

# Ethnic Concentration and Economic Outcomes of Turkish and Moroccan immigrants in Belgium

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## ABSTRACT

This research paper is concerned with the economic consequences of ethnic concentrations (enclaves) of immigrants. Hypotheses are developed regarding the effect of ethnic concentrations on employment and occupational status. And the interaction effect of ethnic concentration and language skills are tested. Data from Belgium's Migration history and Social Mobility Survey 1994/96 among Turkish and Moroccan men are used to test our hypotheses. Ethnic concentration is supposed to have a positive effect for employment and a negative effect for occupational status. Regarding the interaction effect I expect that living and working within a linguistic concentration area decreases the positive effect of destination language proficiency. Contrary to the hypothesis, results show that ethnic concentration has a negative significant effect on employment. Regarding occupational status, results show that ethnic concentration has a negative significant effect, which confirms our hypothesis. Finally, my results show no significant interaction between language skills and ethnic concentration on labour market outcomes.

## **INTRODUCTION**

One of the characteristics of the late 20<sup>th</sup> century is an increase in movement of people across international borders. This movement has continued in the early 21<sup>st</sup> century. The process of people crossing the international borders is expressed in international migration flows. International migration flows are characterised by the fact that the immigrants are "different" from the natives. This difference between immigrants as a group and natives is expressed in appearance, religion, customs, belief-systems, language and other characteristics associated with ethnicity (Chiswick and Miller, 2002). International migration flows seem to appear in Europe too. In 2004 the net immigration in Europe per 1000 persons was 4,1 compared to 2,4 in 1992 (Europa.eu, 2010). European countries receive most immigrants from other European countries. One example of such immigrant receiving European country is Belgium.

In 2000, Belgium counted 10,263 million residents including 862 thousand foreigners, 8.4% of the total population. In 2000, 60% of foreign population in Belgium were EU-immigrants from Italy, France, the Netherlands and Germany. Moroccans and Turks were the largest non-EU communities with respectively 107 and 56 thousand immigrants (Algemene Directie Werkgelegenheid en Arbeidsmarkt, 2003). Before 1920, immigration in Belgium was primarily a spontaneous process. Belgium mainly received immigrants from neighbour countries. After World War I campaigns for recruiting immigrants were organised in Belgium. From 1962 till 1966, due to high conjuncture and pressure on the labour market, the Belgium government searched for guest labours from Morocco and Turkey. Also more labours from Spain and Greece migrated to Belgium due to a request of Belgium government. These guest labours were used for factory

work and for the service sector. Not only guest workers programs recruited immigrants, also refugees and asylum seekers are part of the immigrant group in Belgium.

The integration of these immigrants (quest labours, refugees and asylum seekers) can be divided into cultural, social and economic integration (Castles & Miller, 2009). This paper will focus on economic integration and will not consider the other two dimensions of integration. The main finding from previous studies is that after arrival in the host country immigrants are at the economic disadvantage (Kogan & Kalter, 2006; Kanas, 2010). For example, statistics of Belgium show that unemployment rates of foreign-born are 2,5 times higher compared to native-born populations (HVLN, 2010). Besides unemployment rates other research from several immigrant receiving countries has shown that occupational status and income of immigrants are lower compared to natives (Kogan & Kalter, 2006; Tienda & Lii, 1987; Tolnay 2001).

An important determinant of economic inequality between immigrants and the native population is ethnic concentration. In most countries, immigrants tend to be spatially concentrated. Ethnic concentration can be described as a consequence of immigrants living together within the same area or neighbourhood on the basis of cultural background or origin (Chiswick & Miller, 2002). In this research we will focus on the economic consequences of ethnic concentration.

According to ethnic enclave theory, researchers argued that ethnic concentration will have positive effects mainly on employment of immigrants. The ethnic enclave theory argues that ethnic concentration of immigrant groups will contribute to the development of information networks which provide

immigrants with information about available job opportunities. Information networks can be valuable in social interaction, consumption and employment activities (Kogan and Kalter, 2006).

