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# Transnational Activities and Immigrant Integration in Germany

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## Concurrent or Competitive Processes?

Springer

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*To my grandmother*

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# Chapter 1
# Introduction

**Abstract** The general themes of the book are outlined in the introductory chapter. It includes its motivation, central theoretical innovations as well as empirical findings, and key arguments.

The chapter starts with a reflection on the study of immigrant integration as one of sociology's oldest fields of inquiry. The classic accounts conceived of immigrant integration as a linear process, inevitably leading to the complete assimilation of the immigrant group. This conception has been disputed both on scientific as well as normative grounds, leading to the development of new theoretical models of immigrant integration, which forego deterministic assumptions on the course of the process and normative claims. All these models, however, have concentrated solely on the interrelation between immigrants and the receiving society, disregarding immigrants' ties, loyalties, and involvement across borders that link receiving and sending country. The investigation into these border-crossing activities is at the core of transnational studies, a perspective on migration that emerged in the early 1990s. Despite their interest in the same phenomenon—international migration—transnational studies and studies on immigrant integration have neglected to develop a close dialogue and, at times, have even appeared antagonistic. This lack of dialogue may be the prime reason why important questions—What consequences do transnational activities have on integration? Is transnational involvement a distinct form of integration? Is it an alternative to assimilation? Does it hinder or facilitate assimilation?—are far from being answered. I argue that bringing together these two strands of research will provide us with a better understanding of how immigrant integration proceeds.

**Keywords** Immigration · Integration · Incorporation · Assimilation · Transnationalism · Transnational activities · Germany

The study of migration and immigrant integration is one of sociology's oldest fields of inquiry. The famous work of William Thomas and Florian Znaniecki (1919)—*The Polish Peasant in Europe and America*—on the struggles Polish immigrants faced throughout the migration process is almost 100 years old. Today, research on immigrant integration is one of the core fields of social science research. Within this field of inquiry, we find a multitude of different theoretical and methodological approaches that, in spite of their differences, all try to find answers to the same basic questions: Why do people leave their place of birth and migrate to another? And

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what happens once they have arrived at their destination? The latter question deals with issues regarding integration of immigrants into the receiving country. And this is also what this work is about.

Initially, the process of immigrant integration was seen in terms of race relation cycles (Bogardus 1930; Park 1950; Park et al. 1967 [1925]) and was assumed to inevitably lead to the complete assimilation of immigrants. This understanding of immigrant integration proved to be problematic. In its early formulation integration into the receiving country's society was equated with the immigrant becoming an indistinguishable member of it by complete and unidirectional adaptation, i.e. assimilation. Not only was this conception attacked on normative grounds—it seemed incompatible with the claims of democratic and pluralistic societies (Kallen 1915)—but it also proved to be empirically incorrect. Complete assimilation of immigrants into the receiving society is by no means a necessary outcome. Stable forms of ethnic stratification that extend across generations are not uncommon. This was soon realized by scholars of immigrant integration (Gordon 1964; Glazer and Moynihan 1970). Moreover, receiving societies are themselves heterogeneous entities. If we ask questions about the relation of immigrants and the receiving society, it thus appears sensible to specify what segments of the receiving society we are referring to. These insights prompted the development of new theoretical models that try to better explain immigrant integration and incorporate theoretically what appeared as empirical anomalies (Portes and Zhou 1993). Today, we have refined models at hand that do without a linear and deterministic conception of stages of the integration process and forgo too homogenous notions of the receiving society (Alba and Nee 2003; Esser 2006b; Esser 2008; Portes and Zhou 1993).

All the above mentioned research has, however, only focused on the interrelation between immigrants and the receiving society. It concentrates on the receiving context, the nation-state, and has almost completely disregarded immigrants' ties, loyalties, and involvement across national borders that connect country of origin and receiving country. This is surprising for two reasons. First, if we concentrate solely on what happens in the receiving context, we are likely to oversee important aspects of the migration processes that are apt to also influence immigrant integration. Second, William Thomas and Florian Znaniecki's "*The Polish Peasant*" (1919) already dealt with immigrants' continuous border-crossing involvement. The empirical data they analyzed consists of exchanges of letters between Polish immigrants and their relatives in Poland. A case in point of transnational involvement.

These border-crossing activities are what transnational studies focus on. By now, it has been almost 20 years since the concept of transnationalism was made popular in the social sciences, most notably through the work of a group of US American anthropologists: Linda Basch, Nina Glick Schiller, and Christina Szanton-Blanc (Basch et al. 1994). The (re)discovery of immigrants' border-crossing involvement with the first full book on transnational migration, *Nations Unbound: Transnational Projects, Post-Colonial Predicaments, and Deterritorialized Nation-States* (Basch et al. 1994), sparked a debate that occupied social scientists studying migration and integration for some time.

Since then, the concept of transnationalism has been considerably revised. At the onset of what is now referred to as transnational studies, transnationalism seemed to encompass everything—it was seen as a new phenomenon as well as a new perspective, questioning existing knowledge on migration and integration. Some were convinced of having discovered entirely new forms of migration and congruously proposed new terms (e.g. transmigrants) (Basch et al. 1994; Faist 2000; Pries 1998). Sharp distinctions were drawn between past and present migration, calling on scholars to abandon previous theoretical conceptions of migration and integration (Glick Schiller 1997), as they appeared to be inadequate in the face of this new phenomenon. These enthusiastic and sometimes perhaps unwillingly exaggerated accounts of transnationalism have been met with criticism, questioning the concept's relevance and novelty (Waldinger 2008a; Waldinger and Fitzgerald 2004; Lucassen 2006; Esser 2004; Mahler 1998; Waldinger et al. 2008; Waldinger 2008b). With ample help of historians, social scientists soon came to realize that transnationalism is anything but new (Joppke and Morawska 2003; Lucassen 2006; Barkan 2006). This eventually led to a refinement and a delimitation of transnationalism in a more realistic way (see e.g. Levitt and Jaworsky 2007; Kivisto and Faist 2010). For the work at hand, I propose using transnational activities or transnational involvement as the core concepts which describe actions and involvements that cross national borders (see Chap. 3 and Chap. 6 for details).

In this sense, the concept of transnationalism calls our attention to a specific aspect of migration and integration which has always been a ubiquitous, although disregarded, part of international migration (Waldinger 2008a, p. 24), namely the (potential) simultaneous embeddedness in more than one society (Levitt and Jaworsky 2007). It is an analytical tool, a perspective that enables us to include aspects of migration into our inquiries, to which conventional theories of migration and integration have been blind.

Despite the fact that transnational studies are now firmly established as a field of inquiry within the social sciences—and far beyond the study of migration and integration (e.g. Beck 2007; Mau 2010)—many of the questions that initially spurred the debate between advocates and critics of this perspective have not been answered (Kalter 2011). For instance, there is exceptionally little quantitative data that allows us to infer how common transnational involvement is among contemporary immigrants—the research available so far suggests that it is not a mass phenomenon (Portes et al. 2002; Guarnizo et al. 2003; O'Flaherty et al. 2007). What is more, reliable data on the scope of transnational involvement among immigrants in Europe is still missing completely (see Schunck 2011 for an exception). This is an unfortunate situation, considering that Europe is among the key receiving areas in worldwide migration (OECD 2008). Most importantly, the question of the relation of migrant integration into the receiving society and border-crossing involvement has not gotten the attention it deserves—both with regard to theoretical as well as empirical work. Even if we consider existing theoretical reflections on immigrants' transnational involvement, the gap between theory and empirical knowledge remains wide. The way I see it, the core questions enumerated by Kivisto and Faist (2010,

pp. 129–130)—what implications does transnational involvement have on integration? Is it a distinct form of integration? Is it an alternative to assimilation? Does transnational involvement hinder or facilitate integration into the receiving society?—are far from being answered.

In part, the reason why these questions remain unanswered may be due to the fact that research on immigrant integration and research on transnational migration do not appear to have established a dialogue. Despite promising attempts to close this gap (e.g. Portes et al. 2002; Guarnizo et al. 2003), these two strands of research do not seem to be at ease with each other. Differences in perspective—the former concentrates on the receiving country, while the latter understands simultaneous inclusion into sending and receiving context as constitutive—are met with differences in methodology and even epistemology (Levitt and Jaworsky 2007; Pries 2005; Wimmer and Glick Schiller 2002, 2003). Transnational studies try to leave behind what they call "methodological nationalism" (ibid.), are mostly conceptual, and—with few exceptions—qualitative. Studies on immigrant integration, on the other hand, appear to be deeply rooted in the selfsame methodological nationalism and have a strong quantitative tradition. Does this make them incompatible? Of course not. On the contrary, they complement each other. If we conceptualize transnationalism in migration as consisting of actions that link country of origin and receiving country and thus describe processes of simultaneous embeddedness, it is well compatible with the intergenerational model of integration developed by Esser (2004, 2008), which conceptualizes integration in terms of inclusion into and exclusion from reference groups. If we think these two perspectives together, new insights can be gained and we might arrive at a better understanding of how immigrant integration proceeds.

It should now be clear what this work is about: an attempt of bringing these two perspectives together. More specifically, at first I provide an assessment of the extent to which immigrants in Germany engage in transnational activities. Although Germany is among Europe's most important receiving countries and its share of foreign born persons in the population matches that of the US (OECD 2008), we have no reliable information on the extent of transnational involvement among the immigrant population in Germany. Second, and this is the theoretical innovation, I propose a theoretical model that relates transnational involvement to immigrant integration. And third, I deliver an empirical test of this model. The relation between transnational involvement and integration into the receiving society is likely to be a dynamic, bidirectional process. An immigrant's position within the receiving society and her or his interrelation with specific segments of this society, i.e. her or his integration, is likely to bring about specific opportunities and motivations for transnational involvement. Vice versa, transnational involvement is likely to influence individual decisions that shape integration outcomes. And this is a process that unfolds over time. So the only viable way to investigate how transnational involvement and immigrant integration relate is longitudinal. Moreover, I argue that (quantitative) social sciences are eventually interested in answering questions of causality. For this reason, longitudinal data analyses and their methodological justification make for an important element of the work's empirical part.

