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## ABSTRACT

### Gender, Ethnic Identity and Work\*

The European Union's strategy to raise employment is confronted with very low work participation among many minority ethnic groups, in particular among immigrants. This study examines the potential of immigrants' identification with the home and host country ethnicity to explain that deficit. It introduces a two-dimensional understanding of ethnic identity, as a combination of commitments to the home and host cultures and societies, and links it to the labour market participation of immigrants. Using unique German survey data, the paper identifies marked gender differences in the effects of ethnic identification on the probability to work controlling for a number of other determinants. While ethnically assimilated immigrant men outperform those who are ethnically separated and marginalized, they are not different from those with openness to both cultures. Assimilated immigrant women do better than those separated and marginalized, but those who develop an attachment to both cultures clearly fare the best.

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## **1. Introduction**

The adjustment and performance of immigrants in the host country labour market has been intensively studied in the economic and social sciences of the past few decades. The seminal work of Chiswick (1978), based on US cross-sectional data, demonstrated that additional years spent in the host country positively affect the earnings of white male immigrants, who can reach parity to those of natives. However, cohort effects and other selection issues can reduce the positive impact of time spent in the host country on the immigrants' labour market success (Borjas, 1985). This crucial debate launched a plethora of studies applied to other immigrant countries, female samples, and research that considered alternative ways to measure labour market adjustment and performance (e.g., Reimers, 1985; LaLonde and Topel, 1992; Baker and Dwayne, 1994; Schoeni, 1998; Rebhun, 2006). Additional studies recognized and stressed the importance of various individual and cultural characteristics on immigrants' labour market success (e.g., Borjas, 1985; Heaton et al., 1997; Holdsworth and Dale, 1997).

The literature on the adjustment and performance of immigrants to host labour markets focuses on what Chiswick (1978) called "assimilation", meaning that with every additional year spent in the host country, every immigrant makes a step forward to becoming similar to a native-born. While years since migration are undoubtedly an essential part of the assimilation process, migration researchers recognize that other manifestations of the immigrants' adaptation to the host society, such as language proficiency (e.g., Chiswick & Miller, 1998) or even cultural distance maintained from the native population (e.g., Büchel and Frick, 2000) are also important.

This study contributes to and extends the literature by looking at the effect of cultural and social identification of immigrants on their probability to work in the host country, while disaggregating by gender. Our objectives are to address the issue of measurement of the immigrants' ethnic identity, and to gauge the impact of ethnic

identification on the immigrants' attachment to the labour force. Unlike previous research, our study considers both the immigrants' adjustment to the host society and their attachment to the society and culture of origin. We differentiate not only among the levels of immigrants' adjustment to the host society, but also among the levels of attachment to the culture and society of origin. The key assumption here is that maintaining a strong commitment to the culture of origin after immigration can be beneficial because it provides immigrants with valuable ethnic specific capital. For example, a well preserved knowledge of the mother tongue, maintained skills specific to the immigrant's origin, and additional social contacts with compatriots, can alone increase the probability to find a job in the host country. Accordingly, an immigrant who is culturally well adjusted to the host society, but also maintains a strong attachment to the culture and society of origin is likely to be better off than an immigrant with any other combination of cultural attachment to the home and host cultures. We define the combination of the immigrants' cultural and social commitments to the origin and host country as the "ethnic identity" of immigrants.

Our study adopts a multidimensional approach of cultural attachment to either the home or host cultures. We assume that attachments to any culture are not only about language, self-identification or contacts to the respective populations, but rather a combination of these and other factors. This is why we measure the immigrants' ethnic identity as a composite of several observable elements. Our measurement of ethnic identity is a set of indexes constructed from these elements individually for each immigrant, which estimate the achieved balance of attachments between the host and home societies. We then use these measures to re-evaluate gender differences on the probability to work. We pay particular attention to how the proposed measures differ by gender and influence labour market performance.

Our study proceeds as follows: Section 2 delineates the theoretical considerations of immigrant ethnic identity and its effects on the probability to work. Section 3 introduces the dataset used in this study, and explains the construction of the key variables. Section 4 presents and assesses the estimation results. Finally, Section 5 summarizes the findings and concludes.

## **2. Theoretical considerations**

The consensus in the literature is that male and female migrants entering the host country are at a large disadvantage mainly because they lack the necessary skills and human capital required for the receiving labour market. Even when immigrants possess this capital, it is not always possible to have it recognized by the host country, rendering them officially “unskilled”. The classical assimilation approach suggests that, with time spent in the country, immigrants become more like natives because they are exposed to the new society and are investing in local human and social capital. Therefore, labour market disparities between comparable immigrants and natives decrease (e.g., Chiswick, 1978; Chiswick et al., 1997) and may even virtually disappear (e.g., Blau and Kahn, 2005).

