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Return of the «Race Relation Cycle»? An autoregressive panel analysis on the socioeconomic and social integration of immigrants in Germany¹.

In migration research there is an on-going controversy about the sequence of immigrants' adaption process. For a long period, economic attainment was considered the most crucial stage of incorporating into the host society. In both the original- and revised formulation of assimilation theory this stage precedes both the development of interethnic contacts and the formation of a sense of belonging to the host country. The theoretical framework states the following sequence: After a first step of acculturation immigrants integrate into formal institutions of the host society. In this respect, the most important institutions are the labour market and the educational system. This so called secondary structural integration will lead to close interethnic contact that will finally make the immigrants feel as full members of the receiving country (Gordon 1964: 80f.; Haller, Portes & Lynch 2011: 735). These assumptions have not been undisputed, but still assimilation theory remains significant in migration research (Alba 2008; Alba, Kasinitz & Waters 2011).

On the contrary, segmented assimilation, as the most influential competing concept emphasizes the importance of social capital and networks for economic advancement (Portes & Rumbaut 2001; Portes & Zhou 1993). In this regard, successful socioeconomic incorporation is not necessarily a result of adapting to the host society. It might just as well be the result of a strong embeddedness into the own ethnic enclave. Contacts within the own enclave establish so called *bonding networks*, which connect persons of similar interests. The benefits of those are dense information flows as well as mutual trust and socially enforced cooperation amongst in-group-members. In contrast, *bridging networks* interlink individuals of diverse background characteristics and facilitate the flow of

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¹ This extended abstract is prepared for the presentation at the European Population Conference (EPC2014) in Budapest, Hungary. June $25^{th} - 28^{th} 2014$.

information over larger distances and across group borders. Usually, these networks refer to interethnic contacts. In segmented assimilation theory, the extent to which own ethnic contacts may be able to support socioeconomic advancement depends on the occupational and educational stratification of the ethnic enclave (Kroneberg 2008). It is only within large and occupationally stratified communities that immigrants benefit from a strong embeddedness in the own-ethnic enclave. As most ethnic enclaves in Germany are lowly stratified the German integration literature mostly highlights a larger importance of social bonds to members of the majority than to own ethnics (Drever & Hoffmeister 2008; Haug 2003a, 2003b; Kalter 2006). This is in line with the idea of a potential ethnic mobility trap resulting from a strong own-ethnic orientation (Wiley 1967). Additionally, there is a large overall importance of formal qualifications in the German labour market, which is generally expected to be hard to overcome by social networks. Thus, only the interrelations of bridging networks and socioeconomic status will be considered.

From the theoretical discussion the following research questions derived:

In what sequence are socioeconomic advancement and the establishment of interethnic contacts linked to each other? Is it the socioeconomic resources of migrants that facilitate social contacts to members of the host society or do bridging networks influence the occupational and educational progress of immigrants?

To explore these questions, data of the German Socio-economic Panel study (GSOEP) are used. These are made up by a representative longitudinal survey of approximately 11,000 households each year/wave. The questions will be tackled by performing autoregressive cross-lagged panel models (ARM), which are commonly used for conducting longitudinal analyses within the framework of structural equation modelling. In this context, autoregressive models at least partly predict the value of an outcome at a certain point in time with preceding measurements of the same item.



Figure 1: Research design - assimilation

Thus, if for example social contacts cause higher socioeconomic attainments of immigrants, there should be an observable, significant effect net of the preceding socioeconomic status. Figure 1 exemplifies the strategy of analysis. The two effects of interest are illustrated by the dashed lines. Due to the control for autoregressive links ARM are especially appropriate for testing reverse relationships. Furthermore the longitudinal design enables the disentanglement of the causality inherent to the integration process. Further, in order to ensure the robustness of the results an unmeasured variable model was computed. By estimating a latent "phantom" variable, which is unmeasured but assumed to influence all constructs of interest over time, unmeasured variable models test whether the observed paths are spurious (Finkel 1995: 83 ff.).

The study at hand advances the existing literature in several aspects. By conducting longitudinal analyses it expands and substantiates the so far scant evidence for Germany. In this respect, the study at hands extends the results of Kanas and colleagues (2011) on bridging networks in several regards. First, a different measurement will be applied to operationalize interethnic contacts. Besides visiting Germans and receiving German visitors in the last 12 months the amount of Germans among the three best friends is included. In terms of social capital theory the latter item constitutes a more reliable indicator than the former two (Burt 2001; Granovetter 1974). Second, the simultaneous inclusion of autoregressive relationships and predictors for both constructs of interest allows

for a stricter test of reverse causality than the application of fixed effects regressions with lagged predictors (Kanas, van Tubergen & van der Lippe 2011: 107). The problems of this approach will be exemplified in a preceding step presenting results of fixed effects regression. Hence, the study at hand draws on existing results and tries to replicate and enhance them. Further, the socioeconomic status and interethnic contacts are analysed as latent constructs. This operationalization rules out the possibility of measurement errors and allows for testing measurement invariance, which is especially crucial in longitudinal analysis (Byrne, Shavelson & Muthén 1989; Christ & Schlüter 2010: 90ff.).

The study results are expected to enhance the integration literature by supplying an empirical foundation for the conceptual and theoretical discussion in migration research. The paper closes with a theoretical framing of the results and an outlook for future research.

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