At this point, some limiting and qualificatory remarks on the scope and the focus of this work as well as on the choice of data for the empirical analysis seem

appropriate. I do not attempt to deliver a general theory of migration, integration, and transnationalism. The theoretical model is innovative in the sense that it brings together research on immigrant integration and transnational involvement. Still, the model proposed here builds on basic premises of research on immigrant integration (Esser 2006a, 2008) and attempts to enrich this framework with a transnational perspective. As such, from the perspective of transnational studies, the work at hand may appear to be still rooted within the aforementioned methodological nationalism. It is true that the focus is on immigrant integration into the receiving society. The point of reference when it comes to the question "integration into what?" still remains the receiving society. Even though transnational involvement spans across borders, its extent and form varies with the sending *and* receiving context (Portes 2003, p. 879, 887). It is thus a reasonable starting point to investigate the relation between immigrant integration and immigrants' transnational involvement by exploring how the immigrants' position in the receiving society structures opportunities and motives for transnational involvement. Since the immigrants' position in the receiving society can be described with regard to the concept of integration, the link between immigrant integration and transnational involvement is evident here, too. I argue that this perspective is still valid even in the face of transnational involvement. Immigrants' life chances are still largely determined by the conditions in the receiving country—at least if they stay for a considerable while. With this focus, I will miss some aspects of transnational involvement, I have to focus on immigrants' border-crossing while they are in the receiving country, and I have to disregard what happens in the country of origin. To some extent, this is also due to practical reasons. Up to now, quantitative data that link receiving and origin context is not available. The data I mostly use in this work—the German Socio-Economic Panel—are, nevertheless, well suited to analyze the relation between integration and transnational involvement. I hope to show that the selected approach is beneficial to the study of immigrant integration *and* transnational involvement. Eventually, it will be up to the reader to decide whether or not my line of argument is convincing.

This work begins with a review of theoretical models of immigrant integration in Chap. 2. It starts by discussing the work of the Chicago School and ends with contemporary models of immigrant integration, such as the modes of incorporation model (Portes and Rumbaut 1996) and the model of intergenerational integration (Esser 2006a, 2008). The 3rd chapter is devoted to theoretical and empirical studies on immigrants' transnational involvement. The first part of the chapter reviews theoretical conceptions of transnationalism, while the second part concentrates on studies which empirically investigate immigrants' transnational involvement and its relation to immigrant integration. The 4th chapter presents this work's theoretical model. In this chapter, I develop hypotheses on how immigrant integration is related to transnational involvement and how transnational involvement influences the course of immigrant integration. The 5th chapter then discusses methodological aspects of longitudinal data analysis, in particular the (im)possibility to estimate causal effects, and statistical methods used to test the hypotheses and introduces the reader to the data, the German Socio-Economic Panel. The 6th chapter depicts Germany's immigration experience and describes the immigrants' state of integration into the

German society. This is followed by Chap. 7, which discusses the results of the statistical analyses on the relation between immigrant integration and transnational involvement. Subsequently, Chap. 8 presents the results of the analyses on the reverse relation, i.e. how transnational involvement influences courses of immigrant integration. The last chapter (9), sums up and critically discusses this study's main findings, relates them to findings from other receiving countries, and lays out routes for further research.

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# Chapter 2
# Immigrant Integration

**Abstract** The chapter gives an overview of classical and contemporary sociological models of immigrant integration, including a critical discussion of potential discontinuities between contemporary migration and migration at the beginning of the twentieth century.

The chapter starts with a critical reflection on the manifold terms used to describe patterns of immigrant settlement. I argue that, from a sociological perspective, the concept of integration is well suited to serve as an overall concept, describing the interrelation between an individual and society, with assimilation being but one empirical possibility.

The review then comprises two parts. The first part discusses the classic models of immigrant integration, including race-relation cycles (R. E. Park as well as E. S. Bogardus), social psychological accounts of changing group membership (R. Taft), as well as the works of Shmuel N. Eisenstadt and Milton M. Gordon. The second part reviews contemporary models of immigrant integration: the modes of incorporation model by Alejandro Portes and Ruben Rumbaut, the theory of segmented assimilation by Alejandro Portes and Min Zhou, as well as the model of intergenerational integration by Hartmut Esser. Contemporary models improve the earlier ones in that they forego linear and deterministic conceptions of the integration process, pay heed to the contextual characteristics, and allow for deducing testable hypothesis. I argue that the model of intergenerational integration, with a general sociological theory of action at its core, may be the most versatile as it is not constructed with reference to a specific geographical or historical context and may be applied even if conditions change.

**Keywords** Immigration · Integration · Incorporation · Assimilation · Segmented assimilation · Modes of incorporation

This work is as much a work on immigrant integration as it is on immigrant transnationalism. As I argued in the introduction, immigrant integration and immigrants' transnational involvement belong together, as they are both part of the same phenomenon: migration. The review is intended to laying out the ground for this work. It consists of three parts. The first part reviews classical models of immigrant integration—the race relation cycles by Robert Park (1936, 1950, 1970 [1921], 1967 [1925], 1921) and Emory Bogardus (1930), Ronald Taft's (1957, 1961, 1962a, b,

R. Schunck, *Transnational Activities and Immigrant Integration in Germany*, International Perspectives on Migration, DOI 10.1007/978-3-319-03928-2_2,

1963) socio-psychological model of changing one's group membership, Shmuel Eisenstadt's (1953, 1954a, b, 1956) conception of the absorption of immigrants, and Milton Gordon's (1964) account of immigrant assimilation. The second part discusses criticisms directed at these classical models of immigrant assimilation, which question the models' applicability and are motivated by (potential) differences between contemporary and past immigration experiences. In the third part, three contemporary models of immigrant integration, the modes of incorporation model, the theory of segmented assimilation by Alejandro Portes, Ruben Rumbaut, and Min Zhou (Portes and Rumbaut 2005; Portes and Zhou 1993; Zhou 1997; Zhou and Xiong 2005; Rumbaut and Portes 2001) and the model of intergenerational integration by Hartmut Esser (1980, 2004, 2006b, c), are examined in detail.

## 2.1 A Note on Terminology

Before starting with the discussion of theoretical models of immigrant integration, a few clarifying notes on terminology are necessary. Theories on immigrant integration not only differ in how they conceive of immigrant integration, but also in the terms they use to describe it. Within this field of study, there is ample confusion of concepts and definitions—we can easily find more than 30 terms that relate to immigrant integration in one way or another (Ikonomu 1989, p. 264). In part, this is owed to an unfortunate conceptual arbitrariness in the social sciences. But this is not the only reason. Immigrant integration has always been subject to intense normative political and public debates, which is, to some extent, mirrored in scientific controversies. Concepts like acculturation, adaptation, assimilation, integration, pluralism, multiculturalism, and the like carry with them normative connotations. "[A]ssimilation has acquired such a bad name [. . .] that is has come to be associated, as a kind of automatic reflex, with the narrowest understanding of Anglo-conformity or worst excesses of Americanization campaigns. In Germany, if anything, the word 'assimilation' has been even more strongly 'contaminated' and disqualified by its association with forcible Germanyization" (Brubaker 2003, p. 41). By using terms like assimilation or acculturation, one runs the danger of being judged as old fashioned and outdated or even as antipluralistic and imperialistic (Gans 1992a, p. 48). To be sure, some of the early theoretical accounts of integration were *assimilationist* in the sense that they perceived the immigrants' unilateral adaptation as necessary, inevitable, and desirable (Park and Miller 1921). They have, in part, been justly criticized for ethnocentric and nationalist connotations.

Given that this field of inquiry is normatively charged, it appears difficult at times to disentangle scientific and normative debates. But there is no alternative to it, because most of the confusion within this field is caused by the conflation of normative and scientific discourses.[1] If we rule out empirically possible paths of immigrant integration from our inquiries, because they appear normatively undesirable, we will

[1] Choosing a certain theory is itself a normative choice, but this is a different debate; it touches on the controversy of the role of values and norms in scientific research and the so-called 'Werturteilsstreit', which has been with sociology from its beginnings up to today (Albert and Topitsch 1971; Weber 1968).

distort these inquiries. Thus, we should distinguish between assimilation as *ideology* and assimilation as an *empirical possibility*. We should try to differentiate between a value-free examination of empirical processes and a normative discourse on what we esteem to be desirable. Whether assimilation or multiculturalism dominates the political or societal discourse, the scientific inquiry itself is well advised to steer clear of these discourses. If we do not, we will come up with biased and scientifically unsatisfactory interpretations (Lucassen 2006, p. 16).

By doing so, we also avoid the seeming necessity to constantly introduce new and 'unladen' terms that are intended to keep us at distance from politicized debates. But since there is already ample confusion of ideas and concepts, a disambiguation seems necessary before reviewing the work on immigrant integration. Among the many concepts in the literature, adaptation, acculturation, assimilation, integration, and incorporation are the most prominent. All these concepts refer to the way immigrants become accommodated to or adapt to the situation in the receiving country. Empirically, there are many possibilities to adapt to living in the receiving country; assimilation is one of them and maintenance of an ethnic orientation is another. I suggest using integration as a neutral, superordinate concept, which refers in a general way to the (interdependent) relations between persons (or groups) (Esser 2000, p. 261; Lockwood 1964, p. 245). Elsewhere, mostly in the Anglo-American literature, the term incorporation is proposed to fulfill this function (Alba and Nee 1997, 2003; Portes and Rumbaut 2001, 2006; Rumbaut and Portes 2001). But as will be shown later in this chapter, the term integration is better suited, since it is well compatible with general sociological theory.

Immigrant integration can be approached from a micro-sociological or macro-sociological perspective. From a micro-sociological perspective, integration refers to individual processes (e.g. distinct paths), whereas from a macro-sociological perspective, it refers to (aggregate) outcomes that describe the relation between immigrant groups and native groups (Esser 2008b, p. 312)—both of which are complementary for the understanding of processes of integration. At times, the term integration trajectory is used in this work to describe individual courses of integration over time. Accordingly, this work's understanding of trajectories is level-based and trajectories are defined as time-dependent patterns of increase, decrease, or stability of a characteristic of interest (George 2009, pp. 164–165).

Since assimilation is a potential form of integration, we can apply the same distinction: assimilation as a micro-sociological concept then describes the process by which individual immigrants become culturally and socially more similar to the autochthonous population. Within this process, acculturation describes the acquisition of the receiving country's language skills, cultural knowledge, and norms. Assimilation as a macro-sociological concept, in contrast, describes a state of similarity, in which an immigrant group has become undistinguishable from the autochthonous population. In this sense, assimilation can be understood as the absence of differences. This understanding of assimilation is inherently relational—it describes one group (or person) and its relation to another group (or person). A slightly different, yet compatible and for the Anglo-American debate important understanding of assimilation is provided by Alba and Nee (1997, p. 863). They define assimilation as the decline and disappearance of ethnic and racial distinctions and the accompanying cultural and social differences.

