Vancouver Centre of Excellence

Research on Immigration and Integration in the Metropolis

Working Paper Series

#98-14

**ETHNICITY AND LABOR MARKET PERFORMANCE AMONG
RECENT IMMIGRANTS FROM THE FORMER SOVIET UNION TO ISRAEL**

Yitchak Haberfeld, Moshe Semyonov and Yinon Cohen

August 1998

RIIM

Research on Immigration and Integration in the Metropolis

Ethnicity and Labor Market Performance among Recent Immigrants from the Former Soviet Union to Israel[*]

Yitchak Haberfeld, Moshe Semyonov and Yinon Cohen

Department of Labor Studies
Tel-Aviv University

Address:

Department of Labor Studies
Social Sciences
Tel-Aviv University
Tel-Aviv 69978
Israel

e-mail: yhaber@spirit.tau.ac.il
Phone: 972-3-6409737
Fax: 972-3-6407300

_____

Ethnicity and Labor Market Performance among Immigrants

from the Former Soviet Union to Israel

Abstract

The study is designed to examine the effect of ethnic origin on the economic performance of immigrants from the former Soviet Union in the Israeli labor market as measured by (1) labor force participation; (2) occupational mobility; and (3) earnings. We differentiate between two distinct groups of immigrants: those who came from Asian and those who came from European republics of the former Soviet Union. All immigrants arrived in Israel during the last quarter of 1990. Data on these immigrants were obtained from a longitudinal special survey conducted by the Israeli Central Bureau of Statistics in 1992, 1993, and 1994. The results show that the major handicaps in the Israeli labor market are (a) being an immigrant, and (b) being a woman. The effect of ethnic origin is evident in all measures of economic performance among women, and in earnings among men. Other things being equal, Asian women are less likely than European women to participate in the labor force, to obtain high status occupations, and to earn as much as European women do. Asian men earn less than equally qualified European men. These findings are discussed in light of theoretical models of immigrants' assimilation and ethnic-based stratification.

Introduction

When immigrants arrive at the host country, they face considerable hardship. They are not familiar with the new labor market, they do not master the language, their skills are not always transferable to the local jobs, and they lack personal ties. As a result, they are likely to take the least desirable low-paying jobs. With the passage of time, however, members of most immigrant groups experience upward mobility. They acquire language and cultural skills, they gain better knowledge of the labor market and better access to information, networks, and opportunities. Indeed, after a certain period of time in the host country, many immigrants obtain labor market outcomes similar to or even higher than those received by native-born workers with similar characteristics (e.g., Borjas and Tienda 1993; Chiswick 1978, 1979; Raijman and Semyonov 1995).

Whereas tenure in the host country influences the economic assimilation of immigrants, the literature suggests that ethnic origin also affects immigrants economic standing (Borjas 1994; Niedret and Farely 1985). In the United States for example, immigrants born in Europe do much better economically than those born in Mexico (Borjas 1982; Borjas and Tienda 1993; Portes and Rumbaut 1990). Likewise, in Australia, immigrants from the Mediterranean countries are at an economic disadvantage in comparison to other immigrants (Jones 1992; Evans and Kelly 1991). In Canada, too, immigrants of Southern European origin are characterized by the lowest levels of socioeconomic outcomes (Boyd, Featherman and Matras 1980; Chiswick and Miller 1988). Finally, in Israel, immigrants of European or American origin are found to be more successful than immigrants of Asian or North African origin in the attainment of labor market outcomes (e.g., Boyd et al. 1980; Haberfeld 1993; Semyonov 1996; Semyonov and Lerenthal 1991).

The impact of ethnicity on economic assimilation of immigrants is rather complicated. For two reasons it is difficult to separate the net effect of ethnicity from other important determinants of immigrants' economic success. First, all immigrants coming from the same country of origin are assumed to have similar skills and identical cultural background. This assumption, however, does not hold true in all situations, especially in cases of immigrants from multiethnic societies. For example, large variations in skills were found between Arab and Jewish immigrants from Israel to the United States (Cohen 1996; Cohen and Tyree 1994), or

among Jewish ethnic groups in Israel (Semyonov and Lerenthal 1991). Thus, we have to make a clear distinction between ethnicity and country of origin because they are not necessarily identical. Second, in many cases it is impossible to separate the effect of ethnicity from the cohort effect because immigrants from the same ethnic origin tend to arrive at the country of destination at the same time. As a result, there is hardly any variation in time of arrival among immigrants of the same ethnicity coming from the same source country (Haberfeld 1993).

To fully understand the ethnic effect on economic assimilation, it is necessary to control for three other main effects: the length of time which immigrants spent in their new place ("years since migration" effect), the time period in which they arrived at their place of destination ("cohort" effect), and the time period in which the data used to estimate empirically immigrants' assimilation were collected ("period" effect). Estimating all these effects in one model, however, poses a problem of over-identification because some effects are perfect functions of the others (Borjas 1992, 1990). As a result, researchers often have to give up the idea of deriving unbiased estimates of ethnic effects on the economic success of immigrants.

One way to overcome these problems is to examine two groups of immigrants arriving at a host country at the same time and from the same country, but from two different ethnic backgrounds. The recent wave of Jewish immigrants from the former Soviet Union to Israel provides us with such a unique opportunity. This wave contains two different ethnic groups. One group of immigrants arrived from the European republics of the former Soviet Union, while the other came from its Asian republics. The Asian republics are less urban, less developed, and more traditional than the European republics (Smith 1996). These unique circumstances allow us to test for an ethnic effect in a natural-experiment environment, as immigrants from the two ethnic origins arrived in Israel from the same country (the former Soviet Union) at the same time.