It is also argued that ethnic concentration influences immigrant self-employment. Self-employment results in demands for co-ethnic products and both owners and workers benefit from the ethnic enclave by self-employment (Logan and Alba, 2003). From the employer's perspective co-ethnic labours provide assurance that investments in training will be repaid by reduced labour costs (cheap labour). From the employee's perspective, within a sheltered ethnic economy it is possible for workers to find employment (financial aid) despite their deficits (lack of formal education, poor English or unfamiliarity with the labour market) (Logan & Alba, 2003). This will result in the hypothesis that in highly ethnic concentrated areas, information networks and self-employment will provide job opportunities for immigrants. These job opportunities will have positive effects on immigrant employment. Having a job is one of the main purposes for a well-developed economic environment (Chiswick and Miller, 2002; Kogan and Kalter, 2006). The effects of an ethnic enclave could also be considered in a negative way. Ethnic concentration has a positive effect on the economic outcomes of immigrants because it provides information networks and job opportunities. However immigrants in information networks that are ethnically very homogenous, have the disadvantage of being able to access only limited information on the employment opportunities. This limited information confines immigrant's prospects for better occupational allocation (Kogan and Kalter, 2006). Therefore ethnic concentration of immigrant groups will result in immigrants having a job, but only the lower status jobs and also having difficulties in finding a job outside the ethnic enclave.

Alternatively to the ethnic enclave hypothesis researchers developed an *economic threat hypothesis*. According to this hypothesis it is argued that if the relative group size of immigrants is increasing, natives will experience more threat. Because of this experienced threat natives will discriminate more against immigrants (Burr et al, 1991; Tomaskovic, 1996; Beggs et al,1997). Discrimination towards immigrants will lead to reduced economic chances of immigrants because discrimination reduces job opportunities and will lead to difficulties in finding a job.

It is relevant to examine the effects of ethnic concentration on economic outcomes, firstly because researchers studied mainly the effects of ethnic concentration on economic outcomes of immigrants in the United States. Within these studies researchers, most of the time, used Hispanic, Black and Asian immigrant groups. As a result, there does not exist much research on Europe and European immigrant groups. The findings of the United States and Europe could differ in a significant way and therefore it is relevant to study different immigrant groups within Europe.

Secondly, the effects of ethnic concentration are dependent on the economic outcomes which are then studied. Previous have focussed exclusively on one of the economic outcomes which may be problematic if ethnic concentration has a positive effect on self-employment, but a negative effect on occupational status in previous studies. In this study, I consider both economic outcomes and test the competing hypotheses.

It is important to be consistent about the effects of ethnic concentration on economic outcomes of immigrants because, economic integration of immigrants determines the economic well-being of immigrants. If ethnic concentration has

negative effects on economic outcomes via economic integration of immigrants the government could make policy which prevents these negative effects.

In this research the focus is on the consequences of ethnic concentration on employment and occupational status for Turkish and Moroccan immigrants in Belgium. I rely on Migration History and Social Mobility Survey 1994/96 collected among Turkish and Moroccan male immigrants. Regarding the theories I expect the ethnic enclave hypothesis to find a positive effect of ethnic concentration for employment and a negative effect for occupational status. Regarding the economic threat hypothesis I expect ethnic concentration to have a negative effect on both employment and occupational status. I will start discussing the existing theoretical framework, then I will discuss the data and methods, and lastly I will discuss the results.

## **THEORETICAL FRAMEWORK**

### *Ethnic enclave theory*

One influential theory about the effect of ethnic concentration on economic outcomes of immigrants is the ethnic enclave theory. As already defined in the introduction, ethnic concentration can be described as a consequence of immigrants living together within the same area or neighbourhood on the basis of cultural background or origin.

The ethnic enclave theory argues that concentration of immigrant groups within one neighbourhood or area predominantly has a positive influence on immigrant employment. Although some studies suggest a negative effect on immigrant income or occupational status. I will firstly discuss the positive effects of the ethnic enclave.

New immigrants typically settle where family and friends have settled, because immigrants are not connected to host-country information networks when they arrive. Therefore they have an incentive to import or create information networks through living with immigrants from the same origin in an ethnic concentration area (Chiswick and Miller, 2002). Chiswick and Miller (2002) defined the consumption characteristics not shared with the host population "Ethnic goods". Ethnic goods are for example, market and nonmarket goods and services which includes social interactions with people of the same origin. Settling in ethnic concentrations areas thus provide information networks that can be valuable in social interaction, consumption and employment activities.