There are notable differences between male and female immigrants, as compared among themselves and to natives. On average, female immigrants demonstrate lower labour supply, and experience a smaller earnings gap compared to native women, than immigrant men compared to native men (e.g., Baker and Benjamin, 1997; Blau and Kahn, 2005). Female immigrants also have lower labour supply and earnings than immigrant men, and may even suffer a double penalty due to their sex and ethnicity. The spell of adjusting to the host country is also marked by gender differences, as male and female immigrants demonstrate different labour market behaviour.

Recent evidence shows that Mexican immigrant women in the US are more likely than men to successfully utilize networks in their job search, contrary to a common belief

that the use of the networks is beneficial only to immigrant men (Livingston, 2006). Rebhurn (2006) finds that with time spent in the host country the probability of immigrant women to be employed improves and becomes comparable with that of native women, while it appears significantly lower than that of immigrant and native-born men. This could be explained by a generally accepted fact that female immigrants' access to language and job specific training, as well as to job vacancies, is constrained by household responsibilities and limited access to transportation (e.g., Boyd, 1997; Preston and Man, 1999).

Migrants arriving to the host country are not only heterogeneous among themselves, but they are also very different from the native population. Thus, the closure of the labour supply and wage gap, which is theoretically possible between comparable natives and immigrants, is practically not achievable. In most countries, immigrants are falling behind the labour market achievements of natives. The overall poor performance of immigrants and gender differences in labour market behaviour are usually explained by differences in the country of origin, cohorts of arrival, years since migration, pre-migration experience, education, rates of social integration, familial, and various other demographic and cultural characteristics (e.g. Borjas, 1985; Schoeni, 1995; Chiswick and Miller, 1998; Blau and Kahn, 2005; Baker and Benjamin, 1997; Boyd, 1997). However, to the best of our knowledge, migration research has largely been myopic vis-à-vis the importance of the maintained contact with the culture and society of origin for the labour market performance of immigrants in the host country. In addition, empirical research has been hampered by the non-availability of information about immigrants' bonds – and the degree of those bonds – with the mores, culture, and practices of the society of origin.

To address the existing oversight on the relationship between the immigrants' social and ethnic adjustment and their labour market performance, this study adopts the following perspective. Migrants arriving to a new country make a decision not only about



adjustment to the host culture and society, but also about the level of attachment to the culture and society of origin that they want to maintain. Immigrants may equally commit to both societies, reveal a clear preference to one culture, or detach themselves from both cultures and societies. The attained balance between this cultural and ethnic pledge on both countries can change and evolve over time. Migrants, who upon arrival decide to fully adjust to the host society, may need several years to achieve full adaptation. Detachment from the culture and society of origin also takes time. However, at every point in time after arrival in the host country, every immigrant exhibits some combination of commitments to the host culture and society and to the society and culture of origin.

The concept of immigrants' changing combination of commitments to two rather than one culture has received attention in the social sciences. Sociologist Berry (1980), for instance, defines a process which incorporates the maintenance or loss of the culture of origin and the gaining of the culture and relationship with other groups as acculturation. In our approach, we call the attained balance in cultural and social commitments "ethnic identity". This notion of immigrants' ethnic identity as a balance of attachments to the home and host countries relates, but is different than the static concept of ethnicity, which merely denotes the ancestry, culture and society of origin. While an immigrant cannot change the culture and society of origin or ancestry, cultural and social attachments to the origin may alter after immigration. In our analysis, ethnicity is a point of departure, the subjective distance from which is measured by ethnic identity (Constant et al., 2006).

We further conjecture that an immigrant's commitments to the host and home cultures are not mutually exclusive. That is, a strong bonding with the culture of origin does not necessarily exclude a firm attachment to the host society. An immigrant, who decides to maintain a strong commitment to the origin, may or may not have a weak commitment to the host culture. Likewise, an immigrant who demonstrates a strong

appreciation of and dedication to the host society's culture may or may not exhibit a staunch commitment to the society of origin. This two-dimensional nature of our concept of ethnic identity predicts four types of cultural and social attachments: *assimilation*, a strong identification with the host culture, coupled with full withdrawal from the culture and society of origin; *integration*, an exhibition of strong dedication and commitment to both the host and origin societies; *separation*, an exclusive commitment to the origin, paired with weak involvement with the host culture and country realities; and, *marginalization*, a state of severance and detachment from both the dominant culture of the host country and culture of origin.

These four types of ethnic identity may lead to different labour market outcomes. We hypothesize that integrated immigrants have the greatest potential for being employed in the labour market of the host country, as they possess the broadest set of knowledge and skills. Their human capital is not limited to the language and skills of the host society, but also includes knowledge, understanding, and skills from the country of origin that gives them a comparative advantage. Using the best of both worlds puts these immigrants in a superior position. In the host labour market, therefore, these immigrants should have easy access not only to jobs that are available to the native population, but also to jobs that require ethnic specific human capital. Assimilated immigrants also have significant potential for employment in the host country, as they are similar to natives. However, this potential is not as large as that of integrated immigrants, because the human capital of assimilated individuals is restricted to skills and knowledge specific to the host society only. While assimilation grants access to jobs that are available to the native population (while it also creates competition through substitutable skills), it obstructs access to the ethnic specific job market.