Jewish Migration and Ethnicity in Israel

The Jewish population of Israel is characterized by an ethnic cleavage between two major groups: those of European and American origin (known as "Westerners"), and those of Asian

and African origin (known as "Easterners"). There are persisting socioeconomic gaps between Western and Eastern Jewish immigrants in Israel. The latter group is subordinate to the former in every aspect of socioeconomic status including education, income, and wealth (Boyd, Featherman and Matras 1980; Haberfeld 1993; Semyonov, Lewin-Epstein and Spilerman 1996). Moreover, these gaps seem to prevail and are evident among second generation immigrants as well (Cohen and Haberfeld 1998; Haberfeld 1993).

The ethnic cleavage developed following the influx of immigrants to Israel after its establishment in May 1948. At that time, there were about 600,000 Jews in the newly established state of Israel, mostly foreign born of European origin. Between 1949 and 1952, this population doubled through the government actively attracting similar numbers of immigrants, mainly European survivors of the Jewish Holocaust, and Jewish residents of Arab countries in Asia and North Africa. Between 1953 and 1970, an additional 660,000 Jews immigrated to Israel, 45 percent of them of European and American origin, and the others of Asian and African origin. During the 1970s, approximately 310,000 Jews arrived in Israel. About one half of them came from the Soviet Union, and 87 percent of the remainder were of European or American origin. Between 1980 and 1988 the flow of immigrants declined and only 130,000 immigrants (74 percent of them from Europe and America) arrived in Israel (Israel 1995).

The winter of 1989 had been a turning point in the immigration flow to Israel. Following the downfall of the former Soviet Union, a mass of immigrants arrived from both the European and Asian Soviet republics. Between the beginning of 1989 and the end of 1992, more than 400,000 immigrants, most of them from European republics, settled in Israel, hence raising the size of the Israeli population by approximately ten percent.

The former Soviet Union was divided into eight Asian republics, six European republics, and one republic (Russia), which had territories both in Asia and Europe. The European republics are more developed than those located in Asia in terms of industrialization, urbanization, and economic development (Smith 1996). Slow urbanization processes combined with economies that are based on agriculture helped to maintain traditional ways of life in the Asian republics.[1] When compared to European Jews, Asian Jews had lived in smaller communities, in more traditional and less developed areas and were characterized by lower levels of education and younger age (Altschuler, 1980).

The literature on assimilation of immigrating Jews from the former Soviet Union has grown substantially during the last decade (for a review of these studies, see Sikron 1996). However, as far as we know, the effect of ethnic origin on their performance in the labor market has not yet been studied. In fact, there is no distinction in official statistics between the two groups, and all immigrants from the former Soviet Union are considered to be Europeans. The purpose of this study is to examine the net effect of ethnic origin on modes of labor market assimilation.[2] Specifically, we analyze the effect of ethnic origin among immigrants from the former Soviet Union on three outcomes: (1) labor force participation; (2) occupational mobility; and (3) earnings. Such analyses are particularly important because they avoid interrelations that are usually present in other studies of immigrants' assimilation, namely interrelations between ethnicity, country of origin, and cohort effects. Judging by Israel's past history with Eastern immigrants, we expect the ethnic origin of immigrants from the former Soviet Union (i.e., Asians vs. Europeans) to exert significant effects on modes of incorporation in the Israeli labor market. Specifically, we expect that immigrants from European republics will be more successful in their incorporation into the Israeli labor market than immigrants from the Asian republics.

Methods

Data used in this study were obtained from a longitudinal special survey conducted by the Israeli Central Bureau of Statistics among recent immigrants from the former Soviet Union. The special survey was designed to examine labor market assimilation of these immigrants. A sample of approximately 3,300 respondents was selected from the population of immigrants arriving from the republics of the former Soviet Union to Israel during the last quarter of 1990. The participants in the survey were interviewed by experienced interviewers three times: in 1992, in 1993, and in 1994. Respondents were asked detailed information about demographic and social characteristics, as well as on labor market characteristics in both the former Soviet Union and Israel.

Our focal year in the present study is 1994 — the latest interview available. In that year, respondents had been in their new country approximately three years. In addition, we used some data collected in the 1992 wave that were not available in 1994 (e.g., occupation prior to

migration). We limited the analyses to persons who were 24–65 years old in 1990, which provided full information on the relevant variables in both 1990 and in 1994.

The sample was first divided on the basis of gender, and then into European and Asian immigrants on the basis of respondents' republic of birth. Europeans were defined as those born in Belarus, Estonia, Latvia, Lithuania, Moldova, Russia, or Ukraine. Asians were defined as those immigrants who were born in Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenstan, or Uzbekistan. Taken together, these selection procedures and divisions yielded four sub-samples of immigrants: 738 European women, 196 Asian women, 626 European men, and 179 Asian men.

Four dependent variables were used in the analyses to capture various aspects of economic performance:

(1)   Labor force participation (LFP) — a dummy variable coded as "1" if the respondent is in the   economically active labor force (employed or unemployed) in 1994; "0" if not in the labor force.

(2)   Occupational socioeconomic status (OCC) in 1994 — was coded according to Tyree's 100-point socioeconomic scale for occupations in Israel (Tyree, 1981).

(3)   Occupational mobility (COST) — first difference between occupational status in the former Soviet Union (1990)[3] and in Israel (1994).

(4)   Earnings (EARNINGS) — respondent's natural logarithm of monthly earnings in 1994 (in New Israeli Shekels).

The set of independent variables included in the analyses:

Ethnicity (EUROPE) (a dummy variable coded as "1" if place of birth is one of the European republics; "0" if place of birth is one of Asian republics), two variables measuring formal education: schooling (SCHOOL) (in years of formal schooling), and an academic degree (BA) (15 years or more of schooling),[4] age (AGE) (in years), marital status (MARRIED) (a dummy

variable coded as "1" if respondent is married; "0" otherwise), knowledge of Hebrew (SPKHEB) (a dummy variable coded as "1" if speaks Hebrew; "0" if does not), and number of working hours (HOURS) (per week). In addition, three dummy variables distinguished among three major occupational categories: professional, technical, or managerial occupations (PTM), clerical or sales occupations (CS), while blue-collar and service occupations were used as the omitted category.[5]

The models that were estimated to study the net effects of ethnicity on labor market performance were examined separately for men and women. It appears that immigrant men and women behave differently in the labor market. Evidence from the United States (Sullivan 1984; Chiswick and Sullivan 1995), Canada (Boyd 1984; Beach and Worswick 1993), and Israel (Raijman and Semyonov 1997; Semyonov 1997) clearly show that women immigrants, especially recent immigrants, face greater difficulties than men during the assimilation process in the new labor market.