Within an ethnic enclave there exists an ethnic pattern in which group members are concentrated both as owners and workers in certain activities. Opportunities for self-employment (small businesses) are created by growth of

an immigrant community or ethnic enclave to serve that community in retail and service sectors. It is believed that both owners and workers benefit from the ethnic enclave, because the minority owned businesses within the ethnic enclave are owned by members of the ethnic group and rely especially on co-ethnic labour force (Logan and Alba, 2003). From the employer's perspective co-ethnic labours provide assurance that investments in training will be repaid by reduced labour costs (cheap labour)(Logan & Alba, 2003). It is argued that owners can take an advantage of low-wage co-ethnic labour force to compete in labour intensive manufacturing or other activities (Logan and Alba, 2003).This reasoning can be explained by the mechanism of owners which offer a kind of economic protection within ethnic enclaves by hiring co-ethnics who are undocumented or lack proficiency of the dominant language (Portes & Manning,1986). Thus employers recruit employees within the ethnic enclave for their minority owned businesses which, as a result, would further increase job opportunities (Tolnay, 2001; Kogan and Kalter, 2006). Outside the ethnic enclave these labours would have little job opportunities because of lack of formal education, poor English or unfamiliarity with the labour market. As a result these labours accept the job opportunities offered by their co-ethnic owners.

Furthermore it is argued that ethnic concentration create the demand for co-ethnic goods and self-employment. It is important to notice that immigrants from a particular origin have a different market basket for ethnic goods than immigrants from other origins (Chiswick and Miller, 2002). Therefore there is frequently a tension between preserving the culture of the "old country" in the new setting and adopting the culture of the host country (Chiswick and



Miller,2002). In this way ethnic concentration creates demands for co-ethnic goods and so minority owned businesses.

In sum, the ethnic enclave facilitates immigrants employment by creating demands for cheap labour, providing immigrants with financial capital and demands for co-ethnic goods. And information networks which provide immigrants with information about available job opportunities have positive effects on employment of immigrants. For example, the ethnic enclave enables immigrants to communicate in their co-ethnic language and provides specific information of the host-country. As a result new immigrants are able to settle and develop economic opportunities without fully integrating in the host-country. From all the former arguments it is possible to derive the following hypothesis:

*Ethnic concentration has a positive effect on employment/self-employment of immigrants (H1A)*

Several researchers suggested that ethnic concentration has also negative effects on the economic outcomes of immigrants. As already argued, immigrants are not connected to host-country information networks when they arrive. Therefore they have an incentive to import or create information networks through living with immigrants from the same origin in an ethnic concentration area. Therefore, new immigrants which are joining the ethnic enclave, are not forced to adapt the dominant language and culture of the host-country (Tienda and Lii, 1987; Tolnay, 2001).

Additional to the former information, immigrants will live in an ethnic concentration area with networks that are ethnically very homogenous. These networks have the disadvantage of being able to access only limited information

on the employment opportunities outside their ethnic enclave. This tendency confines immigrants prospects for better occupational allocation (Kogan and Kalter, 2006). Through the ethnic enclave immigrants will thus experience information problems and time costs. In line with Kogan and Kalter's (2006) argumentation, Sanders and Nee (1987) argue that an ethnic enclave provide immigrant groups with a basis of social support and cohesion that is crucial for those immigrants who lack or are slow to acquire language and cultural skills of the host society. But as long as immigrant lack these language and cultural skills of the host-country, their job opportunities are limited to relatively poor paying or lower occupational status jobs. From these arguments, which consider a negative effect of the ethnic enclave, it is possible to derive the following hypothesis: *Ethnic concentration has a negative effect on occupational status of immigrants* **(H1B)**

#### *Economic threat hypothesis*

The ethnic enclave theory assumed positive effects of ethnic concentration on employment and negative effects of ethnic concentration on occupational status of immigrants. The economic threat hypothesis considers only the negative effects of ethnic concentration.

