

ECONOMIC OUTCOMES AND IMMIGRANTS' SELF-IDENTIFICATION¹

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1. Introduction and motivation

The empirical evidence on the sizeable differences between natives and immigrants with respect to occupational status and wages, as well as to other economic outcomes, is substantive in all the advanced western economies. Nonetheless, comparative analyses and studies aimed at analysing the reasons for the weaker occupational performances of immigrants are still limited and non-conclusive (for a recent review, see, among others: Edo *et al.*, 2020).

In recent years, in this field the specific issue of ethnic identity is attracting a growing number of researchers coming from different disciplines. As a matter of fact, sociological and psychological literature found that both migrants' attachment to their cultural background and their identification with the host countries may exert fruitful effects in terms of self-esteem, well-being, self-perceived discrimination, delinquency, and ability to adapt to the host country (see recent contribution by Balidemaj and Small, 2018).

The recent empirical literature on ethnic identity has mainly focused on the economic outcomes. However, such economic analyses yielded heterogeneous and, sometimes, contrasting findings, leaving several questions unanswered at a national and cross-national level (Nekby and Rödén, 2007; Constant and Zimmermann, 2009).

With specific reference to the Italian context, our contribution aims at filling this gap by providing some empirical evidence on the role played by ethnic identity on the probability of working of migrants residing in the country. The ethnic identity is here measured in a two-dimensional theoretical framework: according to this approach individuals can simultaneously present a strong (or weak) identification with both the culture of origin and the host culture.

Our empirical analysis employs microdata stemming from the "Social Condition and Integration of Foreign Citizens" (SCIF) survey, carried out by the National Institute of Statistics (ISTAT) in 2011-2012 as released in 2016, which

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still remain the most up-to-date on the subject. The paper is organized as follows: section 2 recalls the concept of ethnic identity and presents a synthetic reconstruction of the main results that emerged in the literature with reference to its role in determining economic outcomes; section 3 introduces the data used and the asymmetric multivariate analysis methodologies used in the empirical evaluations; section 4 analytically discusses the main results that emerged from the proposed applications; section 5 summarizes the results of the analyses to indicate how the identification with both the culture of origin and the host culture may be fruitful in terms of labour market outcomes.

2. The concept of ethnic identity and its role in determining economic outcomes

The topic of the socio-economic integration of immigrants has always played a central role in the political debate. In Italy, the prominent growth in the number of immigrants that has characterized the last twenty years has prompted many researchers to investigate the issue of optimal management of the immigrant occupation (Strozza and De Sanctis, 2017). In recent times, international literature pointed out on the association between the psychological and emotional aspects of immigrants and their economic outcomes has played an increasingly central role. One of the aspects of growing interest has been that of ethnic identity. Specifically, these studies highlighted that ethnic identity play a crucial role in determining the probability to being employed, the quality of employment, the home ownership and the income level (Mason, 2004; Pendakur and Pendakur, 2005; Constant *et al.*, 2006; Nekby and Rödin, 2007; Constant and Zimmermann, 2009; Drydakis, 2013; Carillo *et al.*, 2021). However, although most of the studies indicate a positive effect of ethnic identity on economic outcomes, there is also some literature highlighting a marginal and insignificant (Islam and Raschky, 2015), if not negative (Casey and Dustmann, 2010), role.

These results may depend on the differences between the countries in which the analysis is carried out and on the way in which ethnic identity is measured (Berry, 2003).

In this contribution, we follow the approach provided by Phinney and Ong (2007) who consider the ethnic identity as a component of social identity. Therefore, ethnic identity is something that may change over time, and it may also depend on the way a person perceives him/herself. In addition, we will follow Tajfel's definition (1981) that considered ethnic identity like an individual's self-concept, which is associated with the knowledge of his/her membership of a social group "together with the value and emotional significance attached to that

membership” (p. 255). In other words, while the concept of ethnicity is static and immutable being linked to the place of birth or to the phenotype, ethnic identity is something that each individual attributes to him/herself based on his or her beliefs, convictions, and choices (Phinney and Ong 2007).

3. The empirical analysis: data and methods

In order to investigate how differences in ethnic identities may exert some impact on immigrants’ probability of being employed in Italy, we propose a Probit analysis (Agresti, 2010), carried out on the whole sample and also separately on males and females, based on data from the survey on “Social Condition and Integration of Foreign citizens” (SCIF). The survey was conducted by the Italian National Statistical Institute (ISTAT) in 2011-2012 (data were released in 2016) in framework of the system of multipurpose household surveys. The survey collects data on households with at least one foreign citizen (or of foreign origin) and provides original information on immigrants living in Italy. Usual respondents’ characteristic as family/household composition, marriage, fertility, education, employment history, working conditions, religious affiliation, etc. are considered.