Results

1. Asian Versus European Immigrants — Descriptive Statistics

Table 1 presents the descriptive statistics for salaried immigrants broken down by the four origin-gender groups. Generally speaking, the data reveal considerable differences between immigrants arriving from the Asian republics (hereafter Asians) and immigrants arriving from the European republics (hereafter Europeans) of the former Soviet Union, and between immigrant men and women.

Insert Table 1 about here

It appears that European men have somewhat higher levels of human capital than Asian men. They have more education, and they are older. Asian men, however, are more likely to participate in the labor force and to work longer hours. Also, Asian men are more likely to master the Hebrew language. Finally, European men have slightly higher levels of occupational status and earnings than Asian men. The differences in occupational status can be attributed to a

higher proportion of academics and professionals among the Europeans than among Asians. However, the difference in earnings becomes more pronounced when considering the fact that Asian men work longer hours than do Europeans.

Not surprisingly, men are more likely than women to participate in the labor force. Among those in the force, the market situation of women is much worse than that of their men counterparts. Their inferiority is manifested, primarily, by women's low earnings despite their high-level human capital and high-status occupations. In part, this is because men work longer hours than do women.

European women are somewhat older than Asians and are more likely to be married. Schooling is particularly an interesting variable because Asian salaried women have, on average, a higher schooling level than that of all the other groups, including European men. This result, combined with their lower rate of labor force participation, is probably a reflection of a more intensive process of positive self-selection into the labor market among Asian women who are coming from a traditional setting than among other groups of immigrants from the former Soviet Union. An indication of such an intensive self-selection process is the average years of schooling of all Asian women, including those out of the labor force. It was lower (13.7 years, data not shown) compared with the average of those in the labor force (14.7), while in the other three cases the mean schooling of the entire group was appreciably the same (13.6 for Asian men, 14.2 for European women, and 14.5 for European men) as the mean schooling of those in the labor force. European women, however, score higher on the second measure of education — proportion of those having an academic degree. Finally, European women hold higher status occupations and earn more than do Asian women despite the longer working hours of the latter group.

2. Determinants of Labor Force Participation

In this section of the analysis we examine the effect of the independent variables on the likelihood of joining the economically active labor force. The model used was an individual-

level (ungrouped) logit regression. The model predicts, for each observation i, the probability that Y=1 (that is, i participates in the labor force) as indicated by the following equation:

(a) $\qquad P_i = 1/1 + e^{-x_i\beta}$

where x_i denotes a vector of explanatory variables and β is a vector of coefficients, including a constant term. P ranges from 0 to 1. The vector of explanatory variables includes schooling, an academic degree, age, married, knowledge of Hebrew, and ethnic origin. The model was estimated for the entire sample (with gender–origin indicators), and separately for men and for women. The results of these analyses are displayed in Table 2.

Insert Table 2 about here

The findings revealed by the analysis underscore an interesting interaction among labor force participation, ethnicity, and gender. First, the likelihood of women immigrants from the former Soviet Union to join the labor force is much lower than that of men immigrants of equal qualifications (column 1). Second, ethnicity exerts a significant effect on labor force participation only among women. More specifically, women of European origin are more likely to join the labor force than Asian women. In addition, younger, married immigrants, and those who speak Hebrew were more likely to join the labor force than older, unmarried immigrants who do not yet speak Hebrew. These results were found both among men (column 2) and among women (column 3).[6]

3. Determinants of Occupational assimilation

Two types of models were estimated in order to examine the ethnic effect on occupational assimilation. In the first model, occupational status in Israel (in 1994) is taken as a function of schooling, an academic degree, age, being married, speaking Hebrew and European origin. The model was estimated first for the entire sample, and then separately for men and women, as follows:

(b) $\qquad OCC_i = \underline{X}_i'\underline{B}$

where OCC_i is the 1994 occupational status of the ith person, X_i is the vector of the independent variables, and B is a vector of their coefficients (including the intercept). The coefficients of these models, as estimated by an OLS regression procedure, are presented in Table 3.

Insert Table 3 about here

The findings revealed by the regression analysis demonstrate that women, regardless of origin, are likely to hold occupations of lower socioeconomic status in comparison to both European and Asian men of equal qualifications. When separate analyses were performed for men and women, we found that European women held higher status occupations than similar Asian women. This difference in occupational status between European and Asian women was significant according to conventional statistical standards. However, differences between European and Asian men were not statistically significant. In addition, it is important to note that higher levels of schooling, knowledge of Hebrew, and young age exert significant positive effects on the occupational socioeconomic status of immigrants in 1994.

The second type model focuses on the loss of occupational status (or rate of downward occupational mobility) suffered by recent immigrants in the transition from the former Soviet Union to Israel. The dependent variable in this case is the relative cost in terms of loss of occupational status:

(c) $\qquad$ $Cost_i = (OCC_{it0} - OCC_{it1})/OCC_{it0}$

where OCC_{it0} is the occupational status of immigrant i in the former Soviet Union prior to migration, and OCC_{it1} is the immigrant's occupational status in Israel, approximately 39 months after arrival. The estimated OLS equation for this model is specified as follows:

(d) $\qquad$ $Cost_i = \underline{X_i}'\underline{B}$

where X is the vector of determinants, and B is a vector of their coefficients.

Table 4 describes the mean changes in the immigrants' occupational status over time.

