

“If you don’t let me, I’ll stick with my friends!” How immigrants utilize their social capital to circumvent discrimination in the German labor market?

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Being embedded in ethnic communities and corresponding networks hampers the labor market integration of immigrants. Such relationships have often been shown for various immigrant groups and countries. Explaining these patterns, the basic argument is that (intra-)ethnic networks provide access to fewer social capital than (inter-)ties to natives. Due to lacks in social capital data, however, this argument has hardly ever been tested directly. Exploiting the comprehensive social capital measurement implemented in the German National Educational Panel Study (NEPS), this paper helps close that gap. Combining prospective event history analyses of the unemployment records of Ethnic Germans and immigrants from former recruitment countries with KHB decomposition, it reveals that the negative effects of having strong ethnic networks on starting a new job are largely mediated by immigrants’ (lacks in) access to social capital. In line with theories of ethnic discrimination, boundary making and social capital, I further show that having access to job references increases the employment chances of immigrants from former recruitment countries more strongly than those of Ethnic Germans. This finding corroborates the circumvent discrimination hypothesis: Immigrant groups that face bright ethnic boundaries use available social capital more often than groups facing rather blurred boundaries-. Social capital thus becomes a means to circumvent (expected) discrimination in the labor market.