Our target sample refers to people aged 15-64. We excluded individuals born in Italy and naturalized immigrants because the survey does not provide information on the ethnic identity of those who have Italian citizenship. We excluded also people in education or training and those from more economically developed country (MDCs). Our final sample amounts to 12,733 unweighted observations. We considered the weighted data in order to reproduce the main characteristics of the universe. Using a vector of weights resized to the total sample size, we observe that males are 45.3%; over 58% of the target sample is occupied with evident differences by gender (employed men are 83.1%, whereas employed female are 57.5%), and migratory generation (first generation immigrants are 89.2% of the sample and, among that, 70.4% are employed). The difference in the employment rate by migratory generation could however depend on the different age structure of the two groups considered.

To identify variables representing the ethnic identity issues, we focus on the self-assessed two-dimensional measure of identity in line with Phinney and Ong (2007) distinguishing between the ethnic identity associated to the origin country and the one linked to the destination country (Italy, in our case). Following Akerlof and Kranton (2000), the origin identity is operationalized using the following question from the SCIF survey: “How proud you are to be a foreigner?”. Similarly, the Italian identity is measured by the question: “How much do you feel at home in Italy?”. The original answers are expressed on a 4-point Likert scale ranging from

“not at all” (1) to “a lot” (4). These ratings are transformed in two variables (origin identity and Italian identity), each of them based on three categories: “weak identity” associated to original ratings 1 or 2, “intermediate identity” of those who answered 3, and finally we considered “strong identity” of those who manifested the strongest identification (rating 4).

Along as those indicators, many other determinants are recognized in literature as impacting the employment probability. Considering the available information, we selected several individual and household characteristics as possible explanatory factors. Usual individual and household covariates included in the model are (in brackets the weighed percentages): gender; age (continuous, we included the square term); years since migration (continuous, we included the square term); marital status (in three categories: single are 28.8%, married 51.7% and other conditions 19.5%); number of children (in four categories: 34.7% have no child, one child 23.8%, two children 26.5%, three or more children 14.9%); educational level (in three categories: 10.0% has no education or primary educational level, 51.2% low or middle secondary education and 38.7% have a complete secondary or tertiary education); self-perceived knowledge of Italian language (dichotomous: poor 30.5%); religion (in five categories: catholic are 22.4%, muslim 20.6%, other religion 8.4%, non religious/non-practicing 19.5%). Migratory generation is described by a dummy variable that divides first generation of immigrants from children of immigrants immigrated before age 18 (1.5 Generation). We used citizenship at birth, instead of the current one, in order to identify ethnic minorities even if respondents are naturalized, aggregated by main geographical macro-areas: Est Europa EU 30.2%, Est Europa non- EU 26%, North Africa 13%, other Africa 5.9%, Asia 16.9%, Latin America 8.1% (we recall that MDCs are excluded from our sample).

4. Results: the role of ethnic identity on the probability to be employed

The selected Probit model (Agresti, 2010) is estimated for male and female subsamples and for the sample as a whole considering the same set of explanatory variables. The estimated coefficients and associated p-values are reported in Table 1.

As far as the sample as a whole is concerned, almost all of the selected variables turn out to be statistically significant. The exceptions are the following categories referring to the geographical area of citizenship at birth: non-EU Eastern Europe, Asia and Latin America, which were not statistically significant at least at 5% as compared to the reference category (Eastern Europe EU). Similarly, the knowledge of Italian is not statistically significant, and practising other Christian confessions

or being not religious are not statistically significant with respect to the reference category (Catholic religion).

For the *origin country identity indicator*, the statistical significance in the model is clear: the coefficients associated with the “intermediate” and “strong” categories are significant and positive as compared to the reference category (“weak”). The same can be observed for the *Italian identity indicator*. These coefficients present a very similar magnitude, leading to argue that when the strength of the origin identity increases and, at the same time, the sense of integration measured by Italian Identity is higher, the probability of being employed also improves. The reasons for this result can be found in the effectiveness of the support provided by the community of origin in the search for work, and also in the fruitful circumstances linked to greater integration in the country of destination. The effect given to the community of origin itself may also explain the low relevance of language knowledge. The age of the respondents and the number of years since their arrival display a significant parabolic effect, and the positive impact of education is also highlighted.