In contrast, while separation hinders immigrants' entrance to the mainstream job market in the host country, it offers opportunities for employment in the ethnic specific

job market. Because, the ethnic specific job market in the host country is, as a rule, smaller than the general job market available to the native population, separated immigrants have fewer chances to work in a host country, than assimilated immigrants. Finally, marginalization impedes access to both the general and ethnic specific job market, since marginalized immigrants are detached from both societies, and may not have enough human capital to work in the host country. These outcomes are applicable not only to individual immigrants, but also to groups of immigrants.

The hypothesis of the two-dimensional nature of ethnic identity does not prevent us from taking a more general approach to ethnic identity. We assume that the uniqueness of each ethnic group is captured by the ethnicity (or nationality) of the individual. Ethnic identity could differ among immigrants of the same ethnicity, or be comparable among immigrants of different ethnic backgrounds. We consider the generality of ethnic identity to be one of the most important characteristics of this concept, as it allows comparing immigrants within an ethnic group, and drawing parallels among the representatives of different ethnicities. To define whether immigrants are assimilated, integrated, separated or marginalized in their ethnic identity, we employ five groups of quantifiable attributes: (i) language skills; (ii) visible cultural elements, such as music, media and food preferences; (iii) ethnic self-identification; (iv) ethnic networks; and (v) residency/citizenship plans. The combination of these attributes helps us understand the level of an immigrant's commitment to the home and host societies.

### **3. Dataset and variables used**

The data used in this study is drawn from the German Socio-Economic Panel, a nationally representative survey collected annually since 1984 (SOEP Group, 2003). The GSOEP focuses on immigrants of the guestworker generation, namely those who arrived from Turkey, Greece, Italy, Spain and the former Yugoslavia. They constitute the

majority of the immigrant population in Germany. The 2000, 2001 and 2002 waves of GSOEP contain the most relevant information on the respondents' ethnic identity. This is why we limit our sample to those respondents who participated in all three waves. The base year is 2001, but if information was not available in that year, we used data from 2000 or 2002. Our sample is restricted to males and females aged 18-65 (with the upper limit corresponding to the official retirement age in Germany), whose nationality is not German, who were not born in Germany, and who were not in school at the time of the survey. This leaves us with a sample of 1,236 immigrants, 50.1 percent of whom are females.

The dependent variable in the estimation is a dummy variable that denotes the respondent's labour market participation status during the base year. We separate those participants, who did not work at the time of the survey from those who worked. The working group consists of gainfully employed individuals, who constitute 60.1 percent of the sample. In our further analysis we refer to this group as the "working" group of immigrants. The non-working group consists of the unemployed and those who were out of the labour force during the survey year. We find that 25.8 percent of the sampled immigrant men as opposed to 20.1 percent of the surveyed native men and 53.9 percent of the sampled immigrant women as opposed to 37.6 percent of the surveyed native women did not work at the time of the survey.

The exogenous variables in the analysis are grouped into three major categories: pre-migration factors, post-migration factors, and measures of the respondents' ethnic identity. The pre-migration factors refer to the individual characteristics possessed by immigrants at the time of arrival in Germany that did not change after migration. These are: the age at entry, and dummies for the respondents' religion, their educational level in the home country, and country of origin. We assume that the country of origin dummies

account for all social, cultural and economic differences among immigrants attributed to their country of origin.

The post-migration factors contain characteristics related to the immigrants' experience after they migrated to Germany. Specifically, we select those characteristics which are standard in the migration literature, and are proven to have an effect on the labour market success of immigrants. They are dummies for educational attainment in Germany, living in a large city, marital status, presence of children under the age of 16 in the household, and continuous measures of years since migration.

The third set of explanatory variables consists of measures of the immigrants' ethnic identity. They are perceived as the attained balance between the immigrants' commitment to the culture and society of the country of origin and the culture and society of the host country. To construct these measures, we identify pairs of questions which transmit information on the five aspects of personal devotion to the German culture and society and to the culture and society of origin: (i) language; (ii) visible cultural elements; (iii) ethnic self-identification; (iv) ethnic networks; and (v) future citizenship plans (Constant et al., 2006). These questions allow us to learn how well respondents speak German and the language of origin, what are the origins of their preferred food, media and music, how strong is their identification with Germany and with the country of origin, what are the origins of their closest friends, and finally, what are their future citizenship and residency plans.