It is important to note that this parity between immigrant and native groups can be achieved in various ways. Similarity between two groups can come about if the immigrant group adapts to the standards of the autochthonous group. Yet, similarity can also be achieved if the autochthonous group adapts to the standards of the immigrant group or simply if the boundaries between groups become irrelevant. Therefore, assimilation as an individual process is but one possibility that might (or might not, as we will see later) lead to similarity, i.e. assimilation, at the aggregate level.

At this point, a note on the normative (un)desirability of assimilation seems appropriate: if we define assimilation in the above way, then some aspects of assimilation (at the macro level) are desirable. If an immigrant group's level of income and education is well below the level of the native group, for instance, then achieving similarity, i.e. assimilation, in this area is desirable. In general, achieving similarity between groups on the socio-economic dimension is desirable, as it translates into parity of life chances. Thus, assimilation on this dimension is desirable—recall that assimilation means being or becoming similar. However, in other domains, like the cultural, assimilation might not be desired and not necessary for achieving parity in life chances—although this point is being debated.

This understanding of assimilation is not limited to the investigation of inter-ethnic relations in immigration societies. We can apply the concept of assimilation to investigate any inter-group relation. For instance, it can be applied to describe the relationship between Protestants and Catholics. This relationship has at times been very antagonistic, with violent wars waged in Europe and systematic social and physical exclusion of one or the other religious group. The boundaries between these groups may have appeared impenetrable. Today, however, in most Western European societies, differences between these two groups have vanished: Protestants and Catholics have become similar in the sense that their life chances are not systematically structured by the denomination, i.e. their group membership. Of course, there are exceptions: Ireland is an example of this, where the boundaries between Protestants and Catholics are still strong. And even in the USA a Catholic President was inconceivable for the WASP (White Anglo-Saxon Protestant) mainstream still in the 1950s.

Sometimes, assimilation is conflated with socio-economic mobility. This is a misunderstanding (for a detailed discussion on the relation between mobility and assimilation see Gans 2007). Socio-economic (upward) mobility is commonly understood as an increase in the level of income, wealth, education, employment status, and the standard of living. However, immigrants can assimilate without socio-economic mobility and vice versa. Assimilation might entail upward mobility for a group, but neither does upward mobility necessarily bring about aggregate similarity nor is assimilation as an individual strategy always necessary for upward mobility. The latter is, for instance, documented by the rich literature on ethnic entrepreneurship (e.g. Schunck and Windzio 2009; Waldinger et al. 1990; Kloosterman and Rath 2001; Light 2005). In the course of the following review, some additional concepts appear—for instance, absorption. These can be easily interpreted with respect to the previous clarification.

## 2.2 Race Relation Cycles: Robert Park and Emory Bogardus

The first attempts to theorize the integration of immigrants, which still influence sociology today, are the so-called race relation cycles. These models understand immigrant integration as a typical and linear sequence of stages of inter-group interactions which ends with the complete absorption of the immigrant group.

The most well-known race relation cycle is probably that of Robert E. Park, who was a prominent Chicago School sociologist. The Chicago School was one of the birthplaces of the sociological study of immigrant integration, being the home of William Thomas and Florian Znaniecki, Ernest W. Burgess, and Milton Gordon, whose seminal work profoundly influenced not only the study of immigrant integration but sociology as a whole. The Chicago School's prominent role also explains why much of the work on integration is so strongly influenced by the American immigration experience of the nineteenth and early twentieth century—a fact that we will return to later in this chapter.

The work of the early Chicago School rests on the notion that the relationship between groups is dominated by competition over scarce resources, such as valuable spatial and social positions within a society based on the division of labor (Park 1936, p. 3). Although competition is not the only form of group interactions, it is seen as the major driving force: "[o]f the four great types of interaction—competition, conflict, accommodation, and assimilation, competition is the elementary, universal and fundamental form" (Park and Burgess 1970 [1921], p. 187).

These four types of general forms of interactions appear as stages in Park's race relation cycle. The first stage in the process is contact between the immigrants and the autochthonous population. This stage is characterized by a (friendly) curiosity among the autochthonous population. At the same time, the immigrants try to orient themselves in the new society and search for satisfactory ways to conduct their lives. This, however, inevitably leads to competition between immigrants and the autochthonous population in the labor- and housing market (Park 1950, p. 106). Competition then leads to conflict, the second stage. The autochthonous population is willing to allow the immigrants only to take up those positions in the social structure which they deem undesirable. This leads to conflicts over valued positions that come with discrimination, upheavals, and even racial conflicts. What follows is a long process of adaptation. This includes giving up unilateral claims, residential segregation, and the immigrants retreat into niches of the labor market that the autochthonous population is not interested in. This produces an ethnic division of labor and ethnic stratification. The acceptance of this system of ethnic stratification and differentiation makes for the third stage, accommodation. In this stage, the autochthonous population and the immigrants come to accept the ethnic differentiation and stratification as legitimate. Over time, however, there will be an inevitable diffusion of the autochthonous population and the immigrant group. This diffusion leads to an erosion and disappearance of the ethnic system of stratification and eventually to the fourth stage, assimilation. As Park and Burgess describe it, a "process of interpenetration and fusion by which persons and groups acquire the memories, sentiments, and attitudes of other persons

**Table 2.1** The race relation cycle according to Bogardus

| Stage | Description |
|---|---|
| 1. Curiosity | Curious, sympathetic responses towards immigrants |
| 2. Economic welcome | Economic integration owed to immigrants' acceptance of low wages and adverse working conditions |
| 3. Industrial and social antagonism | Immigrants are seen as a threat; (organized) anti-immigrant campaigns, resulting in segregation and blocked mobility |
| 4. Legislative antagonism | Politicians exploit xenophobic fears, proposing legislations against immigration |
| 5. Fair-play tendencies | (Unorganized) counter movements calling for ending discrimination |
| 6. Quiescence | Slowing in antagonistic tendencies, with possible renewal of sympathy |
| 7. Second generation difficulties | (Partial) Integration of the second generation into the receiving country; possible exclusion if racially or culturally distinct from autochthonous population |

or groups, and, by sharing their experience and history, are incorporated with them in a common cultural life" (Park and Burgess 1970 [1921], p. 360). A prerequisite for the demise of ethnic differentiation and stratification is the dissolution of ethnic institutions, in particular the ethnic communities.

Emeroy Bogardus (1930) was also among the first to propose a race relation cycle. Bogardus worked at the University of Southern California, but he received his PhD at the University of Chicago. He describes the integration of immigrants in seven stages (see Table 2.1). The first stage, curiosity, is characterized by a friendly interest and sympathy for the newly arrived immigrants (Bogardus 1930, p. 613). This is followed by an economic welcome, which makes for the second stage. The immigrants are absorbed into the receiving country's economy, usually into sectors of the labor market that the autochthonous population perceives as undesirable. The immigrants are welcomed as (cheap) labor. In the next stage, however, industrial and social antagonism, the autochthonous population comes to see the immigrants as rivals, owed to the growing number of immigrants and their descendants as well as their desire for upward social mobility (Bogardus 1930, p. 614). The autochthonous population fears the immigrants' lack of assimilation, the residential segregation, and the higher fertility and, as a result, attempts to block the immigrants' access to certain residential areas and hinder their occupational upward mobility.

This also leads to jurisdictional measures against the immigrants in the stage of legislative antagonism. Politicians try to benefit from the xenophobic fears of the autochthonous population and enact legislation that specifically target the immigrants (Bogardus 1930, p. 616). But these measures contradict the receiving society's universalistic values—we have to bear in mind that Bogardus developed this model with explicit reference to the American immigration experience in the nineteenth and early twentieth century. This contradiction is noticed by part of the receiving society and produces "fair play tendencies"—the fifth stage. In this stage, considerations are voiced which aim at eliminating discrimination. Although the opposition

to discriminatory measures is not well organized, it eventually succeeds, not least because the receiving country's reputation is damaged if it discriminates against its immigrants. The antagonism is followed by a "quiescence," which may even bring about a new wave of sympathy for the immigrants (Bogardus 1930, p. 616). The last stage in Bogardus race relation cycle then consists of "second generation difficulties" (Bogardus 1930, p. 617). The immigrants' offspring assimilates into the receiving society's core spheres and loses its connection with the parents' country of origin. However, in some cases, the second generation faces the problem of being only partially integrated into the receiving society, in particular if it is racially or culturally distinct from the autochthonous population.

In some aspects, Park's and Bogardus' conception of a race relation cycle are similar, in some they differ. They differ most notably in the role the host society takes in their models. Bogardus places more emphasis on the (political) reaction of the host society, whereas Park concentrates more on the competition between the groups. They have a similar pattern of stages with curious and friendly contacts in the beginning, more or less open animosities in the middle of the process, and a coming to terms (accommodation) followed by the assimilation of the immigrants' offspring.

These models have been criticized for depicting the process of immigrant integration as linear, progressive, and irreversible with only one possible endpoint: the complete assimilation of the immigrant group (Esser 1980, p. 48 ff.; Lieberson 1961; Lyman 1968, p. 17 ff.; Price 1969, p. 214 ff.; Shibutani et al. 1965, p. 131 ff.). Empirically, this is obviously not the case. Assimilation as the complete disappearance of differences between immigrants and natives is not necessarily the only possible result. Stable forms of ethnic differentiation and stratification may develop, with differences between ethnic groups visible still after generations. Park acknowledges this by stating, "[. . .] when stabilization is finally achieved race relations will assume one of three configurations. They will take the form of a caste system, [. . .] they will terminate in complete assimilation [. . .] or the unassimilated will constitute a permanent racial minority within the limits of a national state [. . .]" (Park 2005 [1950], p. 194). Despite the recognition that assimilation is not necessarily the sole endpoint of inter-group relations, this does not take a prominent position in Park's work and is not formally incorporated into the race relation cycle.

The race relation cycles, especially that of Park, have furthermore often been criticized for neglecting the immigrants' influence on the receiving society. The process of influence and adaptation is assumed to be unidirectional. But the presence of (large) groups of immigrants will influence the receiving society as well. Cultural practices will diffuse and this is a bidirectional process. This criticism is justified, despite Park and Burgess' (1970 [1921], p. 360) acknowledgment of a possible mutuality in influence, since this point is also not developed further within their theoretical model. Although the race relation cycles describe certain historic experiences quite well, they do not actually explain immigrant integration. Rather, they have to be understood as inductive quasi-laws resting on implicit assumptions on inter-ethnic interactions that take very specific historic, political, and social conditions for granted (Esser 1980, p. 48). The works of Ronald Taft (1957, 1961, 1962a, 1967, 1970) and Shmuel Eisenstadt (1953, 1954a, b, 1956) are more sophisticated in this regard.