Blalock (1967) argued that there exists "a positive relationship between the percentage of the minority or its rate of increase [in a geographic area] and one or more of the following: (a) prejudice (attitude), (b) intergroup conflict (including overt behaviour), (c) discrimination (resultant of overt behaviour), and (d) rate of assimilation of the minority".

Blalock (1967) thus argues that an increase in the size of the immigrant group result in an prejudice attitude towards immigrants expressed by natives, intergroup conflict between different immigrant groups, discrimination against immigrants by natives and assimilation of the immigrant group.

According to the economic threat hypothesis, the dominant group takes increasingly discriminatory actions against the subordinate group, when this group begins to grow. With respect to immigrants, the dominant group are the natives and the subordinate group is the immigrant group. Increases in the total amount of immigrants, will heighten the perceived threat towards this group. The dominant group will experience threat because the minority group is fighting for the same kind of jobs, otherwise the natives would not experience this threat. By taking discriminatory actions, the dominant group tries to restrict the opportunities for the minority group on the labour market.

Economic well-being is determined by job opportunities. If the natives are taking discriminatory actions against the minority group, it is on the labour market. Therefore the job opportunities for immigrants will be lower which in turn will have negative effects on economic outcomes. This results in the following hypothesis: *Ethnic concentration will have a negative effect on the economic outcomes of immigrants through discriminatory actions taken by natives (H2)*

### *Ethnic concentration and economic returns to Language skills*

For the purpose of this study, I will also argue about the interaction effect between language skills and ethnic concentrations on immigrant economic outcomes. New immigrants differ from the host population in terms of language skills, therefore communication in all spheres of life are much more difficult. These communication costs can be reduced by working or living in a linguistic concentration area (Chiswick and Miller, 2002).

Not all members of the group need language proficiency, the earliest immigrants are those which are more efficient in terms of language acquisition and thus are more likely to become proficient. These immigrants can serve as direct or indirect translators for communication between the enclave and the host society. The demand for this function increases with the size of the linguistic immigrant group and decreases as the immigrants learn the dominant language or as the natives learn the immigrant language (Chiswick and Miller, 2002). Evans (1986) suggest that members of large ethnic concentrations that has large enclave markets, will have less economic incentives to acquire the dominant language fluency. Where there exists a linguistic enclave, the language of the country of origin will be used, at least in part, as a language at home, at work or in the community. This would lower the benefits and increase the costs of learning the language of the destination (Chiswick and Miller, 1996).

So, for language skills we argue that living and working within a linguistic concentration area decreases the positive effect of destination language proficiency, because for dominant language proficiency it is expected that it will have a positive influence on job opportunities outside the ethnic enclave. One reason for this expectation is that immigrants employed in ethnic concentrations,

work, consume, socialize and engage in other activities using the origin language. Therefore it is implied that the costs associated with limited language proficiency will be lower for immigrants living in ethnic concentrations compared to immigrants living in areas with few co-ethnics. These arguments will result in the following hypothesis: *Immigrants who live in ethnic concentration areas will receive lower returns to destination language proficiency compared to immigrants who live in areas with few co-ethnics (H3)*

## **DATA AND METHODS**

### ***Data***

For the purpose of this study I used data from Migration History and Social Mobility Survey 1994/96. This is an immigrant specific survey collected between 1994 and 1996 among Turkish (N=1500) and Moroccan (N=1300) men immigrants aged 18 and older. This dataset contains detailed information on the migration history, education and linguistic abilities, media exposure, labour force experience, recruitment of marriage partners and family reunification and regional connections with home country of immigrants in Belgium.

The survey was based on cluster samples with two stage drawing procedure (Lesthaeghe, 2000). First, a random sample of municipalities with Turkish and Moroccan nationals was selected and second a random sample of individuals was drawn from these municipalities. The data on Turkish men were gathered in 47 municipalities and on Moroccan men in 41 municipalities. Because the random sample of individuals was based on the list of foreign born-populations, persons with a Belgian nationality are not represented in the survey (Kanas, 2010). The questionnaire of the survey were translated into four languages Dutch, French, Turkish and Arabic and the survey relied on bilingual interviewers. The non-response rate was 28 percent for Turks and 44 percent for Moroccans (Lesthaeghe, 2000).

