cyclical changes in demand, making them appear to be highly suitable as a flexible reserve of labor. Perceptions about native-born workers were also informed by social realities. The social changes
unfolding as Norway’s population grew rich, more educated, more nearly equal, and more socially protected most likely affected the supply of native-born workers in ways that are consistent with the narratives offered by employers and managers in this study: a general drop in the number of native-born applicants and increasingly negative selection in terms of skills and motivation among those native-born who remained in the industries.

Building on our previous discussion of Norway’s development in terms of education and wealth, as well as the interviews conducted in this study, the lower tiers of the hotel and fish-processing industries seem to gradually have become immigrant niches through a series of self-reinforcing mechanisms. Due to an educational revolution and exceptional rise in income level among the Norwegian working class, native-born workers have moved up the occupational ladders to managerial or higher status positions or sought opportunities in parts of the labor market that are less demanding in terms of flexibility and physical strain. The key to understanding why these particular industries have become immigrant niches, then, is that few other industries in Norway offer jobs that are as physically challenging, low paid, or held as low status as hotel and fish processing. As immigrants have filled the remaining gaps left by the native-born, the workforce ethnic composition has shifted without much native/immigrant competition or intergroup conflict. Network theory may help explain why immigrants have been so effective at filling these jobs, but the overall process of immigrant niche formation would probably roll forward even without the multiplier effect of network closure.

What remains uncertain is the exact causal relationship between these different developments. Were immigrants recruited into these industries because of changes in the native supply of labor, or did natives withdraw their supply of labor because of the arrival of immigrant workers? Based on the findings in this study, we argue that the dynamic relationship between the two may be conceptualized as a process of cumulative causation, as illustrated in Figure 2.

This model takes as its point of departure two parallel developments occurring at the macro level that indirectly affect the labor market’s organization: first, the rise of the Norwegian welfare state, which included an educational revolution and a rapid, evenly distributed growth in income levels, and second, large-scale immigration, starting slowly in the late 1960s and accelerating in the wake of the EU’s eastward expansions in the 2000s. As immigrants sought work in Norway’s old working-class industries that the native-born were abandoning, a gradual redefinition of traditional working-class jobs into “immigrant jobs” took place, reinforcing incentives for native-born young adults to follow the “upward route” through higher education. The flipside of this development is that the native-born youth who chose not to follow the upward route were increasingly negatively selected in terms of health, motivation, and formal skill levels. Hence, they were viewed as less productive by employers, which again reinforced employer preferences for immigrant workers and the perception that these jobs were indeed immigrant jobs. A key feature of the model is that the different elements — employer preferences for immigrant workers,
decline in social status, and negative selection of native-born workers — are mutually self-reinforcing. This suggests that once an immigrant employment niche is established, it will last well into the future.

Conclusion

In this article, we have argued that the formation of immigrant niches in two low-wage sectors in the Norwegian labor market should be understood as a dynamic process of cumulative causation. What are the implications of this conclusion for the study of immigrant niche formation more generally? Given that we have focused on Norway, how important are the various institutional contexts within which processes of immigrant niche formation unfold?

Immigrant niches are not exclusive to Norway. Decades of research from the United States and the United Kingdom (Piore 1979; Waldinger 1994; Waldinger and Lichter 2003; Wills et al. 2009; Ruhs and Anderson 2010) as well as more recent studies from the Mediterranean area (Gertel and Sippel 2014; Corrado, de Castro, and Perrotta 2016) describe the emergence and growth of immigrant niches within a number of low-wage settings. Moreover, these studies all show that immigrant niche formation shares similar features with the processes analyzed in this article. However, in the United States, the United Kingdom, and the Mediterranean area, this process unfolds under institutional circumstances that are very different from those in Norway. More importantly, these very different conditions are vital for understanding how and why immigrant niches emerge and develop. Two implications may be drawn from this claim. The first implication is that immigrant niche formation appears to have internal dynamics that are similar across different contexts. These dynamics include the mutually self-reinforcing interactions between employer preferences for immigrant workers, decline in social status (and working conditions),
and withdrawal and increasingly negative selection of native-born workers that drive immigrant niche formation through a self-sustaining process of cumulative causation. The second implication, however, is that to explain how and why immigrant niches emerge in the first place, one must take into account its external institutional drivers, which may be very different depending on the particular context of study.

We can further illustrate this point by contrasting the Norwegian case with the United States and the Mediterranean. In both the United States and Southern Europe, the formation of immigrant niches cannot be explained without taking into account the fact that key sectors of the economy, such as agriculture and construction, operate outside any legal regulations, thus allowing the employment of irregular migrants under extremely exploitative working conditions. These large established informal sectors of the economy are in turn closely connected — as both cause and effect — to the large-scale “illegal” movements of people across the US/Mexico border and the Mediterranean from Africa and Latin America (Massey, Durand, and Pren 2016). In contrast, Norway lacks the large number of undocumented immigrants and widespread informal economy that drive immigrant niche formation in both Southern Europe and the United States. Norway also boasts a much more regulated labor market than the United States and United Kingdom and was practically untouched by the economic crises that wreaked havoc on labor markets throughout Southern Europe. Moreover, employment conditions within these immigrant niches are also quite different. Working at a fish-processing factory or as a hotel maid in Norway may indeed involve relatively low pay, irregular hours, precarious employment arrangements, and unpleasant physical conditions compared to most other parts of the Norwegian labor market. Compared to agricultural workers in Italy, Spain, or California, however, migrant workers in Norway enjoy higher wages, better working conditions, and relatively strong social protection.

So, what are the institutional drivers of immigrant niches in Norway? We argue that in the Norwegian case, two very different external conditions must be taken into account. The first is the EEA agreement that connects Norway to the EU’s internal labor market. Immigrants have filled the gaps in the bottom of the Norwegian labor market for several decades. However, it was not until 2004, when Poland, Lithuania, and six other low-income countries in Central and Eastern Europe joined the European area for free movement of labor, that employers were given the opportunity to recruit workers directly in countries with wage levels and living standards only a fraction of Norway’s. The second is the economically expansive Norwegian welfare state, with low inequality and high levels of social and educational mobility. Through its relative success in eradicating social class differences by lifting the native-born working class out of its disadvantaged position, we argue, the Norwegian welfare state simultaneously generated the need for recruiting new workers to replace the old ones in the bottom end of the labor market. In the years that followed the EU enlargement in 2004, when both of these conditions were present, Norway became a major magnet for demand-driven labor migration, allowing the internal dynamics of immigrant niche formation to play out uninhibited.
Despite these very different institutional conditions driving immigrant niche formation in Norway, the internal dynamics through which immigrant niches develop and are sustained are still strikingly similar to those observed elsewhere. Future studies would benefit from taking into account this distinction between general internal dynamics of immigrant niche formation and the context-specific institutional drivers. Distinguishing the universal features of immigrant niche formation from the particularities of national contexts would allow for more nuanced analyses of how international migration shapes labor markets across the globe.

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