**Table 2.2** Change of group membership according to Taft. (Source: Taft 1957, p. 144)

| Stage | Internal | External |
|---|---|---|
| 1. Knowledge of group II culture | Assumed knowledge | Actual knowledge |
| 2. Attitude to group II | Favorable Attitudes to<br>(i) the members<br>(ii) the norms<br>(iii) own membership in group II | Active seeking of<br>(i) interactions with group II members<br>(ii) participation in activities<br>(iii) membership |
| 3. Attitude to group I | Unfavorable Attitudes to<br>(i) the members<br>(ii) the norms<br>(iii) own membership in group I | Withdrawal from<br>(i) interactions with group I members<br>(ii) participation in activities<br>(iii) membership |
| 4. Role assumption | Conformity to perceived role requirements of group II | Conformity to actual role requirements of group II |
| 5. Social acceptance | Perceived acceptance by group II | Actual acceptance by group II |
| 6. Group membership | Self-identification with group II | Identification of group II membership by<br>(i) group I members<br>(ii) group II members<br>(iii) society at large |
| 7. Convergence of norms | Perceived congruence between own and group II norms | Actual congruence between own and group II norms |

## 2.3 Change in Group Membership: Ronald Taft

Ronald Taft (1957, 1961, 1962a, 1967, 1970), who studied immigrant integration in Australia, developed a general model of assimilation that explains the processes of changing one's group membership. The big difference between the above models and that of Taft is certainly the perspective. While the race relation cycles focus on group relations, Taft's social-psychological model focuses on the individual. It should be noted that Taft understands his model as not being limited to explaining immigrant integration but as a general model describing the process of changing one's group membership (Taft 1957, p. 141).

In his model (see Table 2.2), Taft (1957) places more emphasis on attitudes, norms, role attitudes, and role behaviors. The model consists of seven stages, but in contrast to the above models, it does not necessarily assume a linear relation between these stages. All the stages are differentiated according to internal and external aspects of changing the group membership. The internal part refers to aspects within the individuals, such as assumed knowledge or perceived acceptance by a certain group. This is mirrored by the external part, which conversely refers to aspects outside the individual, such as actual knowledge or actual acceptance by a certain group.

The first stage is referred to as cultural learning, describing the acquisition of the group's cultural knowledge a person wants to become a member of. This is easier the smaller the cultural distance between the two groups is. The internal dimension of the process refers to the person's assumed knowledge, the external dimension to her

or his actual knowledge. The internal part of the second stage refers to (favorable) attitudes toward the new group's members, norms, and one's membership in this group, while the external part refers to an active seeking of interactions with the new group's members, participation and membership in this group. Taft (1957, p. 146) asserts that "this reality testing period is a very delicate one; not only can a misunderstanding easily nip up the assimilation in the bud, but it is also at this stage that a lack of common norms (Stage 7) or mutual knowledge (Stage 1) lead readily to misunderstandings." Inclusion into the new group goes hand in hand with a withdrawal from one's original group, the third stage. Internally, this refers to (unfavorable) attitudes toward the original group's members, norms, and one's membership and externally, it describes a withdrawal from this group's activities. After the third stage, a person will attempt to behave in accordance with the new group's role expectations, which is differentiated into conformity to the perceived role requirements (the internal aspect) and conformity to the actual role requirements (the external aspect). This stage is followed by the new group's acceptance of the new member. Again we find a distinction between an external aspect (actual acceptance) and its internal counterpart (perceived acceptance). In the sixth stage, the person identifies with the new group, which is the internal component. Moreover, the person is perceived to belong to the new group by members of her or his former group, by members of her or his new group, and by the society at large, which makes for the external part of this stage. The seventh and last stage describes the (perceived and actual) convergences of the norms with those of the new group and its new member.

Contrary to the race relation cycles, Taft explicitly denotes factors that influence the progression of the assimilation process. On the side of the individual, these are personal characteristics such as intelligence, tolerance, adaptability, and the like. On the side of the receiving society, these are attitudes toward the inclusion of the immigrants, which can vary between "pressing, willing, indifferent, unwilling or blocking" (Taft 1957, p. 154). Taft (1963, p. 279), moreover, distinguishes between three different forms of assimilation: monistic, pluralistic, and interactionist. Monistic assimilation is akin to Park's understanding: it assumes that the individual who changes her or his group membership is completely absorbed in the new group, shedding all loyalties to values and norms of the former group. Pluralistic assimilation describes a situation in which two groups mutually accept and tolerate their differences. Interactionist assimilation refers to two groups becoming similar. This convergence is not achieved by the unilateral absorption of one group into the other, but by a mutual convergence of the two groups' behaviors and norms.

Taft's account of immigrant integration improves on the race relation cycles by delivering a detailed portrayal of the processes that are associated with changing one's group membership. The focus on individual immigrants' motivation, actions and their relation with their social environment has advanced the study of immigrant integration (Esser 1980, p. 56). However, Taft's model is rather unsystematic and does not allow inferring concrete hypotheses on the course of the integration process. It includes an array of processes that (can) take place when an individual changes his or her group membership, but it does not specify the conditions under which the processes take place or do not (Price 1969, p. 228). Moreover, although the stages in

the model are not assumed to be necessarily linear and sequential, little information is provided on the relations of the different stages; and while Taft (1963, p. 279) assumes the integration process can lead to different forms of assimilation, he does not specify the conditions leading to one or the other. But all of that is necessary if one is interested in an explanation of how integration comes about.

## 2.4 Absorption and Dispersion of Immigrants: Eisenstadt

Shmuel Eisenstadt, who investigated immigrant integration in newly founded Israel (1953, 1954a, b, 1956; Katz and Eisenstadt 1960), draws our attention to the influence immigration has on the receiving society. In Eisenstadt's model, immigrant integration results from an interplay of the immigrant's motives and skills and the receiving society's opportunities and restrictions for integration and, similar to Taft's account, complete assimilation is but one possible outcome.

Eisenstadt's model starts with the migration process itself, which he sees to be motivated by partial frustration with the life in the sending country (Eisenstadt 1953, p. 169). However, this dissatisfaction is limited to certain aspects of one's life in the country of origin. If the migration is motivated economically, for instance, this implies that the immigrant wants to change her or his economic situation. It does not imply, however, that the immigrant wants to change all other aspects of life. Consequently, the receiving country's attraction is limited to distinct societal aspects. And thus, the migrant's motivation to adapt is not universal as he or she remains attached to the country of origin and its culture in various ways (Eisenstadt 1954a, pp. 3–4).

Arriving in a new country entails strong behavioral uncertainty and social disorganization for the immigrants, which causes a process of "desocialization" (Eisenstadt 1954a, p. 6): values, norms, and (role-)expectations, to which the immigrant was accustomed, lose their validity. This is accompanied by a loss of status and opportunities for social participation. After the initial desocialization, a process of "resocialization" can take place, which is, according to Eisenstadt (1954a, p. 7), characterized largely by the institutionalization of new (role-)expectations and a gradual absorption of the receiving country's role- and value-system. This process includes the redefinition of old, established roles, the acquisition of new roles, and the transformation of the immigrants' basic identification into an identification with the new society and its shared values and goals (Eisenstadt 1953, p. 169). The outcome of this absorption process can be characterized by three indices: acculturation, personal adjustment, and dispersion (Eisenstadt 1953, p. 167; 1954a, p. 12 ff.). Acculturation refers to the acquisition of new skills, such as learning the new language, getting familiarized to new customs, norms, and (role-)expectations. Personal adjustment designates the immigrant's ability to handle frustration, insecurity, and disorganization in the receiving country. Dispersion, also referred to as institutional integration (Eisenstadt 1953, p. 167), refers to the immigrants' dissemination in the main institutional spheres, i.e. participation in familial, religious, economic and political domains of

the receiving society. Concentration of immigrants in certain segments of the labor market, the existence of geographically segregated ethnic enclaves, and ethnic homogamy indicate a low degree of dispersion. An equal distribution compared to the autochthonous population (the other group) in the labor market, the dissolution of ethnic enclaves, inter-ethnic marriage indicates a high degree of dispersion. For Eisenstadt (1953, p. 168), dispersion is the most important aspect of immigrant integration, as he states that "the other two criteria appear to be subsumed under this one." The extent to which immigrants are absorbed into the receiving society—the degree of their dispersion—depends on characteristics of the immigrant, his or her ability to adapt to the new society, as well as on the receiving society's potential for absorption (Eisenstadt 1954a, p. 10). The latter refers to the receiving society's receptiveness. This in particular includes the immigrants' opportunities for participation which are structured by the receiving country. Complete dispersion is, nonetheless, not very likely, as conditions for complete absorption are seldom met (Eisenstadt 1954a, p. 15).

At the same time as immigrants change in order to adapt to the new situation in the receiving society, the presence of immigrants will not leave the receiving society unchanged, as immigrants' cultures and behaviors affect the receiving society (Eisenstadt 1954a, p. 25). It becomes more pluralistic by developing new social sub-strata. "From the absorption of large-scale immigration there usually develops a 'pluralistic' structure or network sub-structures—a society which is, to some extent, composed of different sub-systems which are allocated to different immigrant ('ethnic') groups" (Eisenstadt 1953, p. 168). But the process of pluralization also has antagonistic aspects to it. Modern societies' postulate of universal participation rights may stand in contrast to any particularistic, factual restriction the immigrants are facing (Eisenstadt 1953, p. 168, 170). Ethnic differentiation and stratification will be stable only if the differences in status between immigrants and natives are not too big and if the differences are perceived as legitimate and are accepted by the immigrants (Eisenstadt 1954a, p. 19 ff., pp. 23–24).

At the time, Eisenstadt's account of immigrant integration was the most sophisticated in pointing to the complex interdependencies between (structural) opportunities in the receiving society and the immigrants' individual characteristics (Esser 1980, p. 70). It is not surprising therefore that many aspects of Eisenstadt's research on immigrant integration have been taken up by contemporary work in the field. However, although Eisenstadt's account is rich and may be descriptively accurate, his model does not specify the precise mechanisms that drive immigrant integration at the individual and the societal level and which would allow us to infer concrete and testable hypothesis (Price 1969, p. 232).