The data used in the analysis is limited to male immigrants between ages of 20 and 64. Men under the age of 20 are excluded from the analysis based on the assumption that these respondents have not finished their education. Men above an age of 64 are excluded from the analysis based on the assumption that these respondents have left the labour market as a consequence of early retirement scheme. Immigrants are defined as individuals which are born outside Belgium. In total my sample includes 2488 respondents, 1350 Turkish respondents and 1138 Moroccan respondents.

### ***Dependent variables***

*The employment* includes employed immigrants which are contrasted with unemployed and economically inactive immigrants, which are people without a job and not looking for a job.

*Occupational status* is measured in terms of the International Socio-Economic Index (ISEI). The ISEI scale measures the hierarchical position of the occupation and is based on the weighted average of education and earnings in each of the occupation. Its categories ranges from 16 (agricultural workers, hotel and restaurant cleaners) to 90 scores (judges). The ISEI scores were assigned to the occupations based on the International Socio-Economic Index of Occupational Status (ISEI) provided in Ganzeboom and Treiman 1996 (Kanas, 2010). The average occupational status for Turks and for Moroccans in the sample is 32.

### ***Independent variables***

*Education* is measured by the number of years of the highest level of completed education in the country of origin and Belgium. This is a continuous variable.

*Language skills* are measured by taking the maximum score on the ability to speak Flanders or French, which are the two formal languages of Belgium. Respondents were asked about their ability to speak Flanders or French, the possible answers were "not at all", "a little", "reasonable", "well" and "very well". I treat language skills as a continuous variable.

*Marital status* is measured by contrasting the married respondents with those who are single.

*Years since migration* are measured by subtracting the migration year of the immigrant from 1995 (the census year).

*Ethnic concentration* is measured by linking the postal code of the respondent to the percentage of co-ethnics in the municipality. Data on ethnic composition in municipalities are provided by Statistics in Belgium. Descriptive statistics for Belgium show a mean ethnic concentration of 7,7 percent with a standard deviation of 5,90.

### ***Methods***

To measure the relationship between ethnic concentration (independent variable) and employment (dependent variable) I used Binary Logistic regression.

To measure the relationship between ethnic concentration and occupational status I used OLS regression. In this study I controlled for other important determinants of immigrant employment and occupational status such as education, language skills, years since migration and marital status.



## RESULTS

The descriptive statistics of the selected variables for Turkish and Moroccan immigrants are presented in Table 1. In general, there are no differences between the two immigrant groups. For Turkish immigrants the employment rate appears to be higher than for Moroccan immigrants, respectively 47 percent compared to 42 percent. But Moroccans possess a slightly higher average occupational status, respectively 32,392 compared to 31,527. With respect to education, there almost appear no difference. On average Turkish immigrants are higher educated (11 years) compared to Moroccan immigrants (10 years). Regarding language skills, Moroccans developed a higher level (3,90, which is equivalent to speaking language well) than Turks (3,24, which is equivalent to speaking language reasonable). Furthermore a difference in the percentage of married people exists. This percentage is higher for Turkish immigrants (85%) than for Moroccan immigrants (67%). Regarding ethnic concentration, Moroccan immigrants are slightly higher ethnic concentrated than Turkish immigrants, respectively 9,60 percent compared to 6,04 percent.

Table 1: Descriptive statistics of Dependent and Independent variables

	Turks			Moroccans	
	Range	Mean	S.D	Mean	S.D
<i>Dependent variables</i>					
Employment	1/0	0,47		0,42	
Occupational status	16-85	31,527	9,044	32,392	9,777
<i>Independent variables</i>					
Education	0-19	10,91	3,718	10,16	5,405
Years since migration	2-33	19,228	8,042	19,217	9,677
Language skills	1-5	3,24	1,166	3,90	1,099
Ethnic concentration	0,30-20,48	6,04	5,06	9,60	6,20
Marital status	1/0	0,85	0,361	0,67	0,470

Table 2-5 present the results from the regression analyses for employment and occupational status. Each table consists of two models. Model 1 includes the main effect of ethnic concentration and control variables. Model 2 includes the main effect of ethnic concentration, control variables and interaction effect between language skills and ethnic concentration. Because the effects of ethnic concentration may differ between Turkish and Moroccan immigrants I run the regression analyses for the two immigrant groups separately. Table 2 and 3 include the models on employment for Turkish and Moroccan immigrants. Table 4 and 5 include the models on the occupational status for Turkish and Moroccan immigrants.