We then establish the achieved balance in cultural and social commitment of each respondent in each of the five aspects of ethnic identity. According to the specifications of the two-dimensional model of ethnic identity, for instance, we classify immigrants with a "very good" or "good" command of both the German and the language of origin as linguistically *integrated*. Immigrants with a good command of German and little or no command of the language of origin are considered linguistically *assimilated*; immigrants

with “very good” or “good” command of the language of origin and little or no command of German are labelled linguistically *separated*; and immigrants with a bad command of both languages are classified as linguistically *marginalized*. In a similar manner we classify immigrants with respect to their cultural preferences, ethnic self-identification, ethnic networking, and citizenship plans.

The above classification method demonstrates that despite the common belief in anthropology, sociology and psychology it is practically impossible to determine the overall balance of immigrants’ commitments. For example, linguistic and cultural integration does not guarantee full integration of self-identification or ethnic networking. Likewise, an immigrant may have excellent command of German and the language of origin, but may still strongly identify only with the home country and have friends only of the same origin. To judge the individuals’ general devotion to the culture and society of home and host countries across the five aspects of ethnic identity, we generate four scores for each possible combination of commitments: *integration* is the number of times that each respondent is identified as ‘integrated’ in the five aspects of ethnic identity, *assimilation* is the number of times that each respondent is identified as ‘assimilated’, *separation* is the number of times that a respondent is identified as ‘separated,’ and *marginalization* is the number of times an immigrant is identified as marginalized in the five aspects of ethnic identity.

These four measures are used to characterize the combination of socio-cultural commitments of each respondent in the sample. For example, immigrants have a clear preference in commitments when they score four in separation, one in integration, zero in assimilation, and zero in marginalization. Other immigrants may score two in integration, two in separation, one in assimilation, and zero in marginalization, demonstrating no preference in a particular style of balanced socio-cultural commitments. Each of the four measures can take a value between zero and five, and add up to five for each individual.

Table 1 contains the descriptive statistics (means and standard deviations) for all pre- and post-migration characteristics separately for males and females, and the respective probabilities to work for each dummy variable. Both males and females constitute about 50 percent of the sample. Overall, there are no large gender differences in the descriptive statistics. With regard to religion, we find that Muslims represent the largest group among immigrants, followed by Catholics and other Christians. About 30 percent of the males and about 25 percent of the females have no education from the home country. The country of origin statistics show that Turks are by far the largest group among immigrants, followed by ex-Yugoslavians, Italians, Greeks and Spaniards. About 16 percent of the males and about 21 percent of the females have obtained no educational degree in Germany. Lastly, about 36 percent of the immigrants live in large cities, more than 80 percent are married and more than 50 percent have young children in the household.

In contrast, the probabilities to work by each variable exhibited in Table 1 demonstrate significant differences between male and female immigrants in Germany. These numbers have to be compared to the results for the complete sample where 74.1 percent of the males and 46.1 percent of the females work. For all variables, females have, on average, lower probabilities to work than males. The starkest difference in work participation is found among people of Muslim religion, Turkish origin, and among those who have children under the age of 16 in the household. While 70 percent of the sampled Muslim men work, only 28 percent of their female counterparts have indicated current working activity. A very similar pattern in working rates is observed among immigrants of Turkish origin, and can be explained by the fact that most immigrants from Turkey are Muslims. Among immigrants with young children at home, 83 percent of the males and 37 percent of the females work.

As a tendency for immigrant men, higher levels of education in the home country correspond to higher rates of participation in the German labour market: 80 percent with college education, about 68 percent with vocational training, about 76 percent with completed schooling, and about 52 percent with incomplete schooling work. It is interesting, however, that male immigrants without any education from the home country have higher working rates than those who graduated from college. This may be explained by the fact that, on average, males who did not have any education in the home country were too young to complete some education before leaving for Germany. These men received all their education in Germany, which as shown later could be the reason why their working rates are higher than the working rates of men with other levels of education acquired prior to migration. The effects of college education in Germany are not as pronounced as the benefits of education attained by male immigrants prior to migration. Yet, it holds true that, compared to male immigrants with no education in Germany, those with some education have higher working rates.

For female immigrants, the working rates do not vary much across the different levels of education received at home. Those with vocational training at home have the highest working rate (57 percent). The pay off of college education prior to migration for female immigrants is not obvious. Women with college education obtained prior to migration exhibit similar working rates as those with complete schooling and those with no education received in the home country. In contrast, we find that college and higher education acquired in Germany correspond indeed to higher working rates among females.

Table 1 shows that the working rates of immigrants vary also according to the country of origin. Overall, men and women born in Greece, Italy, and Spain have higher working rates than those born in the former Yugoslavia or Turkey. Note also, that the



gender gap in working rates is lower among Greeks, Italians, and Spaniards, and higher among the former Yugoslavians and Turks.