Insert Table 4 about here

The findings revealed by the analysis indicate that the highest loss in terms of socioeconomic status was experienced by women. Asian women suffered an average of 27.4 points decline in their occupational status, and European women suffered an average of 24.9 points decline in the transition from the former Soviet Union to Israel. These figures are translated into 41 percent and 35 percent *relative* reduction (see equation c) in the occupational status of Asian and European women respectively. The decline in men's occupational status was somewhat less pronounced but still substantial. European men lost, on average, 19.4 status points and Asian men lost 14.0 status points in the transition from the former Soviet Union (t_0) to Israel (t_1). These absolute losses compose, approximately, one quarter reduction in the relative occupational status of European men, and 16 percent reduction in the relative status of Asian men. In sum, all groups suffered considerable losses in their occupational status when migrating from the former Soviet Union to Israel. The smallest relative decline between t_0 and t_1 was experienced by the group of Asian men (16 percent), and the highest decline was suffered by the group of Asian women (41 percent).

In Table 5 we examined the impact of social and demographic characteristics of immigrants on their relative loss in occupational status between t_0 (while still in the Soviet Union) and in t_1 (1994) according to the model specified in equation d.

Insert Table 5 about here

The results in column 1 indicate that the loss in occupational status experienced by both groups of women was considerably greater than that suffered by European men. Asian women experienced an average loss in occupational status of 11 percent more, and European women lost, on average, 5 percent more than the average loss of European men of equal characteristics. The loss of Asian women was found to be larger than that of European women, although at a

significance level greater than 0.05 (column 3). The difference between Asian and European men in loss of occupational status was not statistically significant. In addition, the relative loss in occupational status tends to rise with age and among those who held high-status occupations (PTM and CS) in country of origin. Schooling tends to lower the relative status loss among men, and knowledge of the Hebrew language tends to lower the relative status loss among women.

4. Determinants of Earnings

In the final section of the analysis, we examine whether ethnicity affects earnings levels of immigrants. To this end we used a conventional OLS earnings model in which the natural logarithm of monthly earnings in 1994 serves as the dependent variable. The model was estimated for the entire sample (with gender–origin indicators), and separately for men and women. The vector of determinants included schooling, age, hours of work, and a set of dummy variables coded "1" if respondent has an academic degree, is married, speaks Hebrew well, employed in a PTM occupation or employed in a CS occupation.[7] A variable usually included in such models — immigrants' time in Israel — was not included here since all respondents arrived in Israel during the same three-month period in 1990.

$$(e) \qquad \ln(\text{EARNINGS})_i = \underline{X_i}'\underline{B}$$

where X_i is a vector of the above earnings determinants of the ith person, and B is a vector of their coefficients. The results of this analysis are presented in Table 6.

Insert Table 6 about here

Not surprisingly, hours of work and being in a high-status occupation affect the earnings of both men and women. Young age and being married affect (positively) men's earnings only, while Hebrew exerts a positive effect only on women's earnings. Schooling has no effect on earnings of both men and women immigrants, mainly because of its high correlation with PTM occupations.

Results regarding the effect of ethnicity (column 1) indicate that all three groups earn significantly less than European men. Asian women earn, on average, 37 percent less, European women 27 percent less, and Asian men earn, on average, 10 percent less than European men of equal measured qualifications. Although Asian women earn, on average, 8 percent less than comparable European women (column 3), this difference is statistically significant ($p = 0.10$) at a lower level than the conventional 0.05 level. In other words, when social and demographic characteristics of immigrants are taken into account, both gender and ethnicity exert significant net effects on earnings of recent immigrants from the former Soviet Union. Even after controlling for differences in earnings determinants, the groups of women earn significantly less than the two groups of men (column 1),[8] and in both gender groups Asians earn less than Europeans.

Discussion

The main purpose of this study was to analyze the effect of ethnicity on labor market performance. We focused on recent immigrants from the former Soviet Union, and evaluated their labor market status and economic assimilation in 1994, three years after they had arrived in Israel. We distinguished between two ethnic groups of immigrants: those who arrived from the less-developed Asian republics, and those arriving from the more-developed European republics of the former Soviet Union. Since both groups arrived from the same country at the same time, we had a unique opportunity — rarely available in previous immigration studies — to disentangle the effect of ethnicity on economic progress from the effects of cohort, years since migration, and country of origin.

The descriptive statistics suggest that there are ethnic differences in the mean levels of the three measures of labor market performance. European-born men have higher levels of schooling, and slightly higher levels of occupational status and annual earnings than Asian-born men. Among immigrant women, European-born are more likely to join the labor force, to have an academic degree, and to achieve high-status occupations and income than immigrant women who were born in the Asian republics. Asian women in the labor force, however, have more years of schooling than Europeans. Taken together, the pattern and direction of the results conform to the existing stratification in the Israeli society: those who come from Europe do

better than those who come from Asia. Interestingly, the ethnic socioeconomic gaps among recent immigrants from the former Soviet Union appear to be as small as the gaps observed during 1948–51 between immigrants arriving in Israel from Asia (especially Iraq) and Europe (survivors of the Jewish Holocaust) at that period (Nahon 1987).

The multivariate analyses did not detect a simple main ethnic effect that cuts across both gender groups and the three outcome variables (labor force participation, occupational status and income). Rather, the results are gender specific. Among men, the disadvantage of Asian origin is limited to earnings, but not to labor force participation nor to occupational status and status loss. In other words, ethnicity does not affect participation and occupational status among demographically comparable men from Asia and Europe. However, immigrant men who were born in the Asian republics earn almost ten percent less than European men of the same schooling, occupation, age and other measured characteristics. This "unexplained" earnings differential between Europeans and Asian immigrant men could be the result of two factors. First, it is possible that the estimated model does not include all relevant variables affecting earnings (e.g., quality of schooling or the degree of skills transferability), and/or that the variables included in the model contain measurement errors. Consequently, the results might be biased. More troubling is the second possibility: that Asian immigrant men suffer from labor market discrimination in Israel. Given the general inferior status of Easterners in Israel's labor market, including the likelihood for the existence of labor market discrimination against Israeli-born men of Eastern origin (Cohen and Haberfeld 1998), the possibility of discrimination against recent immigrants from the Asian republics surely deserves further empirical investigation. Unfortunately, our data do not enable us to conduct such an examination.