As expected, gender seems to evidently influence the employment probability: being female clearly reduces the probability of being employed. The same decreasing impact can be seen for being married, compared to the reference category (being single), having children (regardless of their number), and belonging to the generation 1.5. All other things being equal, the lower probability to be employed by 1.5 generation could depend on their lower need to accept any job, even those placed at the bottom of the professional qualifications scale, which instead characterizes the first generation. Regarding the declared religion, being Muslim and belonging to other non-Christian confession yield a negative coefficient.

Comparable results are observed in the models estimated for two sub-samples of males and females. Among men, marital status, however, is not statistically significant in any category, as well as the fact of having two children. The same can be observed for education, which is never significant, and being 1.5 Generation.

The variable referred to the knowledge of the Italian language, which was not significant on the whole sample, turns to be significant for males; on the contrary, for women it is significant but in the opposite direction, negatively. Such last occurrence may be supported by the relevance of Italian language use in personal service occupations, where immigrant women are often employed. Finally, the only category for the reported religion that is otherwise significant with respect to the entire sample is that of “other religions”, neither Christian nor Muslim, thus probably relating to respondents coming from Asia.

Table 1 – The probability to be employed of immigrants aged 15-64 by gender. Italy, 2011-2012. Probit model coefficients estimates and p-values

	All		Male		Female	
	Coef.	Pvalue	Coef.	Pvalue	Coef.	Pvalue
<i>Origin country identity</i>						
- Intermediate	0.130	0.013	0.220	0.008	0.085	0.214
- Strong	0.131	0.009	0.221	0.005	0.085	0.200
<i>Italian Identity</i>						
- Intermediate	0.119	0.002	0.215	0.000	0.048	0.353
- Strong	0.136	0.000	0.212	0.001	0.070	0.178
<i>Gender (ref: Male)</i>						
Female	-0.854	0.000				
Age	0.172	0.000	0.198	0.000	0.151	0.000
Age ²	-0.002	0.000	-0.003	0.000	-0.002	0.000
<i>Marital status (ref: single)</i>						
- Married	-0.430	0.000	0.031	0.671	-0.670	0.000
- Other	0.379	0.000	0.089	0.291	0.442	0.000
<i>No. of Children (ref: none)</i>						
- One	-0.317	0.000	-0.186	0.014	-0.497	0.000
- Two	-0.382	0.000	-0.083	0.302	-0.596	0.000
- Three and plus	-0.559	0.000	-0.269	0.002	-0.753	0.000
<i>Area of Citizenship at Birth (ref: Eastern Europe EU)</i>						
- East. Europe non-EU	-0.063	0.109	-0.207	0.003	-0.010	0.845
- North Africa	-0.233	0.000	-0.341	0.000	-0.272	0.004
- Other African countries	-0.199	0.002	-0.391	0.000	0.038	0.679
- Asia	0.095	0.060	-0.125	0.126	0.265	0.000
- Latin America	-0.107	0.062	-0.378	0.000	-0.003	0.971
<i>Migrant generation (ref: first Generation)</i>						
1.5 Generation	-0.162	0.005	-0.165	0.052	-0.172	0.039
<i>Education (ref: none)</i>						
- Compulsory education or lower	0.114	0.018	-0.111	0.119	0.304	0.000
- High school/graduated	0.107	0.035	-0.087	0.260	0.260	0.000
<i>Italian language knowledge (ref: no language difficulties)</i>						
Some difficulties	-0.024	0.461	0.120	0.020	-0.115	0.006
Years since arrival	0.092	0.000	0.058	0.000	0.103	0.000
Years since arrival ²	-0.002	0.000	-0.001	0.002	-0.003	0.000
<i>Religion (ref: Catholic)</i>						
- Other Christians	0.067	0.114	-0.114	0.153	0.094	0.070
- Muslim	-0.397	0.000	-0.118	0.142	-0.599	0.000
- Other religions	-0.270	0.000	-0.203	0.026	-0.305	0.000
- Non-religious/non-practicing	-0.080	0.074	0.022	0.766	-0.082	0.157
Constant	-2.676	0.000	-2.992	0.000	-2.977	0.000

Boldface: Statistically significant at least at 5%

Source: SCIF.

As far as women are concerned, the greatest difference in response behaviour compared to the estimates in the whole sample is given by the two identity

indicators: in fact, neither of them is statistically significant. Such result is first and foremost determined by the lower employment rate of women, in general, and by the fact that women, as mentioned earlier, are mostly occupied in home-based occupations and in the personal care sector, where the greatest facilitator of employment is the availability of time and knowledge of the language. Such circumstance may also affect the significance of the number of children, which negatively influence the probability of being employed, as expected. Moreover, it may be observed the statistically significant (negative) coefficient for women with respect to difficulties experienced with Italian language.