Of central importance to our analysis is the effect of immigrants' ethnic identity on their labour market behaviour. As we observe from Table 2, the working group of males and females is more integrated and assimilated and less separated and marginalized than the non working counterparts. Men and women score higher in integration (strong commitment to both countries) and assimilation (stronger commitment to the host country) if they are working. On the other hand, non-working immigrants score higher in separation and marginalization than the working group. This finding indicates that those immigrants who work demonstrate a higher commitment towards the German society and culture than those who do not work. In the working subsample, there are no stark gender differences, and immigrants in the marginalization category have the lowest scores. In the subsample of the non-working individuals, women achieve substantially higher assimilation scores. While males are more separated from the German society than their female counterparts, there are no large gender differences in the marginalization scores.

#### **4. Estimation and simulation**

We now turn to the structural analysis of the data, investigating how differences in ethnic identities affect the probabilities to work among immigrants in Germany. We model the probability to work assuming a normal distribution by means of the probit technique. Estimation results for men and women are provided in Tables 3 and 4. Model I in Table 3 presents the effects of the pre-migration and post-migration determinants on the probability to work. Model II is the complete model; it reveals the stability of the combined effects of the pre- and post-migration characteristics, when the ethnic identity measures are added. Table 4 provides an overview of the contributions of the ethnic identity measures to explain work behaviour. In all models presented hereafter, the

reference group consists of non-religious Turkish males with no education received in the home country and with primary or secondary education received in Germany.

Table 3 clearly indicates substantial gender differences in the predictors of the immigrants' labour market participation. Age at entry has a very strong and significant non-linear effect on the probability that an immigrant woman works no matter what additional controls we add in each model. On average, with every year an immigrant woman arrives in Germany older, the likelihood that she works decreases considerably. For male immigrants, however, the importance of age at entry is not as significant as for female immigrants, and disappears all together once we control for post-migration characteristics and ethnic identity. It is the years since migration and not the age at entry that affects the probability to work for male immigrants. In both models I and II, the squared term of years since migration exhibits a statistically significant negative effect on the probability to work for men, indicating a strong nonlinear relationship between these variables. The probability that an immigrant woman works, however, is not affected by the length of time she has spent in Germany.

The effect of education and vocational training on the likelihood to work in Germany also differs between male and female immigrants. While pre-migration vocational training determines the probability to work for women, it is post-migration schooling that affects the probability to work for men. We find that those women who received vocational training in their home country are more likely to work in Germany, but other education received at home does not matter. For men, there is no statistically significant effect of schooling and vocational training in the home country on the probability to work after we control for the individual characteristics of the respondents. However, we discover that those male immigrants who did not receive any education in Germany at all are less likely to work than those males who received at least some education in Germany.

Among the rest of the pre-migration characteristics, only religion has a strong influence on the male probability to work. Male Christian immigrants are more likely to work than their non-religious counterparts. The probability that Muslims and men of other denominations are working is not statistically different from the probability to work for non-religious males. However, once we control for the male immigrants' ethnic identity (Model II) we find that males of any religion are more likely to work than their non-religious counterparts. Contrary to these findings for males, the working behaviour of the female immigrants in our sample does not vary with their religious denomination. This contradicts some previous research that demonstrated significant differences in the labour market behaviour of women of different religions (e.g. Heaton et al., 1997; Lehrer, 1995). Moreover, in our findings, the likelihood of working for either male or female immigrants does not significantly vary with the country of origin. This contradicts other research showing evidence of differences in immigrants' working behaviour by origin (e.g. Holdsworth and Dale, 1997; Rajjman and Semyonov, 1997).

Another post-migration characteristic that affects only the male probability to work is living in a large city. We find that immigrant males living in a city with over 300 thousand inhabitants are less likely to work than those men who settle in smaller German cities. We also find differences in the impact of family status on the male and female probabilities to work. From Models I and II in Table 3 we see that married immigrant men are more likely to work than their non-married counterparts. The opposite is true for female immigrants in Germany. Those females who are married are less likely to work than those who are not married. Moreover, we discover that an even stronger effect on the female probability to work comes from the presence of children under 16 in the household. Women with at least one child under the age of 16 are less likely to work than women without young children. A similar relationship between the presence of children and the male immigrant probability to work is not observed.

These findings indicate a curious pattern in the male and female working behaviour. The probability that an immigrant woman works in Germany is determined already before she enters the country. If a female received vocational training in her home country, and if she is young when she enters Germany, there is a greater chance that she will work in Germany. Furthermore, upon immigration the probability that a female immigrant works depends on her family status (married and young kids). This observation corresponds to a well documented phenomenon of low native female work participation rates in Germany. On the contrary, for male immigrants the probability to work is largely determined by their experience in Germany. More precisely, the probability that a male immigrant has a job in Germany is positively affected by the number of years after migration, at least some German education, marital status, presence of young children in the household, and living in a small city. Among pre-migration characteristics, only religion plays a role on their probability to work.

Table 4 separates the analysis of the effect of ethnic identity on the immigrants' probability to work from the effect of all other individual characteristics, discussed previously. Model A explains the probability to work on the basis of the ethnic identity measures alone. Model B adds the pre-migration characteristics to Model A. Model II adds the post-migration characteristics to Model B, and is identical to Model II in Table 3.