The effect of ethnicity on labor market assimilation among women is more complex than among men, mainly because all women immigrants appear to be at a double disadvantage irrespective of ethnicity. Women immigrants in the Israeli labor market are penalized first for being immigrants and second for belonging to the subordinate gender group. Regardless of ethnicity and other variables, immigrant women are less likely then their men counterparts to join the labor forces, to attain high-status occupations, and to achieve high earnings. In addition, the immigration process from the Soviet to the Israeli labor market resulted in much greater occupational loss among women than among men. These gender-based differences are most likely the result of persistent economic discrimination against women in the Israeli labor market

which has not narrowed much during the past two decades (Haberfeld and Cohen 1998; Haberfeld 1993).

While all immigrant women are at a double disadvantage, those born in the Asian republics appear to be at a triple disadvantage (Raijman and Semyonov 1997) in all three measures of labor market assimilation. Women who were born in the Asian republics are less likely to join the labor force than European women of the same demographic characteristics, probably because of "tradition" which affects values and preferences regarding market work. It is likely that women coming from less developed, more traditional Asian republics have different preferences for market work and housework than women who grew up in the more developed, less traditional European republics of the former Soviet Union. Similar explanations for the entrance of highly qualified women into the labor market were addressed by Boserup (1970) for women in traditional societies, and by Semyonov and Lewin Epstein (1994) for Arab women in Israel. This being the case, a higher proportion of less educated Asian women self-select themselves out of the Israeli labor market than do Europeans of similar schooling levels. Consequently, the rate of participation among Asian is lower than among Europeans, and the average years of schooling among Asian women in the labor force is higher than the average among European women. However, these highly educated Asian women who do join the labor force suffer a greater occupation loss and are less likely to attain high-status occupations and high income levels compared to European immigrant women of the same measured characteristics.

While positive self-selection explains the lower participation rates and higher schooling of Asian women who join the labor force, it surely cannot account for their disadvantage compared to European women with respect to occupational status[9] and earnings. Moreover, it is reasonable to assume that the positive selectivity of Asian women into the Israeli labor market is not limited to observed characteristics, but it takes place in unobserved characteristics as well (e.g., motivation). Consequently, the more intense positive selectivity among Asian women should have been manifested in better market performance of Asian than that of European women of similar measured characteristics. The results, however, suggest the opposite. In their new country, Asian women attain lower-status occupations and earn less than European women of similar measured characteristics. As is the case among men, these results may be due to two processes: the first has to do with omitted variables such as quality and/or transferability of

schooling obtained in Asian and European republics of the former Soviet women. Had such variables been included in the analysis, it is possible that they would have accounted for the "unexplained" European advantage in occupational status and earnings. The second possibility, which cannot be ruled out, is labor market discrimination against Asian women immigrants. Unfortunately, more information is necessary for testing the empirical status of these two possible explanations for the European advantage in occupations and earnings.

Notwithstanding the role played by ethnicity in the labor market performance of immigrants from the former Soviet Union, we wish to emphasize that gender-based inequalities in the assimilation process of these immigrants, dwarf the ethnic-based inequalities.

References

Altschuler, M. 1980. *The Jewish Community in the Soviet Union Today.* Jerusalem: The Magnes Press, The Hebrew University (Hebrew).

Beach, C. M. and Worswick, C. 1993. "Is There a Double-Negative Effect on the Earnings of Immigrant Women?" *Canadian Public Policy* 19: 36–53.

Borjas, G. 1994. "Long-Run Convergence of Ethnic Skills Differentials: The Children and Grandchildren of the Great Migration." *Industrial and Labor Relations Review* 47: 554–573.

———. 1992. "Immigration Research in the 1980s: A Turbulent Decade." In D. Lewin, O. S. Mitchell, and P. D. Sherer, eds., *Research Frontiers in Industrial Relations and Human Resources.* Madison, WI: Industrial Relations Research Association, 417–446.

———. 1990. *Friends or Strangers: The Impact of Immigrants on the U.S. Economy.* New York: Basic Books.

———. 1987. "Self-Selection and the Earnings of immigrants." *American Economic Review* 77: 531–553.

———. 1982. "The Earnings of Male Hispanic Immigrants in the United States." *Industrial and Labor Relations Review* 35: 343–353.

Borjas, G., and Tienda, M. 1993. "The Employment and Wages of Legalized Immigrants." *International Migration Review* 27: 712–748.

Boserup, E. 1970. *Women's Role in Economic Development.* London: Allen and Unwin.

Boyd, M. 1984. "At a Disadvantage: The Occupational Attainment of Foreign-Born Women in Canada." *International Migration Review* 18: 1091–1120.

Boyd, M., D. L. Featherman, and J. Matras. 1980. "Status Attainment of Immigrants and Immigrant Origin Categories in the U.S., Canada, and Israel." *Comparative Social Research* 3: 199–228.

Chiswick, B. R. 1979. "The Economic Progress of Immigrants: Some Apparently Universal Patterns." In W. Fellner, ed., *Contemporary Economic Problems.* Washington, D.C.: American Enterprise Institute, 359–399.

———. 1978. "The Effects of Americanization on the Earnings of Foreign-Born Men." *Journal of Political Economy* 86: 897–921.

Chiswick, B. R., and P. Miller. 1988. "Earnings in Canada: The Roles of Immigrant Generation, French Ethnicity and Language." *Research in Population Economic,* 6: 183–224.

Chiswick, B. R., and T. A. Sullivan. 1995. "The New Immigrants." In R. Farley, ed., *State of the Union: America in the 1990s.* Vol. 2. New York: Russell Sage Foundation, 211–270.