## 2.5 Assimilation as a Multidimensional Process: Milton Gordon

Any review of work in immigrant integration has to include Milton Gordon's book (1964), which represents a milestone in the study of immigrant integration. Gordon's detailed account of "Assimilation in the American Life" is arguably among the most

**Table 2.3** Assimilation according to Gordon. (Source: Gordon 1964, p. 71)

| Subprocess or condition | Type or stage of assimilation | Special term |
|---|---|---|
| Change of cultural patterns to those of the host society | Cultural or behavioral assimilation | Acculturation |
| Large-scale entrance into cliques, and institutions of host society, on primary group level | Structural assimilation | None |
| Large-scale intermarriage | Marital assimilation | Amalgamation |
| Development of sense of peoplehood based exclusively on host society | Identificational assimilation | None |
| Absence of prejudice | Attitude receptional assimilation | None |
| Absence of discrimination | Behavioral receptional assimilation | None |
| Absence of value and power conflict | Civic assimilation | None |

important points of reference for any contemporary discussion of immigrant integration (e.g. Alba and Nee 1997). As the early Chicago School, Gordon investigated the integration of immigrants and minorities into the US. The model Gordon (1964) developed was not solely intended to explain the integration of immigrants, but the integration of any ethnic minority into the (American) society.

The early Chicago School sociologists present immigrant integration as a process inevitably leading to the complete absorption (i.e. assimilation) of the immigrant group into the homogenous mainstream society. In Gordon's view, in contrast, the American society was "[. . .] 'criss-crossed' by two sets of stratification structures, one based on social status, economic power, and political power differences, regardless of the ethnic background, the other based precisely on the division of the population by racial, national, and religious categories [. . .]" (Gordon 1964, p. 48). Still, for Gordon the problem of stratification is essentially a class problem. Differences between classes are more important and decisive than between ethnicities (Gordon 1964, p. 52). If the vertical stratification of ethnicity and the horizontal stratification of class interact, they create so-called 'ethclasses' (Gordon 1964, p. 51). Assimilation happens—if it does—along the lines of seven dimensions, as displayed in Table 2.3.

Gordon's model of assimilation still is a stage model. However, he underscores that the process of assimilation is a matter of degree, within and between these dimensions (Gordon 1964, p. 71). Moreover, the process of assimilation is not thought to follow an automatic, progressive process. Cultural assimilation, consequentially, does not automatically draw after other stages of assimilation. A situation of 'acculturation only' may be permanent (Gordon 1964, p. 77), since acculturation does not guarantee the minority entrance into the primary groups and institutions of the dominant social groups. However, the entrance into the receiving society's primary groups and institutions is an extremely important step in the assimilation process. Once this step, structural assimilation, has occurred, all other steps will naturally follow (Gordon 1964, pp. 80–81). Structural assimilation will lead to large-scale intermarriage, which will unavoidably lead to identificational assimilation. The minority group will eventually become indistinguishable, prejudice and discrimination will disappear, taking away the basis for any value and power conflict between

the members of the core society and the (now dispersed) minority group. Structural assimilation is "the keystone of the arch of assimilation" (Gordon 1964, p. 81).

The conceptual similarities between structural assimilation and Eisenstadt's concept of dispersion are large. Gordon agrees with Eisenstadt that assimilation on the structural dimension, the immigrants' entrance into the receiving society's core institutions and primary groups, is the most important step in any integration process. Regarding the situation of ethnic minorities in the US at the time Gordon wrote his book, among the four groups he lists (African Americans, Jews, Catholics, Puerto Ricans), only the Catholics are described as mostly assimilated—Gordon takes the white Protestant Anglo Saxon as the 'reference category'. Assimilation to the American mainstream has predominantly taken place at the behavioral and cultural level, with ethnic minorities being systematically barred from core parts of society (Gordon 1964, p. 114). Complete assimilation is thus not necessarily the endpoint of the integration of ethnic minorities. Instead, stable forms of ethnic stratification have emerged. In his view, the American society was characterized by a structural pluralism rather than a cultural pluralism (Gordon 1964, p. 159).

Hitherto, Gordon's account of immigrant integration has been the most precise (Esser 1980, p. 70). The unraveling of the different dimension and the critical differentiation between cultural and structural assimilation has advanced the understanding of processes of immigrant integration. But although Gordon distinguishes three variant 'goal-systems' of assimilation—adaptation to the core society and culture, which is the middle-class white Protestant America, the melting pot, which envisions the American society as a "new blend, culturally and biologically [. . .] indiscriminately mixed" (Gordon 1964, p. 115), and cultural pluralism—he fails to account for the American society's heterogeneity. While Eisenstadt (1953, p. 168) draws attention to how constant immigration alters the receiving society, Gordon's conception implies that assimilation is based on the relationship between the minority group and the *stable* majority group. In the same vein, Gordon's concept of culture has been criticized for being too static and homogenous (Alba and Nee 1997, p. 833; Price 1969, pp. 222–223). It is unrealistic to assume that the mainstream culture, whatever this may be, will remain unchanged by constant interaction with (a) minority group(s)—as Eisenstadt (1953, p. 168) already pointed out. More likely, this relationship is reciprocal, although not necessarily balanced. The diffusion of ethnic practices into the mainstream culture might be less salient, because once a cultural pattern is absorbed into the receiving society's culture, it is no longer identifiable as ethnic. Yet, the most important shortcoming in Gordon's model of assimilation is that it lacks a specification of the causal mechanisms giving rise to assimilation (Alba and Nee 1997, p. 837). His key hypothesis is that structural assimilation, i.e. entrance into the receiving society's primary groups, will be followed by all other forms of assimilation. But the direction of causality could very well be the other way around, "a question that cannot be resolved within Gordon's framework because there is no causal theory of assimilation" (Alba and Nee 1997, p. 837).

## 2.6 Contemporary Migration and Contemporary Models

In the face of stable forms of ethnic differentiation and stratification, the early models were criticized and their predictions questioned (e.g. Glazer and Moynihan 1970; Kallen 1924; Kallen and Chapman 1956; Sollors 1986). It was, for instance, questioned whether assimilation is really proceeding and whether immigrants' adaptation toward the receiving society fosters their socio-economic integration. The main argument against the early models has been that they are simplistic, ahistorical, and work with an unrealistically homogenous account of the receiving society. Moreover, concerning contemporary immigration, the early models appear empirically incorrect. In many instances, the expected advancement of immigrant integration did not happen. While most models forecast progressive intra- and intergenerational assimilation, we witness persistent ethnic inequality over time and across generations in many receiving countries (Gans 1992a, 2007; Glazer and Moynihan 1970; Heath et al. 2007; Kalter and Granato 2002; Kogan 2006; Tubergen et al. 2004). In some cases ethnic inequalities even seem to increase with later generations (for Germany see e.g. Kalter and Granato 2002), a phenomenon which has been described as "the second generation decline" (Gans 1992b, p. 173) or "second generation revolt" (Perlmann and Waldinger 1997, p. 912). Moreover, some studies report that indicators conventionally associated with progressive integration (or assimilation) show reverse effects. The length of the residence in the receiving country, for instance, is assumed to be positively related to immigrant integration. Some studies report, however, that the longer the residence in the receiving country, the more maladaptive the outcomes regarding school performance, aspirations, or behavior (Zhou 1997, p. 978).

This promoted the development of pluralistic models of immigrant integration, which maintain that assimilation can have a negative impact on the immigrants' socioeconomic positioning in the receiving society.[2] It is argued that contemporary immigration differs from the immigration experience in the first half of the last century. Thus, the empirical observation of assimilation and, more generally, its theoretical account are specific to a set of particular historic conditions (Esser 1980, p. 48; Lyman 1968). Contemporary immigration experiences diverge, as they are subject to different conditions. Particularly in the US, we find a debate which draws into question the comparability of immigration before and after 1965 and thus questions the applicability of the 'old' theoretical models. This debate centers around four main points.

[2] A prominent figure promoting a pluralistic understanding of society and interethnic relations was Horace Kallen (1915, 1924, 1956), who promoted the term "cultural pluralism" in a newspaper article already in 1915. Kallen argued against a simplistic understanding of the American society as a homogenous entity into which immigrants can and should merge. Instead, Kallen argued, the American society is best understood as a cultural mosaic. Kallen not only saw ethnic cultures as a permanent part of American society, but also called for an active preservation of ethnic group attachments and cultural traits (Kallen 1924, p. 92 ff.). However, in concentrating on the cultural life of ethnic minorities, Kallen's approach fails to analyze the generally inferior position of ethnic minorities in a society (Ratner 1984, p. 189). Kallen's contribution to the study of interethnic relations and immigrant integration thus is more philosophical, an antithesis to the melting-pot ideology.

First, pre-1965 immigration came mainly from Europe. The immigrants mostly shared the same ethnic and racial background as the autochthonous population in the US and "even if of a somewhat darker hue than the natives, their skin color reduced a major barrier into the American mainstream" (Portes and Zhou 1993, p. 76). This does not hold for contemporary immigrants, who are mainly black, Asian, Hispanic, or mestizo. They are visibly ethnically distinct from the US' dominant white population.

Second, the economic conditions have changed. Pre-1965 immigrants entered America in a period that provided opportunities for fast social mobility bringing about parity in life chances across different ethnic groups (Alba and Nee 1997, p. 847). The immigrants could find stable employment in the manufacturing sector with the opportunity for occupational upward mobility. Today, traditional mobility paths for immigrants and their offspring could be absent (Gans 1992b, p. 188), as the restructuring of the economy has diminished these occupational opportunities. Deindustrialization and the economy's global restructuring have led to a decrease of jobs in the manufacturing sector. At the same time, the progressive tertiarization has increased low-level service jobs that do not offer comparable wages, employment stability, or mobility ladders (Sassen 1988), on the one hand, and high-level professional occupations in knowledge-intensive industries, on the other. The latter is often barred to contemporary immigrants, because they lack the necessary human capital. This development is not limited to the US—similar developments have taken place all around the world, for instance in Germany (Schunck and Windzio 2009, p. 112). The disappearance of intermediate opportunities and the increase in jobs in the lower and higher segments of the labor market has been termed the "hourglass economy" (Portes 1994, p. 636). An economy characterized by an increase of jobs at the top and the bottom of the wage distribution and by a decrease of jobs in the middle.