The estimation results in Table 4 clearly support the conjecture that the probability to work for male and female immigrants is strongly determined by their ethnic identity above and beyond other characteristics. For male immigrants, in all three models, we find that relative to assimilation (the reference category) separation and marginalization have a strong, statistically significant negative effect on the probability to work. The higher immigrant men score in separation and marginalization the less likely they are to have a job. We also observe that for male immigrants there is no difference

between integration and assimilation in the probability to work. Regardless of whether male immigrants strongly commit themselves to the host country's culture and society, or they indicate a strong commitment to both the home and host societies, they do equally well and are more likely to work than males with strong indication of no commitment at all or males with strong commitment only to their home countries.

The probability to work for female immigrants decomposed by the respondents' ethnic identity is quite different. Only in Model A we can see that, relative to assimilation, separation and marginalization negatively affect the probability to work for women. This relationship disappears once we control for other individual characteristics of female immigrants (Models B and II). What remains strong, however, with more controls added is the positive effect of integration on the female work participation. Our findings indicate that for female immigrants it is integration, or strong commitment to both the country of origin and the host country, that predicts women's success in Germany's labour market. Our analysis shows that, unlike the common belief, full assimilation with the host country is not associated with better labour market outcomes for female immigrants. Integration appears to be a much better strategy.

To obtain a better understanding of how strongly the measures of ethnic identity affect the male and female immigrants' chances for employment, we proceed with some extra analysis. Table 5 provides a simulation of the changes in the probability to work if all individuals were fully associated with one of the four categories of ethnic identity: integration, assimilation, separation or marginalization. Recall that the probability to work for male immigrants in the sample is 74 percent, and that of female immigrants is 46 percent (Table 1). If all female immigrants were integrated, their probability to work would increase to 77 percent, and hence become slightly higher than the probability to work for the males in the sample. On the other hand, if all male immigrants were fully marginalized, their working rate would fall to 43 percent, and thus become slightly lower

than the actual probability to work of the sampled female immigrants. If all men were fully assimilated, this would result in a probability to work of 90 percent. We conclude that the practical implications of the different degrees of ethnic identity on the working behaviour of immigrants are quite substantial.

## **5. Summary and conclusions**

This study introduces the two-dimensional understanding of ethnic identity into the economic research on labour market outcomes of immigrants. The concept of ethnic identity as a balance of commitments to the host and home culture and society allows differentiating between four types of immigrants' identity: *assimilation*, a strong identification with the host culture, with full detachment from the culture and society of origin; *integration*, an exhibition of strong dedication to the origin and strong commitment to the host society; *separation*, an exclusive commitment to the origin, paired with weak involvement in the host culture and country realities; and, *marginalization*, detachment from both the dominant culture and the culture of the origin. Using individual data from the German Socio-economic panel (GSOEP), we find that the ethnic identity of immigrants does affect their probability to work, and that these effects differ strongly with gender.

In short, our key findings demonstrate that for immigrant men preservation of the attachment to the origin does not affect their probability to work as long as they strongly attach to the host culture and society. For immigrant women, however, maintaining their commitment to the country of origin along with a strong adjustment to the host society has a very strong and positive effect on their labour market behaviour. Further, men and women immigrants, who are not able to invest and entrust themselves to the culture of the host society, generally fare worse than immigrants, who can appreciate and adapt to the host society.

At a more detailed level, we have found that male immigrants' success in the German labour market is determined stronger by post- rather than pre-migration characteristics. Moreover, we discover that for male immigrants, assimilation and integration into the German society do not differ in their positive effect on working rates. In other words, what really matters for the labour market success of male immigrants in Germany is their adjustment to the German culture and society. Conversely, female immigrants' success in the labour market is determined by pre-migration characteristics and family characteristics. Furthermore, for women, integration has a significantly stronger effect on their probability to work. This indicates that unlike the case for male immigrants, the labour market success of female immigrants is determined by their strong commitment to both home and host cultures, rather than by just their commitment to the host country.

Despite of these differences, there are a few general similarities in how cultural attachments affect the probability to work for male and female immigrants in Germany. Our analysis has demonstrated that separation and marginalization do not have a positive effect on the probability to work for either male or female immigrants. For male immigrants particularly, marginalization has a strong negative effect on their likelihood to work, when compared to assimilation. We have also found that marginalization is the least likely balance of cultural commitments among male and female immigrants.

While this study has indicated clear gender differences in the effect of cultural commitment on the labour market behaviour of immigrants in Germany, the relationship between the ethnic identity of immigrants and their labour market performance deserves more attention. For example, a different sample including those who were born in Germany would provide a basis for comparison across generations. Moreover, a further examination of the impacts of ethnic identity on other indicators of labour market performance of immigrants, such as wages or earnings, would increase the awareness

about the relevance of the two-dimensional concept of ethnic identity for the labour market performance of immigrants.