Cohen, Y. 1996. "Economic Assimilation in the United States of Arab and Jewish Immigrants from Israel and the Territories." *Israel Studies* 1 (2): 75–97.

Cohen, Y., and Y. Haberfeld. 1998. "Second-Generation Jewish Immigrants in Israel: Have the Ethnic Gaps in Schooling and Earnings Declined?" *Ethnic and Racial Studies* 21 (3): 507–528.

Cohen, Y., and A. Tyree. 1994. "Palestinian and Jewish Israeli-Born Immigrants in the U.S." *International Migration Review* 28: 243–255.

Evans, M. D., and J. Kelly. 1991. "Prejudice, Discrimination, and the Labor Market: Attainment of Immigrants in Australia." *American Journal of Sociology* 97: 721–759.

Haberfeld, Y. 1993. "Immigration and Ethnic Origin: The Effect of Demographic Attributes on Earnings of Israeli Men and Women." *International Migration Review* 27 (2): 286–305.

Haberfeld, Y., and Y. Cohen. 1996. "Earnings Gaps Between Israel's Native-Born Men and Women: 1982–1993." Discussion Paper. Tel-Aviv University: The Pinhas Sapir Center For Development.

Heckman, J. J. 1980. "Sample Selection Bias as a Specification Error." In J. P. Smith, ed., *Female Labor Supply: Theory and Estimation.* Princeton, N.J.: Princeton University Press, 206–248.

Israel. 1995. *Statistical Abstracts of Israel.* Jerusalem: Central Bureau of Statistics.

Jones, F. L. 1992. *Sex and Ethnicity in the Australian Labour Market: The Immigrant Experience*. Canberra: Australian Government Printer.

Nahon, Y. 1987. *Education Levels and Employment Opportunities: The Ethnic Dimension.* Jerusalem: Jerusalem Institute for the Study of Israel (Hebrew).

Niedret, L. J., and R. Farely. 1985. "Assimilation in the United States: An Analysis of Ethnic and Generation Differences in Status and Achievement." *American Sociological Review* 50: 840–850.

Portes, A., and R. Rumbaut. 1990. *Immigrant America: A Portrait.* Berkeley, CA: University of California Press.

Raijman, R., and M. Semyonov. 1997. "Gender, Ethnicity and Immigration: Double Disadvantage and Triple Disadvantage Among Recent Immigrant Women in the Israeli Labor Market." *Gender and Society,* 11 (1): 108–125.

———. 1995. "Modes of Labor Market Incorporation and Occupational Cost Among Immigrants to Israel." *International Migration Review* 29 (2): 375–393.

Semyonov, M. 1997. "On the Cost of Being an Immigrant in Israel: The Effects of Tenure, Origin and Gender." *Research in Stratification and Mobility* 15: 115–131.

Semyonov, M., and T. Lerenthal. 1991. "Country of Origin, Gender, and the Attainment of Socioeconomic Status: A Study of Stratification in the Jewish Population of Israel." *Research in Social Stratification and Mobility* 10: 327–345.

Semyonov, M. and N. Lewin-Epstein. 1994. "Ethnic Labor Markets, Gender and Socioeconomic Inequality: A Study of Arabs in the Israeli Labor Force." *Sociological Quarterly* 35 (1): 51–68.

Semyonov, M., N. Lewin-Epstein, and S. Spilerman. 1996. "The Material Possessions of Israeli Ethnic Groups." *European Sociological Review* 3: 289–301.

Smith, G., ed. 1996. *The Nationalities Question in the Post-Soviet States*. New York: Longman.

Sullivan, T. 1984. "The Occupational Prestige of Women Immigrants: A Comparison of Cubans and Mexicans." *International Migration Review* 18: 1021–1045.

Treiman, D. J. 1977. *Occupational Prestige in Comparative Perspective.* New York: Academic Press.

Tyree, A. 1981. "Occupational Socioeconomic Status, Ethnicity and Sex: Considerations in Scale Construction." *Megamot* 27: 7–21 (Hebrew).

Table 1

Means and (in Parentheses) Standard Deviations for Salaried Workers, 24–65 Years Old - by Ethnic Origin, and Gender, 1994

	Men		Women	
	Europe	Asia	Europe	Asia
LFP(%)	86.4	89.9	71.3	66.3
OCC	40.0 (21.4)	37.0 (20.2)	38.1 (21.0)	32.8 (20.0)
PTM(%)	25.0	17.0	27.4	17.3
CS (%)	4.8	5.2	17.9	16.0
EARNINGS	2756.6 (1236.8)	2660.7 (1000.4)	1875.8 (1042.9)	1799.1 (1075.4)
HOURS	50.9 (12.2)	53.9 (12.1)	39.8 (13.0)	42.5 (14.8)
SCHOOL	14.5 (2.8)	13.4 (3.1)	14.3 (2.4)	14.7 (2.8)
BA (%)	58.1	45.2	56.9	50.0
AGE	43.3 (9.9)	39.9 (8.9)	40.8 (8.6)	39.1 (8.0)
MARRIED (%)	92.4	91.8	85.3	82.7
SPKHEB (%)	58.7	64.9	74.9	76.0
N	460	134	334	75

Table 2

Coefficients of the Determinants of Joining the Labor Force: Results of a Logit Analysis (S.E. in parentheses), 1994

	Entire Sample	Men	Women
SCHOOL	0.083* (0.034)	0.036 (0.052)	0.112* (0.046)
BA	-0.37 (0.210)	0.050 (0.378)	-0.562* (0.255)
AGE	-0.108* (0.008)	-0.121* (0.015)	-0.108* (0.010)
MARRIED	0.942* (0.192)	2.026* (0.427)	0.698* (0.211)
SPKHEB	0.942* (0.179)	1.220* (0.344)	0.868* (0.218)
EUROPE	-----	0.267 (0.344)	0.781* (0.227)
Origin x Gender[a]: Asian Woman	-1.876* (0.253)		
European Woman	-1.128* (0.178)		
Asian Man	-0.164 (0.328)		
Constant	5.144	4.985	3.119
Pearson χ^2 [b]	613.6	181.3	365.0
d.f.	1715	790	921