Third, the legislative actions following the Great Depression put a halt to US immigration for almost four decades (Alba and Nee 1997, p. 842). Today, however, most receiving countries face a constant stream of immigration. The immigrant population is continuously replenished, assimilated groups are constantly in contact with new arrivals, cohorts and generations intermix, potentially hindering progressive integration, because ethnic differences are persistently made salient (Waters and Jiménez 2005, p. 120). Moreover, this continuous replenishment alters the immigrants' opportunity structure, as an increase in group size and a constant presence of newcomers might make ethnic strategies of adaptation more beneficial (Esser 2008a, p. 92). Fourth, the receiving societies have become more heterogeneous (Vertovec 2007). Consequently, and this has already been mentioned above, the idea that immigrants simply acculturate to a mainstream and, as a result, become institutionally integrated has been questioned, too.

In reaction to these apparent empirical shortcomings and the models' conceptual shortcomings, new models of immigrant integration have been built. Important developments in this field are the theory of segmented assimilation and the modes of incorporation model (Portes and Zhou 1993; Zhou 1997; Portes and Rumbaut 2006), on the one hand, and the theory of intergenerational integration (Esser 1980, 2004, 2006b), on the other. Both theories build upon the existing frameworks, but

modify and extend them in order to explain what appears as anomalies. They choose different points of departure and ways in order to achieve this. The model of intergenerational integration focuses on explaining the decisions and actions of individual immigrants given their opportunity structure. The theory of segmented assimilation and the modes of incorporation model are particularly formulated to explain divergent outcomes among new, i.e. post-1965, (second generation) immigrant groups in the US, focusing on the interaction between the immigrants' characteristics and the receiving contexts.

### *2.6.1 Modes of Incorporation and Segmented Assimilation*

Segmented assimilation theory was proposed by Portes and Zhuo (Portes et al. 2005; Portes and Zhou 1993; Zhou 1997, 1999) to explain the heterogeneity in integration outcomes among contemporary immigrants in the US. Since segmented assimilation theory focuses mostly on the second generation's integration, it should not be discussed in separation from the modes of incorporation model as proposed by Portes and Rumbaut (e.g. Portes and Rumbaut 2001), which deals with the first generation's integration trajectories.

The modes of incorporation model (e.g. in Portes and Rumbaut 2001, 2006; Portes and Zhou 1993) posits that the first generation's integration outcomes largely depend on the interplay of individual characteristics, such as human capital, and the context of reception. The model is graphically displayed in Fig. 2.1. With regard to the latter, governmental policy, social distance between the autochthonous population and the immigrant group, and the ethnic community are the central factors (Portes and Rumbaut 2001, p. 46 f.). Governmental policies toward immigrants can range from receptive to indifferent and finally to hostile (Portes and Zhou 1993, p. 83). These different policies can effectively channel immigrant integration, for example, by actively supporting integration or by pushing immigrants into illegality and marginality. Highly skilled professional migrants might be eligible to financial support or other special programs, which aid integration into the receiving society, whereas unskilled labor migrants, in contrast, often have a precarious legal status and face policies that oppose this group's entry and permanence in the country. In addition to the official policies, the social reception of immigrants will influence their integration process (Portes and Rumbaut 2001, p. 47). If the social distance between the autochthonous population and the immigrant population is low, this can facilitate the process of integration. Conversely, if the social distance is great, this can hinder integration, in particular if the persons' ethnic backgrounds are readily identifiable because they belong to phenotypically non-white groups (Portes and Zhou 1993, p. 84). Last, the embeddedness into an ethnic community will influence the integration process (Portes and Rumbaut 2001, p. 48). The direction of the influence depends on the composition and characteristics of the community. Communities with high human and social capital and a diversified occupational structure can help with (economic) integration, whereas deprived communities, composed primarily of unskilled workers, may hamper upward mobility.

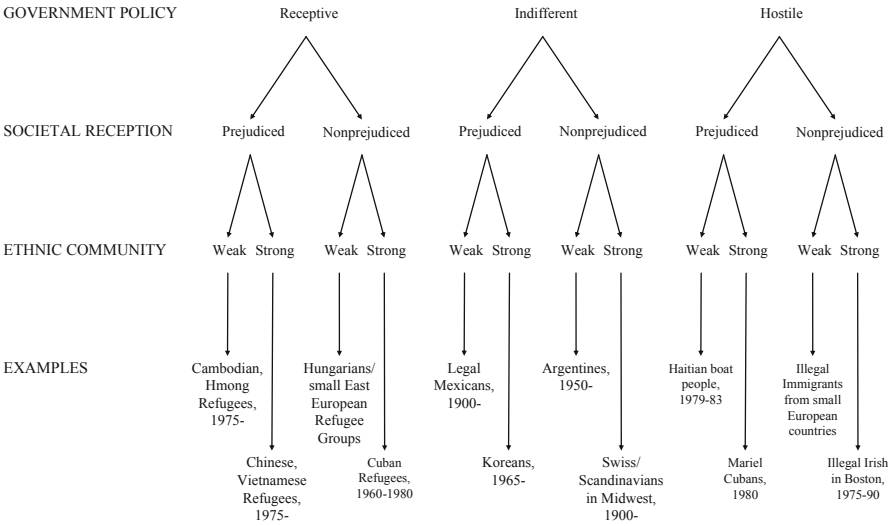


**Fig. 2.1** Modes of incorporation. (Source: Portes and Zhou 1993, p. 84)

Since the process of immigrant integration is inter-generational, Portes and Rumbaut (2001, p. 53 f.) link the first generation's integration with that of the second generation (graphically displayed in Fig. 2.2). They give special attention to the relation between parents' and children's acculturation and specify a threefold typology. The first possibility is consonant acculturation, in which both parents and children seek rapid integration into the receiving society's mainstream. Dissonant acculturation describes the second possibility. In this case, the children become acculturated to the receiving society's language and culture, while the parents do not. The third possibility is given by selective acculturation, where both parents and children become acculturated to the receiving society but retain the sending country's norms and values. The latter is assumed to take place through the family's insertion into an ethnic community. When it comes to the second generations' integration trajectory, the main idea of segmented assimilation theory is that the outcome of the integration process depends largely upon the receiving society's segment toward which the immigrants and their offspring orient themselves and interact with. Segmented assimilation theory accordingly rests on the assumption that the receiving society consists of different, potentially rather heterogeneous segments. "[I]mmigrants are today being absorbed into different segments of the American society, ranging from affluent middle-class suburbs to impoverished inner-city ghettos, and that becoming American may not always be an advantage for the immigrants themselves or for their children" (Zhou 1999, p. 210). Newly arrived immigrants in the US often settle in impoverished inner-city regions, in which the immigrant group comes into close contact with native-born minorities. This may lead to an identification of the immigrants with the native-born minority on the side of the receiving society. If the rest of the autochthonous population perceives the immigrant group as belonging to an (ethnic)

minority, this can result in further exclusion through prejudice and discrimination. What is more important, however, is the fact that assimilation in such a situation can prove to be a maladaptive strategy, given that the immigrants face an adversarial sub-culture in this segment of the society (Portes and Zhou 1993, p. 83). This is akin to the idea of an ethnic mobility trap (Wiley 1967, 1973), which describes a situation where means for moving up within a stratum are at odds with moving into the next higher stratum. This is the case if the means for moving upward within a stratum are contrary or incompatible to those for moving out, i.e. to the next higher stratum.

Segmented assimilation theory does not see a general incompatibility between intra- and inter-stratum mobility. Instead, it depends on the values, norms, and resources available in the stratum or ethnic community, respectively. Within this framework Portes and Zhou (1993, p. 82) identify three routes of immigrant integration that produce very different outcomes. First, the classical form of assimilation, with acculturation and parallel integration into the white middle class bringing about social and economic upward mobility. Second, assimilation into impoverished and excluded segments of the American society, as the African-American inner-city underclass, is leading into poverty and exclusion. Third, deliberate preservation of the immigrant community's values and norms paired with economic advancement. The novel idea of segmented assimilation theory is that, given a conflict between intra- and inter-stratum goals and values, assimilation can lead to *downward* mobility, bringing about poverty, whereas abstaining from assimilation can be an effective means for economic and social upward mobility. The path that the second generation follows depends, on the one hand, on the relationship with their parents and, on the other hand, on their insertion into the ethnic community and the resources available within this community (compare Fig. 2.2). In the case of consonant acculturation, direct upward mobility through acculturation is possible, whereas consonant resistance is likely to lead to isolation in the ethnic community and return migration. Forms of dissonant acculturation can increase the probability of assimilation to a marginalized segment and consequential downward mobility, since it undermines the parents' authority (Portes and Rumbaut 1996, p. 241; 2001, p. 53). In the latter case, a strong ethnic community which enforces parental authority and puts great value on school achievements can prevent the second generation from taking this maladaptive assimilation path.[3]

Segmented assimilation theory together with the modes of incorporation model offers a detailed account on how immigrant integration may function in the contemporary US. Both models stress the importance of the interplay of individual characteristics and contextual factors, in particular the (ethnic) community immigrants are embedded in and the relevant segment of the receiving society they can acculturate to.

[3] As described by Kroneberg (2008, p. 140 ff.), Portes and Zhou diverge in their explanations of how ethnic communities influence the second generation's school achievements. While Portes (Portes 1995, p. 255) sees structural conditions, such as the socioeconomic profile of the ethnic community, as responsible, Zhou (1997, p. 993) puts emphasis on cultural specificities, such as a valuation of education and respect toward parents and teachers.