In order to better investigate the effects of the two identity indicators, Tables 2 and 3 present, separately by gender, the estimated probabilities to be employed, and the associated 95% confidence intervals, for each area of citizenship at birth, considering the most “frequent” respondent profile. In particular, such probabilities are evaluated considering four possible combinations of the identity indicator levels (weak-weak, weak-strong, strong-weak, strong-strong), when all the remaining variables are set at their modal value for each geographical area (see the respondents’ characteristics as specified in the notes to Tables 2 and 3).

Referring to male respondents, for every area of citizenship at birth, the modal profile is characterized by having no children, compulsory or lower education, some difficulties experienced with Italian language; all the individuals here considered are married but Latin Americans (single). The male profile by area of citizenship at birth is also defined with respect to age, years since arrival and reported religion. Whereas, with respect to female respondents, for all areas of citizenship at birth, the modal profile is described by holding compulsory or lower education, experiencing some difficulties with Italian language, and being married. Distinguishing by area of citizenship at birth, the female profile is defined with respect to the following variables: number of children, age, years since arrival and declared religion.

Tables 2 and 3 corroborate the evidence of the gender gap in employment probability. Moreover, results seem to display a greater similarity in the estimated probability values for males, while those estimated for females are much more differentiated. For both males and females, it can be observed that by moving from the weak-weak to the strong-strong combination of identity indicators, the probability of being employed increases and the confidence intervals tend to be less wide. For male respondents, and for each combination of such indicators, no marked variation seems to occur in the estimated probabilities, which tend to be not statistically different by area of origin.

On the other hand, for females, the area of origin seems to exert some effect on the estimated probability of being employed. In case of North African interviewees, the low values of the probabilities may be explained by the combined

impact of the declared religion and the prevailing young age (in this case, confidence intervals tend also to be larger). Table 3 highlights in a clearer way the predominant effect of the area of origin on the probability of being employed, rather than that of the identity indicators.

Table 2 – Estimated probability to be employed by Area of citizenship at birth and level of identity indicators and 95% confidence interval (CI) – Males, modal profiles

Origin identity → Italian identity →	Males							
	Weak		Weak Strong		Strong Weak		Strong Strong	
<i>Eastern Europe EU</i>	0.813		0.865		0.8766		0.907	
95% IC	0.744	0.869	0.810	0.908	0.820	0.904	0.872	0.934
<i>Est Europe non-EU</i>	0.831		0.879		0.881		0.918	
95% IC	0.764	0.885	0.825	0.920	0.835	0.917	0.883	0.944
<i>North Africa</i>	0.811		0.863		0.865		0.906	
95% IC	0.738	0.870	0.804	0.909	0.818	0.903	0.870	0.934
<i>Other African countries</i>	0.784		0.841		0.843		0.889	
95% IC	0.692	0.858	0.762	0.900	0.777	0.895	0.834	0.929
<i>Asia</i>	0.797		0.852		0.854		0.897	
95% IC	0.716	0.863	0.797	0.904	0.797	0.898	0.852	0.931
<i>Latin America</i>	0.805		0.858		0.860		0.902	
95% IC	0.727	0.868	0.795	0.907	0.806	0.903	0.861	0.934

Respondents' profile characteristics. Eastern Europe EU: age=33 years; years since arrival=4; religion=other Christian. Eastern Europe non-EU: age=30 years; years since arrival=10; non-religious. North Africa: age=41 years; years since arrival=10; religion=Muslim. Other African areas: age= 42 years; years since arrival=9; religion=Muslim. Asia: age=39; years since arrival=5; religion=other. Latin America: age=33; years since arrival=11; religion=Catholic.

Source: SCIF.

Furthermore, in Figure 1 the estimated probabilities of being employed are depicted for a male respondent (the reference category), distinguishing by area of origin and years since arrival, for two different combinations of the identity indicators: “weak-weak” (left panel) and “strong-strong” (right panels). The age of the respondents is fixed at the general mean (33 years), the religion at the modal value by area, and all the remaining variables are set to their reference values. As expected, the estimated probability of being employed evidently improves with the “strong-strong” combination for all the areas of origin and as a function of the years from arrival (in the “strong-strong” combination, the effect of the years since arrival is limited). Compared to the areas of origin, in both panels of figure 1 it can be clearly observed how the probability is higher for those coming from Europe (both EU and non-EU) and it is lower for those coming from other (non-North) African countries.