[a]The omitted category is a European man.
[b]The Pearson χ^2 statistic is not distributed as Chi Square because it is derived from individual (ungrouped) data. As a result, a test of goodness-of-fit cannot be performed.
*$p < 0.05$

Table 3

Cof the Determinants of Occupational Status in 1994: Results of an OLS Analysis (S.E. in parentheses)

	Entire Sample	Men	Women
SCHOOL	1.40*	1.32*	1.30*
	(0.289)	(0.394)	(0.434)
BA	11.57*	14.13*	9.41*
	(1.526)	(2.235)	(2.093)
AGE	-0.30*	-0.29*	-0.32*
	(0.065)	(0.088)	(0.096)
MARRIED	-0.94	0.678	-1.88
	(1.646)	(2.775)	(2.059)
SPKHEB	8.05*	6.02*	10.95*
	(1.350)	(1.775)	(2.088)
EUROPE	-----	1.11	4.03*
		(1.845)	(1.985)
Origin x Gender[a]:			
Asian Woman	-8.25*		
	(2.000)		
European Woman	-4.39*		
	(1.252)		
Asian Man	-1.68		
	(1.831)		
Constant	23.84	21.32	17.57
N	1318	670	648
R^2	0.235	0.250	0.216

[a]The omitted category is a European man.
*$p<0.05$

Table 4

Means and (in Parentheses) Standard Deviations of Changes in Occupational Status for Salaried Workers, 24-65 Years Old - by Gender and Ethnic Origin

	Men		Women	
	Asia	Europe	Asia	Europe
Absolute Cost	14.00	19.35	27.42	24.87
$t_0 - t_1$ [a]	(24.86)	(24.09)	(22.40)	(23.42)
Relative Cost	0.16	0.26	0.41	0.35
$t_0 - t_1 / t_0$	(0.470)	(0.382)	(0.319)	(0.348)

[a] t_0 = occupational status in the former Soviet Union
   t_1 = occupational status in Israel, 1994

Table 5

Coefficients of the Determinants[a] of Relative Cost in Occupational Status Between t_0 and t_1 :
Results of an OLS Analysis (S.E. in parentheses)

	Entire Sample	Men	Women
SCHOOL	-0.011*	-0.016*	-0.003
	(0.005)	(0.007)	(0.008)
BA	-0.028	-0.052	-0.013
	(0.028)	(0.045)	(0.036)
AGE	0.007*	0.007*	0.007*
	(0.001)	(0.002)	(0.002)
MARRIED	0.016	-0.018	0.039
	(0.029)	(0.052)	(0.034)
SPKHEB	-0.100*	-0.061	-0.159*
	(0.024)	(0.033)	(0.035)
Occupation at t_0 [b] :			
PTM	0.390*	0.417*	0.374*
	(0.029)	(0.039)	(0.046)
CS	0.292*	0.287*	0.298*
	(0.041)	(0.071)	(0.055)
EUROPE	-----	0.043	-0.062
		(0.034)	(0.033)
Origin x Gender[c]:			
Asian Woman	0.110*		
	(0.037)		
European Woman	0.048*		
	(0.023)		
Asian Man	-0.036		
	(0.032)		

(Table 5 continued)

	Entire Sample	Men	Women
Constant	-0.060	-0.019	-0.055
N	1234	648	586
R^2	0.211	0.207	0.169

[a]Variables measured at t_1 (1994)
[b]The omitted category of occupational group at the former Soviet Union is blue-collar and services.
[c]The omitted category is a European man.
*$p<0.05$

Table 6

Coefficients of the Determinants of Monthly Earnings in 1994 : Results of an OLS Analysis (S.E. in
parentheses)

	Entire Sample	Men	Women
SCHOOL	0.006	0.008	0.002
	(0.007)	(0.009)	(0.011)
BA	-0.016	0.015	-0.031
	(0.038)	(0.053)	(0.052)
AGE	-0.006*	-0.008*	-0.004
	(0.002)	(0.002)	(0.003)
MARRIED	0.049	0.218*	-0.044
	(0.040)	(0.063)	(0.050)
SPKHEB	0.100*	0.070	0.125*
	(0.033)	(0.040)	(0.053)
HOURS	0.021*	0.015*	0.026*
	(0.001)	(0.001)	(0.001)
Occupation[a]:			
PTM	0.366*	0.228*	0.500*
	(0.033)	(0.045)	(0.048)
CS	0.051	-0.048	0.118
	(0.048)	(0.080)	(0.061)
EUROPE	------	0.095*	0.083
		(0.041)	(0.050)
Origin x Gender[b]:			
Asian Woman	-0.366*		
	(0.051)		
European Woman	-0.273*		
	(0.033)		

(Table 6 continued)

	Entire Sample	Men	Women
Asian Man	-0.100[*]		
	(0.043)		
Constant	6.692	6.883	6.151
N	1131	590	541
R^2	0.511	0.283	0.547

___
[a]The omitted category of occupational group in Israel is blue-collar and services.
[b]The omitted category is a European man.
*$p<0.05$

Notes

---

[1] In addition, most Jewish communities in the Asian republics avoided the destruction during World War II experienced by the European communities. This fact helped even more in preserving the traditional aspects of the Asian Jewish communities.

[2] A key assumption in our study is that the reasons and motivation of the immigrants from the former Soviet Union to leave their place and migrate to Israel were similar among Asians and Europeans. Assuming that, we can compare the process of economic performance of the two groups.

[3] Occupational status in the former Soviet Union was also coded according to Tyree's 100-point socioeconomic scale for occupations in Israel (Tyree, 1981) because using the same coding scheme for occupational status both in the former Soviet Union and Israel enables us to calculate the occupational loss suffered by the immigrants. Furthermore, it had been demonstrated that occupational status across countries is very similar (Treiman, 1977).