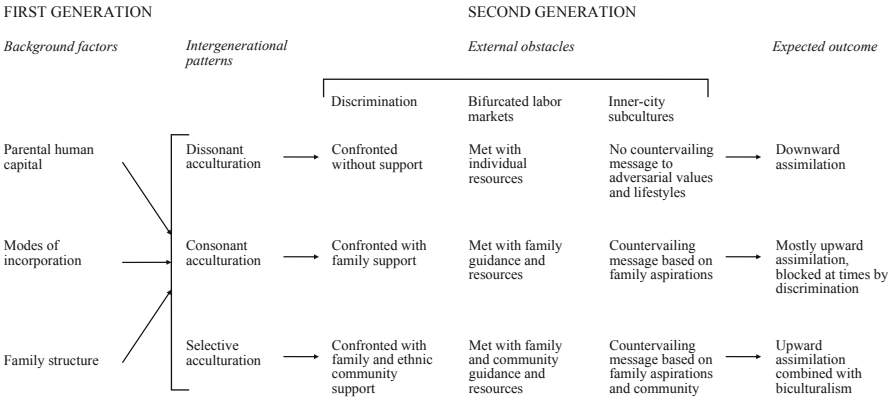


**Fig. 2.2** Segmented assimilation. (Source: Portes and Rumbaut 2001, p. 63)

However, conceptual and empirical critiques targeting segmented assimilation theory have been voiced. While there is empirical evidence supporting some aspects of segmented assimilation theory (e.g. Portes et al. 2005; Hirschman 2001; Zhou and Xiong 2005; Bankston and Zhou 1997), other aspects remain untested and contested (e.g. Waldinger and Feliciano 2004). As Foner (2006, p. 38), for instance, notes, one of segmented assimilation theory's core assumptions on the pervasiveness of an oppositional subculture devaluating academic achievement is based solely on the findings of a few ethnographic studies. In line with this, the analysis of Kroneberg (2008) casts doubt on the assumption that exposure to the oppositional culture of excluded domestic minorities results in downward mobility. His reanalysis of the Children of Immigrant Longitudinal Survey data (CILS; for a detailed description, see chapter three) does not find any evidence that immigrants' children devaluate educational achievement (Kroneberg 2008, p. 149). Thus, we are well advised not to confuse style with substance: "listening to hip-hop music and affecting a 'ghetto' presentation of self should not be taken as evidence of joining a subordinated 'segment' of society that engages in self-defeating behavior" (Foner 2006, p. 38). More importantly, though, it appears that embeddedness into deprived coethnic communities, with low levels of socioeconomic resources and educational aspirations, rather than exposure to domestic minority subcultures are responsible for the second generation's low performance (Kroneberg 2008, p. 157). While embeddedness into ethnic communities obviously influences integration outcomes, the overly positive view of the ethnic community in segmented assimilation theory is apparently empirically not adequate.

Besides these (empirical) doubts, it is unclear whether segmented assimilation theory is applicable to contexts outside the US. The US certainly has domestic, impoverished and marginalized minorities, in particular part of the black population (Massey and Denton 1993). But for many other receiving countries this does not hold. If we take Germany, for instance, one is hard pressed to find an equivalent *domestic* minority both in terms of size and extent of exclusion, despite stable forms

of social inequality. But these are not the only grounds on which segmented assimilation theory has been called into question. Although the theory conceptualizes 'classic assimilation' as a special case, it has been criticized for lacking an adequate definition of what is meant by assimilation. For one, the theory of segmented assimilation conflates socio-economic upward mobility with assimilation by introducing the concepts of downward and upward assimilation (Gans 2007, p. 153). These are, as mentioned above, independent, albeit often interrelated, processes. Moreover, in its understanding of assimilation "the theory falls back on older, now inadequate conceptions, such as that handed down from Gordon, which presumes, at least implicitly, that assimilation is a one-way, boundary crossing process, which entails a change in group membership" (Alba 2008, p. 44). Instead, as Alba (2008, p. 39) argues, assimilation is better defined as a decline in the social salience and consequences of being member of a certain group. This extends to segmented assimilation theory's conception of race, which it perceives to be an exogenous factor, thus making it difficult to understand changes in racial and ethnic boundaries within this theory (Alba 2008, p. 45).

### *2.6.2 Then and Now*

As we have seen, in the US, pre-1965 immigration is often displayed as encountering very favorable economic conditions that allowed for rapid upward mobility while today immigrants face adverse economic conditions in the receiving countries that block their mobility (Waldinger et al. 1990, p. 32). If we compare unemployment rates between native and immigrant groups, we certainly get this impression and there is evidence that labor market chances are worse for immigrants, even if human capital is accounted for (for Germany see e.g. Seibert and Solga 2005, 2006). Thus, it might be that economic restructuring has decreased the opportunities for labor market integration for contemporary immigrants (for a different explanation see e.g. Kalter 2006a, b).

But if we only look at the situation today, we cannot infer anything about the relation between the past and the present. Accordingly, we have to compare the present to the past. These comparisons are, unfortunately, at times rather one-sided, because they display the past in an inaccurately homogenous way. Gans (2007, p. 156) notes that immigrants who arrived in the US between 1880 and 1924 also lived through economic recessions and depressions. Still, research has paid little attention to downward mobility among those immigrants. There might be more similarities between the past and the present not only regarding economic opportunities but also regarding race. One often encounters the argument that European immigrants were ethnically and racially more alike to the American population than contemporary immigrants from Asia and Latin America. However, as Alba and Nee (1997, p. 845) argue, "there is ample evidence that native-born whites perceived some of the major European immigrant groups, such as the Irish, Jews, and Italians, as racially distinct from themselves and that such perceptions flowered into full-blown racist theorizing

during the high-water period of mass immigration in the early decades of this [the last] century [. . .].” Therefore, we might be able to learn a lot about contemporary immigration if we take a look at the historical literature, which emphasizes that Southern and Eastern European immigrants were regarded as being racially inferior upon arrival and how they went from being outsiders to becoming part of the racial majority in the mid-twentieth century (Foner 2006, p. 39).

A different noteworthy point is raised by Gans (1992a, p. 49; 1997, p. 884). The interest of empirical sociology in immigration did not really manifest itself before 1920—at least 40 years after the first Eastern and Southern European immigrants arrived in large numbers. As a consequence, empirical knowledge we have from this period as well as the theories constructed referring to it already deal with the second generation. Moreover, field access was limited and selective because the Chicago School researchers did not speak immigrant languages. The data they gathered came to a large part from comparatively well integrated, second generation immigrants. Today, the data available is more precise and the new cohorts of immigrants have been subject to scientific inquiry from their arrival onward. In part, the old models' empirical inadequacy might relate to this unaccounted observational bias. To be sure, field access and sampling are still major problems in empirical research today. If we research immigrant integration, there are good grounds to assume that willingness to participate in scientific studies is higher among better integrated immigrants. This is a problem we have to be aware of, in particular if we attempt to draw causal and generalizable inferences from our data (the issue of causal inferences is discussed at length in Chap. 5).

The alleged break between the past and the present may not be as strong as sometimes asserted. There certainly are differences between past and contemporary immigration, but there are similarities, too. Depending on the perspective we choose, we can easily find either of them. Social scientists, unfortunately, often give insufficient weight to similarities between the past and the present. As Foner (2006, p. 35) puts it, “[f]requently, there is only a brief nod to the past—usually to emphasize how different it is from the present—before proceeding to an analysis of the present.” We will see in the next chapter that drawing differences between past and present is widely used as a rhetorical means for establishing a new theory. Still, criticisms directed at the classical model of immigrant integration were not completely unjust. In order to free the concept of assimilation of its normative connotations and to stress its value for understanding contemporary integration, a number of scholars have proposed to redefine this concept. The neo-assimilationist perspective, as it is sometimes called, claims that assimilation as an empirical possibility is still the most prevailing path of immigrant integration in the long run (Alba and Nee 1997, 2003; Brubaker 2001, 2003; Gans 1992a, 1997; Morawska 1994; Gans 2007; Esser 1980, 2006c). The core idea within these models is that immigrants seek to improve their economic and social conditions through changes of individual actions which entail, possibly purely unintended, assimilative strategies. Despite the receiving societies' (cultural) heterogeneity, there are still socially defined and shared means for socio-economic success, e.g. investing in one's education. Assuming that immigrants are interested in socio-economic advancement, this may create incentives to pursue assimilative

strategies. But, in contrast to the old models, these approaches do not assume a linear and progressive integration process. Instead of assuming a "straight line assimilation," they propose a "bumpy line approach" (Gans 1992a, p. 44) with an open end. They also offer more differentiated conceptions of assimilation, as mentioned already in the beginning of this chapter. Instead of asking how much an immigrant group has adapted to a taken-for-granted reference population, i.e. the core culture, they propose asking how similar different groups have become (Brubaker 2003, p. 53). A good example is Alba and Nee's conception of assimilation as "the decline of an ethnic distinction and its corollary cultural and social differences" (Alba and Nee 2003, p. 10). Similarity between groups thus comes about if the group-defining characteristics lose their social importance and this can happen in various ways.

### *2.6.3 Model of Intergenerational Integration*

The last model reviewed in this chapter is the model of intergenerational integration (Esser 2008a). It differs from the other models discussed above in that it explicitly draws on a general theory of action. This brings about the advantage that it can be agnostic with regard to similarities or differences between the past and the present. Historically specific conditions enter the model as antecedent conditions for individual actions. Thus, although we might be inclined to agree with Kivisto (2005, p. 25), who states that today "[n]o adequate theory of assimilation can be developed that does not account for globalization," it might be better to use a model which is applicable even if conditions change.

The modes of incorporation model and the theory of segmented assimilation were designed to explain intergenerational outcomes, which, from the perspective of existing models, appeared as anomalies. Although they are intended to be theories of middle range (Merton 1968)[4], being geared towards a specific set of conditions (in the US), they, nevertheless, build on assumptions that are transferable to other contexts: the process and outcome of immigrant integration are seen as resulting from the interplay of individual characteristics and contextual factors. The model of intergenerational integration (Esser 1980, 2004, 2006b, 2008a) shares these core assumptions. But, being linked to a general sociological theory, this model is supposed to serve as a *general* model of immigrant integration; it claims, for instance, that segmented assimilation is a special case within the model (Esser 2008a, p. 96 ff.).[5]

[4] Middle range theories are described by Merton (1996 [1968], p. 41) as lying in between the extreme poles of minor working hypotheses and all-inclusive grand theories. The doubts on the possibility of sociological grand theories, which have dominated the discipline until the 1960s—arguably culminating in Parson's structural functionalism (Parsons 1966)—are much more present in the US than in continental European sociology. Merton's concept of middle range theories is still very popular in American sociology today. Thus, while there have been attempts to build general sociological theory in Europe (Bourdieu 1987; Esser 1999; Giddens 1984; Luhmann 1984), the American sociology seems to be more reluctant in this regard (with Coleman (e.g. 1990) as a prominent exception).