I will start describing the main effects of ethnic concentration on employment for Turks and Moroccans. In the theoretical framework, according to the ethnic enclave theory, I stated that *ethnic concentration has a positive effect on the employment of immigrants (H1A)*. But according to the economic threat hypothesis, my hypothesis stated that *ethnic concentration will have a negative effect on the economic outcomes of immigrants through discriminatory actions taken by natives (H2)*. Table 2 for Turkish immigrants and Table 3 for Moroccan immigrants represent the Binary Logistic regression of employment controlled for education, language skills, years since migration, marital status.

Tables 2 & 3, model 1, show a negative non significant effect of ethnic concentration on employment for both Turkish and Moroccan immigrants. These findings do not confirm my hypotheses H1A and H2 for both Turkish and Moroccan immigrants. Although for Moroccan immigrants ethnic concentration has a negative marginally significant effect on employment ( $p < 0.1$ ). If a significance level of  $p < 0,1$  is applied, both hypotheses for Moroccan immigrants get confirmed.

Table 2: Logistic regression of Employment for Turkish immigrants In Belgium, 1998,

	<b>Model 1</b>		<b>Model 2</b>	
	Turks		Turks	
	B	Wald	B	Wald
<i>Ethnic concentration</i>	-0,009	0,603	0,047	1,176
<i>Education</i>	0,046	5,083*	0,057	4,265*
<i>Language skills</i>	0,528	56,628**	0.536	57,662**
<i>Years since migration</i>	-0,070	62,386**	-0,072	64,198**
<i>Marital status</i>	1,150	27,831**	1,176	28,974**
<i>Interactions</i>				
			B	Wald
<i>Ethnic concentration*language skills</i>			-0,002	0,491

\*\*  $p < 0,01$  & \*  $p < 0,05$

Table 3: Logistic regression of Employment for Moroccan immigrants In Belgium, 1998,

	<b>Model 1</b>		<b>Model 2</b>	
	Moroccans		Moroccans	
	B	Wald	B	Wald
<i>Ethnic concentration</i>	-0,018	3,021	- 0,008	0,090
<i>Education</i>	0,042	5,983*	0,063	5,737*
<i>Language skills</i>	0,199	6,271*	0,210	6,885**
<i>Years since migration</i>	-0,024	9,779*	- 0,024	9,602*
<i>Marital status</i>	1,171	44,936**	1,202	46,026**
<i>Interactions</i>				
			B	Wald
<i>Ethnic concentration*language skills</i>			-0,002	1,249

\*\*  $p < 0,01$  & \*  $p < 0,05$

According to the ethnic enclave theory my other hypothesis stated that *ethnic concentration has a negative effect on occupational status of immigrants (H1B)*. According to the economic threat hypothesis my hypothesis: *ethnic concentration will have a negative effect on the economic outcomes of immigrants through discriminatory actions taken by natives (H2)*, expects a negative effect too.

Table 4, model 1, shows a negative significant effect of ethnic concentration on occupational status for Turkish immigrants. Table 5, model 1, shows a positive non significant effect of ethnic concentration for Moroccans. The

finding for Turkish immigrants confirms my hypotheses H1B and H2. But the finding for Moroccan immigrants does not confirm my hypotheses H1B and H2.