[4] A high school diploma was granted in the former Soviet Union to students with 10-11 years of schooling. People with 4-5 years of post-high school studies were eligible for a BA degree.

[5] Since all respondents arrived at Israel during the last quarter of 1994, there is no need to control for variation in the time since their migration.

[6] Unfortunately, indicators of number and age of children were not included in the analyses due to poor quality. Such an omission might bias the above results, especially for women.
Adding the immigrants' occupation in t_0 (i.e., their occupation in the Soviet Union) to the model (results are not shown) did not change much the patterns presented in Table 2.

[7] It can be argued that incorporating occupational indicators into an earnings model might bias the results because women are not faced with the same occupational opportunities in the labor market as faced by men. When an earnings model excluding occupation indicators was re-estimated, we obtained similar results. The main changes in results were that the human capital variables (SCHOOL and AGE) affected women's earnings significantly, and SPKHEB was found to affect men's earnings in the equation omitting occupations.

[8] The earnings gaps between the two women groups and Asian men of equal qualifications are both significantly different from zero.

[9] In order to test the empirical status of this claim, we re-estimated women's occupational status attainment model (equation b) and added a correction for a possible bias resulted from a more intensive selection process of Asian women into the Israeli labor force (Heckman, 1980). The inverse Mills' ratio has a negative and insignificant coefficient. This result suggests that probably there is no positive self-selection of Asian women into the labor force. When the occupational status model was corrected for a possible selectivity bias, the premium in occupational status enjoyed by European women has declined from 4 status points (Table 3, third column) to 2 status points, but remained significantly different from zero.

Working paper series
(back issues)

Number	Author(s)	Title	Date
96-01	James W. Dean & Don J. DeVoretz	The Economic Performance of Jewish Immigrants to Canada: A Case of Double Jeopardy?	5/96
96-02	Kris Olds	Developing the Trans-Pacific Property Market: Tales from Vancouver via Hong Kong	8/96
96-03	Krishna Pendakur & Ravi Pendakur	The Colour of Money: Earnings Differentials Among Ethnic Groups in Canada	4/96
96-04	Alan Green David Green	The Economic Goals of Canada's Immigration Policy, Past and Present	
97-01	John E. Hayfron	Language Training, Language Proficiency and Earnings of Immigrants: Lessons from Norway	2/97
97-02	Daniel Hiebert	The Colour of Work: Labour Market Segmentation in Montreal, Toronto and Vancouver, 1991	3/97
97-03	Abul Shamsuddin & Don J. DeVoretz	Wealth Accumulation of Canadian and Foreign-Born Households in Canada	6/97
97-04	Abul Shamsuddin	The Double-Negative Effect on the Earnings of Foreign-Born Females in Canada	6/97
97-05	Abul F. M. Shamsuddin	Savings, Tax Contributions and Australian Immigration	6/97
97-06	Peter Sheldon	Estimation of Labour Market Participation Rates for Canadian-Born and Foreign-born Families Resident in the Vancouver Census Metropolitan Area Circa 1991	8/97
97-07	John E. Hayfron	Estimating Immigrants' Occupational Choice and Occupational Wages with Selectivity Bias	9/97
97-08	David Ley & Heather Smith	Is there an immigrant "underclass" in Canadian cities?	10/97
97-09	Dominique Gross	Immigration Flows and Regional Labour Market Dynamics	10/97
97-10	Krishna Pendakur & Ravi Pendakur	Speak and Ye Shall Receive: Language Knowledge as Human Capital	11/97

Working paper series

Number	Author (s)	Title	Date
98-01	Karl Froschauer	East Asian Immigrant Entrepreneurs in Vancouver: Provincial Preference and Ethnic Strategy	01/98
98-02	June Beynon & Kelleen Toohey	Careers in Teaching: Participation Rates and Perceptions of Two Minority Groups in British Columbia	01/98
98-03	Iris Geva-May	Immigration to Israel: Any Lessons for Canada?	01/98
98-04	Rebeca Raijman & Moshe Semyonov	Best of Times, Worst of Times, and Occupational Mobility: The Case of Russian Immigrants in Israel	02/98
98-05	Fernando Mata & Ravi Pendakur	Immigration, Labour Force Integration and the Pursuit of Self-employment	02/98
98-06	Samuel A. Laryea	The Impact of Foreign-born Labor on Canadian Wages: A Panel Analysis	02/98
98-07	Gordon Dicks & Arthur Sweetman	Education and Ethnicity in Canada: An Intergenerational Perspective	02/98
98-08	Steven Globerman	Immigration and Health Care Utilization Patterns in Canada	03/98
98-09	Samuel A. Laryea	The Substitutability and Complementarity of Canadian and Foreign-born Labour : Circa 1990	04/98
98-10	John E. Hayfron	Panel Estimates of the Gender Gap in Norway: Do Female Immigrants Experience A Double Earnings Penalty ?	04/98
98-11	Thomas Bauer and Klaus F. Zimmermann	Occupational Mobility of Ethnic Migrants	07/98
98-12	Gillian Creese	Government Restructuring and Immigrant/Refugee Settlement Work: Bringing Advocacy Back In	07/98
98-13	Abul Shamsuddin	Labour Supply of Immigrant Women in Australia	07/98
98-14	Yitchak Haberfeld, Moshe Semyonov and Yinon Cohen	Ethnicity and Labor Market Performance among Recent Immigrants from the former Soviet Union to Israel	08/98

Back issues of working papers are available for $5 from
Vancouver Centre of Excellence: Immigration, WMX4653, Simon Fraser University, 8888 University
Drive, Burnaby, B.C, Canada V5A 1S6. Tel: (604) 291-4575 Fax: (604) 291-5336

E-mail: riim@sfu.ca
http://www.riim.metropolis.globalx.net/