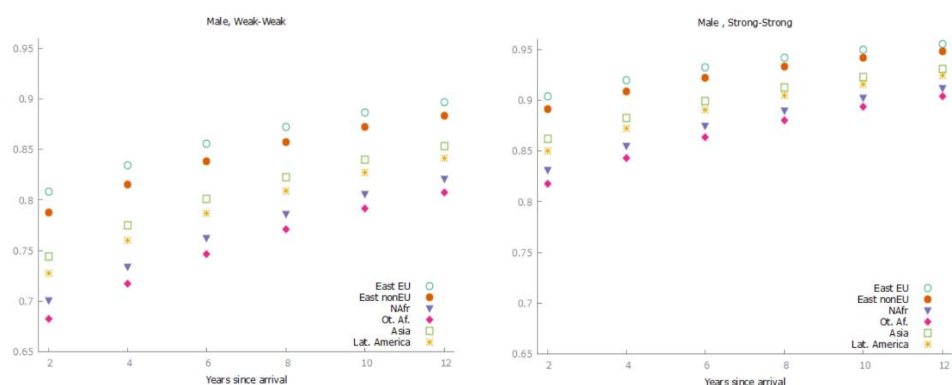
Table 3 – Estimated probability to be employed by Area of citizenship at birth and level of identity indicators and 95% confidence interval (CI) – Females, modal profiles

Origin identity → Italian identity →	Females							
	Weak		Weak		Strong		Strong	
	Weak	Strong	Weak	Strong	Weak	Strong	Weak	Strong
Eastern Europe EU	0.592		0.619		0.624		0.651	
95% IC	0.518	0.662	0.551	0.683	0.567	0.680	0.599	0.700
Est Europe non-EU	0.385		0.412		0.418		0.446	
95% IC	0.315	0.460	0.345	0.482	0.359	0.480	0.391	0.502
North Africa	0.027		0.032		0.033		0.039	
95% IC	0.016	0.045	0.019	0.051	0.022	0.049	0.026	0.056
Other African countries	0.396		0.423		0.429		0.457	
95% IC	0.306	0.492	0.333	0.518	0.349	0.513	0.376	0.539
Asia	0.283		0.307		0.313		0.338	
95% IC	0.218	0.356	0.242	0.380	0.257	0.398	0.281	0.398
Latin America	0.713		0.736		0.741		0.763	
95% IC	0.634	0.783	0.665	0.783	0.680	0.796	0.709	0.812

Respondents' profile characteristics. Eastern Europe EU: no children; age=34 years; years since arrival=5; religion=other Christian. Eastern Europe non-EU: children=2; age=29 years; years since arrival=10; religion=other Christian; North Africa: children=2; age=24 years; years since arrival=4; religion=Muslim. Other African areas: children=2; age=41 years; years since arrival=5; religion=Catholic; Asia: children=2; age=32; years since arrival=5; religion=other; Latin America: no children; age=37; years since arrival=11; religion=Catholic.

Source: SCIF.

Figure 1 – Estimated probability to be employed by Area of origin and identity indicators, reference categories (Males).



Source: SCIF.

5. Final remarks

We investigated the impact of the ethnic identities, as measured in Phinney and Ong (2007), on immigrants' probability of being employed in Italy. Our findings seem to support the idea that both minority and Italian ethnic identity play a positive role in employment outcomes, but with important gender differences. We have not found any indication of a detrimental impact of the immigrants who preserve their original culture in accessing the labour market.

The results may provide valuable information and have some implications for decision-makers in terms of post-immigration policies. In fact, recent international literature has highlighted that an increasing part of both public opinion and policymakers believe that behaviours of immigrants who preserve the identity and culture of their country of origin could negatively affect the public interest. This assimilationist conception assumes that the preservation of the attachment to the origin country is incompatible with the identification to the host country's culture and society. However, our results indicate that the adaptation to the host culture seems to be uncorrelated to the preservation of minority culture and that they both may be fruitful in terms of labour market outcomes.

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SUMMARY

The issue of ethnic identity is attracting a growing number of researchers from different disciplines, due to its high explanatory potential. Most of the empirical literature on the topic focuses on economic features of immigrants' living conditions, highlighting the prominent role of the identity in affecting income, home ownership, and employment. However, such research studies have yielded heterogeneous and mixed results. Therefore, more analyses should be addressed producing more conclusive evidence on such a relevant issue. The objective of this paper is to investigate the impact of ethnic identity on the immigrants' probability of being employed, exploiting data stemming from the multipurpose survey on "Social Condition and Integration of Foreign citizens" carried out by ISTAT in 2011-2012.

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