Table 4: OLS Regression of Turkish immigrants' Occupational Status in Belgium, 1998, (standardized coefficients)

	<b>Model 1</b>		<b>Model 2</b>	
	Turks		Turks	
	B	T-ratios	B	T-ratios
Ethnic concentration	-0,111	-3,965**	0,089	1,014
Education	0,226	7,747**	0,309	6,706**
Language skills	-0,005	-0,138	-0,003	-0,088
Years since migration	0,057	1,952	0,059	1,856
Marital status	0,037	1,306	0,025	0,874
<i>Interactions</i>				
			B	T-ratios
Ethnic concentration*language skills			-0,224	-2,360*

\*\*  $p < 0,01$  & \*  $p < 0,05$

Table 5: OLS Regression of Moroccan immigrants' Occupational Status in Belgium, 1998, (standardized coefficients)

	<b>Model 1</b>		<b>Model 2</b>	
	Moroccans		Moroccans	
	B	T-ratios	B	T-ratios
Ethnic concentration	0,008	0,247	0,027	0,326
Education	0,283	8,230*	0,202	2,923*
Language skills	0,168	4,672**	0,132	3,158*
Years since migration	0,139	4,141*	0,125	3,593**
Marital status	0,002	0,054	0,030	0,875
<i>Interactions</i>				
			B	T-ratios
Ethnic concentration*language skills			-0,035	-0,416

\*\*  $p < 0,01$  & \*  $p < 0,05$

Before I will look at the interaction effect between language skills and ethnic concentration I will describe the effects of the control variables. Firstly, I will discuss the effects of language skills. Regarding language skills, Tables 2 & 3, model 2, show a positive significant effect for both Turkish and Moroccan

immigrants on employment. With respect to occupational status, table 4, model 2, shows a negative non significant effect of language skills for Turks. Contrary to the result for Turks, Table 5, model 2, shows a positive significant effect of language skills on occupational status for Moroccans. Because education and language skills tend to be positively correlated, I checked the effect of language skills excluding education from the model. The results not presented here show that if education is excluded from the model language skills becomes significant for Turks.

The education variable shows a positive significant effect for Turks and Moroccans on employment and occupational status (Tables 2,3,4 and 5, model 2). Specifically this means that each additional year of education increases the occupational status of both Turks and Moroccans.

Tables 2 & 3, model 2, show for both Turks and Moroccans a negative significant effect of years since migration on employment. This means that if years since migration increases, this will decrease the chance on employment. Regarding occupational status, Table 4, model 1, shows a positive non significant effect of years since migration for Turkish immigrants. For Moroccan immigrants, years since migration has a positive significant effect on occupational status (Table 5, model 1).

Tables 2 & 3, model 2, show a positive significant effect of marital status on employment for both Turkish and Moroccan immigrants. With respect to occupational status the results show a positive non significant effect of marital status for both Turks and Moroccans (Tables 4 & 5, model 2).

Now I will discuss the results of the interaction effect between language skills and ethnic concentration for employment and occupational status. My hypothesis stated that: *Immigrants who live in ethnic concentration areas will receive lower returns to destination language proficiency compared to immigrants who live in areas with few co-ethnics (H3)*. Regarding employment, Tables 2 & 3, model 2, show a negative but non significant effect of ethnic concentration for both Turks and Moroccans. With respect to occupational status, Table 4, model 2, shows a negative significant effect of ethnic concentration for Turks but a negative non significant effect of ethnic concentration for Moroccans (Table 5, model 2). Regarding employment, hypothesis H3 is not confirmed for both Turks and

Moroccans. With respect to occupational status, hypothesis H3 is only confirmed for Turks but not for Moroccans.

## **CONCLUSION & DISCUSSION**

This paper has been concerned with whether ethnic concentration areas affect immigrant adjustment in terms of employment and occupational status. My aim was to illustrate the importance of ethnic concentration in explaining differences in economic outcomes among Turkish and Moroccan men in Belgium. The reasons for the development of ethnic concentration areas are discussed in the theoretical framework. Shortly summarised, new immigrants tend to settle where previous immigrants from their origin, like family and friends, have settled because they provide information networks and where their employment opportunities are best.

Several hypotheses emerged from the analysis. Ethnic concentration is expected to have a positive effect on employment and a negative effect on occupational status of immigrants. According to the economic threat hypothesis, it is expected that ethnic concentration will have a negative effect on the economic outcomes of immigrants through discriminatory actions taken by natives. Regarding language skills it is expected that immigrants who live in ethnic concentration areas will receive lower returns to destination language proficiency compared to immigrants who live in areas with few co-ethnics.