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Table 1. Descriptive statistics and probabilities to work.

Characteristics	Descriptive statistics		Probabilities to work	
	Males	Females	Males	Females
<i>Religion</i>				
Muslim	0.360 (0.481)	0.340 (0.474)	0.703 (0.458)	0.280 (0.500)
Catholic	0.289 (0.454)	0.321 (0.467)	0.775 (0.419)	0.588 (0.493)
Other Christian	0.255 (0.436)	0.274 (0.446)	0.790 (0.409)	0.547 (0.499)
Other religion	0.041 (0.197)	0.032 (0.177)	0.720 (0.458)	0.400 (0.503)
No religion	0.055 (0.229)	0.032 (0.177)	0.618 (0.493)	0.450 (0.510)
<i>Education in the home country</i>				
College	0.058 (0.234)	0.050 (0.219)	0.800 (0.406)	0.467 (0.507)
Vocational training	0.284 (0.451)	0.263 (0.441)	0.684 (0.466)	0.573 (0.496)
Complete schooling	0.246 (0.431)	0.252 (0.434)	0.757 (0.497)	0.433 (0.497)
Incomplete schooling	0.110 (0.313)	0.183 (0.387)	0.515 (0.504)	0.376 (0.486)
No education	0.302 (0.460)	0.252 (0.434)	0.852 (0.356)	0.460 (0.500)
<i>Nationality</i>				
Turkish	0.372 (0.484)	0.35 (0.477)	0.699 (0.460)	0.286 (0.453)
Ex-Yugoslavian	0.179 (0.383)	0.192 (0.394)	0.700 (0.460)	0.529 (0.501)
Greek	0.080 (0.271)	0.079 (0.270)	0.816 (0.391)	0.551 (0.502)
Italian	0.166 (0.372)	0.126 (0.332)	0.784 (0.413)	0.577 (0.497)
Spanish	0.044 (0.205)	0.032 (0.177)	0.815 (0.396)	0.650 (0.489)
Other	0.160 (0.366)	0.200 (0.400)	0.776 (0.419)	0.516 (0.502)
<i>Education in Germany</i>				
College	0.092 (0.289)	0.074 (0.262)	0.782 (0.417)	0.500 (0.506)
Higher education	0.483 (0.500)	0.507 (0.500)	0.744 (0.437)	0.502 (0.501)
Primary/lower secondary	0.268 (0.443)	0.209 (0.407)	0.856 (0.352)	0.452 (0.500)
None	0.157 (0.364)	0.209 (0.407)	0.511 (0.503)	0.387 (0.489)
<i>Other demographics</i>				
Live in a large city	0.362 (0.481)	0.363 (0.481)	0.695 (0.461)	0.436 (0.497)
Married	0.843 (0.365)	0.858 (0.349)	0.746 (0.436)	0.425 (0.495)
Children under 16 in the household	0.529 (0.500)	0.523 (0.500)	0.830 (0.376)	0.371 (0.484)
Total sample	0.499 (0.500)	0.501 (0.500)	0.741 (0.438)	0.461 (0.499)

Note: Numbers in parentheses are standard deviations

Table 2. Measures of ethnic identity by gender and work status.

	Males			Females		
	Total	Working	Not working	Total	Working	Not working
Assimilation	1.088 (1.043)	1.209 (1.091)	0.735 (0.789)	1.037 (1.045)	1.193 (1.044)	0.944 (1.031)
Integration	1.245 (0.993)	1.352 (0.983)	0.934 (0.957)	1.162 (1.007)	1.424 (1.029)	0.907 (0.936)
Separation	1.885 (1.364)	1.695 (1.301)	2.437 (1.398)	1.944 (1.414)	1.613 (1.324)	2.220 (1.429)
Marginalization	0.782 (0.834)	0.743 (0.793)	0.894 (0.939)	0.856 (0.886)	0.770 (0.805)	0.929 (0.943)

*Note:* The entry in each cell indicates the average score in a respective measure of ethnic identity achieved by a specified group. The value of each of the four measures of ethnic identity varies between 0 and 5. The sum of assimilation, integration, separation and marginalization per observation equals to 5.

Table 3. Pre- and post-migration characteristics and probability to work.