The empirical analysis is done by using data from Migration History and Social Mobility Survey 1994/96 among Turkish and Moroccan men aged 18 and older. To test my hypotheses I used Binary Logistic regression to measure the relationship between ethnic concentration and employment. To measure the relationship between ethnic concentration and occupational status I used OLS regression.

My results show a negative significant effect of ethnic concentration on occupational status for Turks, which confirms my hypotheses H1B and H2 but only for Turkish immigrants. Furthermore, the interaction effect between ethnic concentration and language skills is found to be a negative significant effect for Turks, which confirms my hypothesis H3. Regarding my control variables, I found a positive significant effect of language skills on employment for both Turks and

Moroccans. I found a positive significant effect of language skills on occupational status too but only for Moroccans. Language skills thus have positive effects both on employment and occupational status. For education I found a positive significant effect on employment and occupational status for both Turks and Moroccans. Which means that each additional year of education increases the occupational status. In addition, results for years since migration show a negative significant effect on employment for both Turks and Moroccans. Which means that if years since migration increase, this will decrease the chance on employment. For occupational status the results show a positive significant effect but only for Moroccans. Lastly, results for marital status show a positive significant on employment for both Turkish and Moroccan immigrants. This means that being married has positive effects on employment.

### *Discussion*

Regarding my results, it is striking that my hypotheses H1B, H2 and H3 are only confirmed for Turkish immigrants and not for Moroccan immigrants. My descriptive statistics (Table 1) showed that the percentage of Moroccan immigrants living among co-ethnics in a municipality was slightly higher than for Turks. But it is possible that, although the percentage of Moroccan immigrants living in a municipality is higher, Turkish immigrants live more concentrated in their municipality. This means that it is possible that Turkish immigrants are more concentrated in one neighbourhood inside the municipality and Moroccan immigrants are more separated over the municipality. Another reason could be that the mechanism of ethnic concentration varies between the different immigrant groups. An explanation could be that the threshold for providing job opportunities and creating information networks is higher for Moroccans than for Turks. Besides that my hypotheses are only confirmed for Turks, the results do not confirm my hypothesis H1A regarding employment. This could be due to the reason that the ethnic concentration area (municipality) which is used in this study is too small. It is possible that the amount of employers should reach a certain threshold to be effective. This means that the amount of employers in a ethnic concentration area should be higher to create job opportunities for co-

ethnics. Because the amount of employers will increase if the ethnic concentration area is bigger, a municipality is a too small.

It is also discussable that it is not possible to distinguish the mechanism for the negatively significant effect I found for ethnic concentration on occupational status of Turkish immigrants. The question is, whether it is the ethnic enclave theory or the economic threat hypothesis which is the mechanism behind this result. Future studies should, for example, separately examine the ethnic enclave theory and the economic threat hypothesis for occupational status. If only the ethnic enclave theory or the economic threat hypothesis is examined it is possible to distinguish the mechanism for occupational status.

Furthermore it is difficult to conclude whether ethnic concentration has effects on employment and occupational status for Turkish and Moroccan immigrants in Belgium, because most of my results were non significant. These non significant results could be addressed to a small sample size. The original survey included 1500 Turkish men and 1300 Moroccan men immigrants. For my research I used only employed Turkish and Moroccan immigrants aged between 21 and 65 years. This resulted in 691 Turkish and 534 Moroccan immigrants including my research.

Lastly, my results showed that higher educated Turkish and Moroccan immigrants received higher returns to occupational status and employment. Furthermore, I found a positive significant effect for language skills and marital status on both employment and occupational status for Turks and Moroccans. But, according to years since migration I found a negative significant effect on employment for both Turks and Moroccans. It is questionable why it has a negative effect, because all other control variables showed positive significant effects for both employment and occupational status. Logically, if years since migration increase the better job opportunities for immigrant should be. Therefore, new studies should focus more on European countries and immigrant groups within Europe. These studies could develop more knowledge and results for employment as well as occupational status within the same study and these studies could focus on the weaknesses of my study.



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