	Males		Females	
	I	II	I	II
Constant	0.910* (1.76)	1.541** (2.56)	1.31** (2.35)	0.832 (1.30)
<i>Pre-migration characteristics</i>				
Age at entry	-0.035 (-1.46)	-0.010 (-0.42)	-0.071*** (-3.21)	-0.062*** (-2.68)
Age at entry squared	-0.0002 (-0.49)	-0.001 (-1.21)	0.001** (2.33)	0.001** (2.02)
Muslim	0.402 (1.45)	0.515* (1.79)	-0.251 (-0.74)	0.043 (0.11)
Catholic	0.746** (2.54)	0.772** (2.49)	0.256 (0.75)	0.407 (1.07)
Other Christian	0.694** (2.37)	0.754** (2.48)	0.098 (0.29)	0.271 (0.72)
Other religions	0.711 (1.72)	0.801* (1.90)	0.049 (0.11)	0.194 (0.40)
College in home country	0.389 (0.94)	0.303 (0.71)	0.150 (0.38)	0.201 (0.48)
Vocational training in home country	-0.129 (-0.53)	-0.164 (-0.65)	0.559** (2.35)	0.537** (2.13)
Complete school in home country	0.035 (0.14)	0.081 (0.29)	0.196 (0.81)	0.322 (1.22)
Incomplete school in home country	-0.063 (-0.20)	-0.053 (-0.16)	0.240 (0.71)	0.366 (1.06)
Ex-Yugoslavian	0.075 (0.40)	0.093 (0.48)	0.122 (0.73)	0.181 (1.03)
Greek	0.495 (1.58)	0.537* (1.66)	0.250 (0.97)	0.428 (1.58)
Italian	0.251 (0.98)	0.247 (0.92)	0.092 (0.40)	0.220 (0.92)
Spanish	0.518 (1.38)	0.509 (1.32)	0.238 (0.67)	0.376 (1.01)
Other ethnicities	0.295 (1.34)	0.132 (0.57)	0.034 (0.19)	-0.001 (-0.01)
<i>Post-migration characteristics</i>				
No degree in Germany	-0.802*** (-2.84)	-0.684** (-2.30)	-0.047 (-0.14)	-0.011 (-0.03)
Higher degree in Germany	-0.159 (-0.71)	-0.238 (-1.01)	-0.001 (0.00)	-0.025 (-0.11)
University degree in Germany	-0.197 (-0.59)	-0.227 (-0.64)	0.046 (0.13)	-0.087 (-0.23)
Live in a large city	-0.303*** (-2.25)	-0.310** (-2.23)	-0.106 (-0.89)	-0.101 (-0.82)
Years since migration	0.055* (1.78)	0.038 (1.19)	0.024 (0.94)	0.029 (1.06)
Years since migration squared	-0.002*** (-3.03)	-0.002** (-2.47)	-0.001 (-1.47)	-0.001 (-1.59)
Married	0.412** (2.21)	0.415** (2.11)	-0.452*** (-2.59)	-0.450** (-2.42)
Children under 16 in the household	0.176 (1.09)	0.143 (0.86)	-0.618*** (-4.17)	-0.586*** (-3.81)
Measures of ethnic identity		yes		yes
Number of observations	560	541	559	536
Pseudo-R <sup>2</sup>	0.209	0.228	0.105	0.130

*Note:* Probit models. Dependent variable: working equals 1 if a respondent works full-time, part-time, or is self-employed, and 0 otherwise. Reference group: non-religious Turkish male with no education in home country, and primary or secondary education in Germany.

\* significant at 10% \*\* significant at 5% \*\*\* significant at 1% (two-tail test; t-values in parentheses)

Table 4. Ethnic identity and probability to work.

	Males			Females		
	A	B	II	A	B	II
Integration	-0.033 (0.40)	-0.036 (-0.39)	-0.068 (-0.69)	0.142* (1.93)	0.164** (2.02)	0.166** (1.98)
Separation	-0.322*** (-5.15)	-0.214*** (-2.84)	-0.216*** (-2.70)	-0.164*** (-3.18)	-0.090 (-1.43)	-0.073 (-1.13)
Marginalization	-0.315*** (-3.67)	-0.289*** (-3.04)	-0.321*** (-3.19)	-0.144* (-1.95)	-0.082 (-0.98)	-0.063 (-0.73)
Pre-migration characteristics		yes	yes		yes	yes
Post-migration characteristics			yes			yes
Number of observations	591	547	541	591	542	536
Pseudo-R <sup>2</sup>	0.075	0.142	0.228	0.054	0.097	0.130

*Note:* Probit models. Dependent variable: working equals 1 if a respondent works full-time, part-time, or is self-employed, and 0 otherwise. Reference group: non-religious Turkish male with no education in home country, and primary or secondary education in Germany. The reference category is assimilation. The value of each of the four measures of ethnic identity varies between 0 and 5. The sum of assimilation, integration, separation and marginalization per observation equals to 5.

\* significant at 10% \*\* significant at 5% \*\*\* significant at 1% (two-tail test; t-values in parentheses)

Table 5. Simulated probability to work at maximum ethnic identity.

	Males	Females
Integration	0.106	0.306
Assimilation	0.161	-0.002
Separation	-0.107	-0.141
Marginalization	-0.311	-0.123

*Note:* The entry in each cell should be understood as a change in the probability to work if the corresponding measure of ethnic identity were at maximum (=5) and the remaining three measures were at minimum (=0) for all males and females respectively.