[5] Before discussing the model in detail, we should note that it has undergone some change since it was first proposed. Thus, the initial model (Esser 1980) varies noticeably from its latest formulation

The theory consists of three core components (Esser 2008a, p. 87). It builds on methodological individualism, i.e. the attempt to explain social phenomena (e.g. patterns of immigrant integration) with reference to individual (inter)actions (this is discussed in detail in Chap. 4). The first component therefore specifies the immigrants' alternative courses of action. The second component links these alternative courses of action to the structural conditions the immigrants face. As in the theories of modes of incorporation and segmented assimilation, the model of intergenerational integration distinguishes between contextual and individual factors. Both theories assume that the contextual factors are antecedent conditions for individual decisions and actions. However, the immigrant's decision and action process remains implicit in the theories discussed so far. In contrast, the model of intergenerational integration explicitly models the decision process (Esser 1980, p. 211). The third component specifies how social phenomena—in this case specific patterns of immigrant integration—come into being as potentially unintended consequence of intentional actions. The process and the outcomes of immigrant integration can, according to the model, only be explained through reconstructing how individuals decide to act given the situation they are in and the opportunities and restrictions they face. The general idea behind this model is that all individuals strive to gain physical well-being and social approval by pursuing socially defined goals through investing time and resources (Esser 2006b, p. 39; 2008a, p. 88). The problem that immigrants face is that they may lack the necessary resources to efficiently produce well-being in the receiving country or that the resources and capitals they possess are devaluated by migration; economic theory refers to this as the problem of (human) capital transferability (Borjas 1989; Chiswick 1978; Friedberg 2000).

At the individual level, the process of integration is thus conceived of as an *investment decision*: immigrants can decide to invest time and resources into receiving country specific capitals, e.g. human capital, or into ethnic capital, e.g. social capital in an ethnic enclave.[6] Investing into receiving country specific capitals then can be seen as an assimilative strategy and the investment into ethnic capitals as an ethnic strategy. Given the set of possible investment decisions, an individual will choose those she or he believes will bring about the best results. At the individual level, motivation and cognition are the essential factors. Motivation refers to the subjective utility associated with a certain outcome. Cognition refers to the (subjective) certainty that a course of action will lead to the desired outcome and the probability that the outcome will be realized. The very basic structure of this model is displayed in Fig. 2.3.

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(Esser 2006b, 2008a). This is the case, for instance, in some of the terminology as well as the assumed causal relation between the different dimensions of integration. We will mainly deal with the model's latest formulation as it is the state of the art. But, in order to develop a full understanding of the model, we will also review some of the earlier work on it.

[6] In principle, an ethnic minority can also attempt to change institutional and cultural conditions that define the desirability of certain goals (Esser 2006b, p. 44), as is the case in an open ethnic conflict. Since this option is empirically of minor relevance in Western receiving societies, it will not be considered in great depth in the course of this work. However, it is straightforward to include this option into the theoretical model.

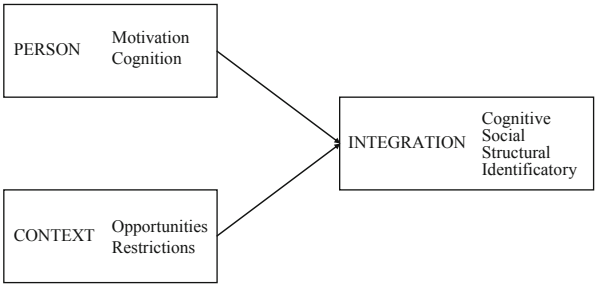


**Fig. 2.3** Basic structure of Esser's model of integration. (Source: Modified from Esser (1980, p. 213))

As such, this model fulfills Alba and Nee's claim (2003, p. 39) that "a satisfactory theory of assimilation [integration] must, at the individual level, conceptually incorporate agency stemming from purposive action and self-interest and provide an account of the incentives and motives for assimilation [integration]."

At the contextual level, opportunities and restrictions are the crucial factors (Esser 1980, p. 212; 2008a, p. 89), since they constitute the structural frame for individual actions. If the receiving society, for instance, is open and allows for socioeconomic mobility, this can render assimilative strategies to be perceived as beneficial. If, in contrast, the receiving society is hostile towards its immigrants, blocks mobility and access to core institutions, an assimilative strategy can be perceived as not promising, regardless of individual motives. This conception is quite similar to how the modes of incorporation model displays the interplay of individual and contextual characteristics. The model of intergenerational integration, moreover, incorporates the possibility of recursive effects; it does not assume that the receiving society remains unchanged by immigration. Individual (immigrants') actions always have intended and unintended consequences, for the autochthonous population as well as for the coethnics and other (ethnic) minorities (Esser 2008a, p. 95; 1980, p. 216).

The concrete process of integration takes place in different dimensions. Esser (1980, p. 221; 2006b, p. 27) distinguishes between four dimensions of integration, cultural, structural, social, and emotional and corresponding processes (see Table 2.4).

The cultural dimension, also referred to as cognitive, denotes the acquisition of knowledge and skills, such as language, and of norms and customs, lifestyles, etc. The structural dimension refers to the positioning and participation of migrants in relevant spheres of the receiving society. In Western societies, labor market and educational participation are the core dimensions of structural assimilation. The social dimension refers to the interaction and contact with the autochthonous population, i.e. friendships, intermarriage, etc., and the emotional dimension concerns aspects of identity and belonging. The earlier versions of the model of intergenerational integration still assume a casual ordering of these dimensions, i.e. that the cultural precedes the structural, which precedes the social, which is followed by the emotional (Esser 1980, p. 231). Later formulations do without this restrictive assumption.

**Social Integration and System Integration** So far, we have been concerned with the process of integration and its four dimensions. Although individual courses of

**Table 2.4** Dimensions of integration. (Source: Modified from Esser (2006b, p. 27))

| Process | Dimension | Aspects and examples |
|---|---|---|
| (Ac)culturation | Cultural | Knowledge, skills, lifestyle |
| Positioning | Structural | Rights, education, income |
| Interaction | Social | Friendships, family, marriage |
| Identification | Emotional | Identity, solidarity, values |

**Table 2.5** Possible outcomes of immigrant integration. (Source: Esser 2006b, p. 25)

| Integration into ethnic group | Integration into receiving society | |
|---|---|---|
| | Yes | No |
| Yes | Multiple inclusion | Segmentation |
| No | Assimilation | Marginalization |

action make for the "nuts and bolts" (Elster 1989) in explaining immigrant integration, we are, of course, interested in the outcomes of this process. In general, integration can be understood as the existence of systematic relations of different parts with a clear separation to its environment (Esser 2000, p. 262 ff.; Lockwood 1964, p. 245). In this study's context, integration refers to three interdependent aspects. First, individual social integration, second, patterns of social inequality and social differentiation, and third, societal integration as a whole (Esser 2008b, p. 312). Individual social integration describes an actor's inclusion into or exclusion from social (sub)systems, such as the labor market or the educational system. Taking inclusion-exclusion as the relevant criteria for social integration at the individual level brings about a well-known typology presented in Table 2.5. Originally proposed by Berry (Berry 1990, p. 245; Berry and Kim 1988, p. 211), it illustrates inclusion and exclusion, respectively, of an individual actor into two groups, social systems, or whole societies. Most often, this typology distinguishes between inclusion (exclusion) into (from) the receiving society and inclusion (exclusion) into (from) the ethnic group or the sending society.

Multiple inclusion refers to the simultaneous inclusion into the receiving society and the ethnic group. We speak of assimilation if the immigrant (group) is included into the receiving society and excluded from the ethnic group. Conversely, segmentation describes inclusion into the ethnic group and exclusion from the receiving society, and marginalization describes exclusion from the ethnic group as well as the receiving society. This typology can also be applied to the different dimensions displayed in Fig. 2.4. If we take the social dimension, for example, multiple inclusion refers to having social relationships with coethnics as well as natives, assimilation is given when an immigrant only has contact with natives, segmentation if a migrant's social networks consist of coethnics only, and marginalization if a migrant has neither contact with coethnics nor natives. At this point it should be obvious that this model can be extended to transnational involvement, as multiple inclusion may also encompass inclusion into a transnational network or even inclusion into the sending society.

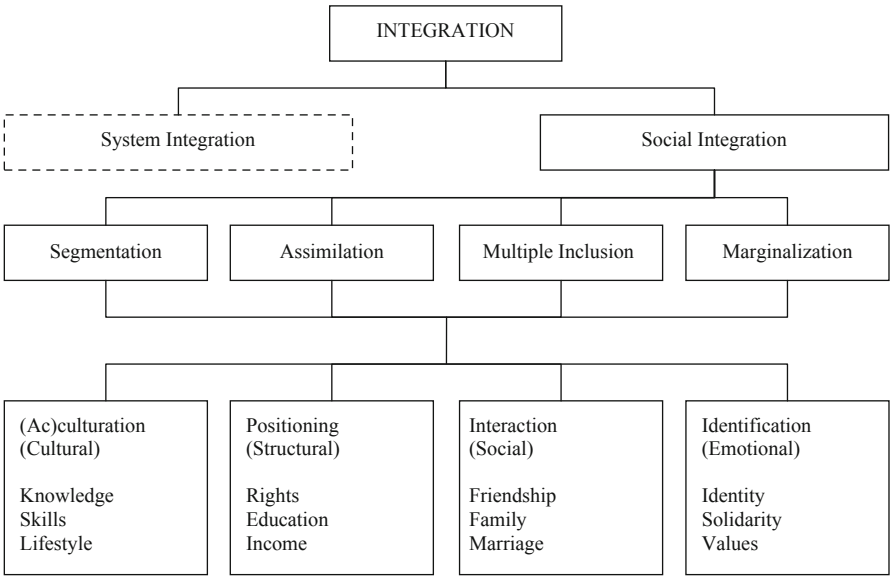


**Fig. 2.4** Individual social integration. (Source: Modified from Mammey (2005, p. 43))

The second aspect of integration refers to social inequality, which typically points to differences between groups. This can relate to horizontal aspects of inequality or heterogeneities, such as differences in cultural lifestyles, or (vertical) aspects of inequality, such as income, occupation, or status. Again, inequality can exist on every dimension of integration. All four dimensions of integration can thus be further described with regard to whether they display vertical or horizontal differences (Esser 2006b, p. 28), which are the two basic dimensions of social inequality (for a critical discussion see Kreckel 2004). Inequalities on the cultural, the social, and the emotional dimension are by themselves mere horizontal differences between actors. They are horizontal in the sense that there is no difference in the valuation of the differentiating characteristics. The concept of social inequality, however, predominantly refers to vertical differences, which are differences with respect to positioning and participation and the control of resources (Esser 2000, p. 129). Obviously, the structural dimension of integration is closely linked to vertical inequality, because it concerns positioning, participation, and in general an actor's life chances.

A society that is not characterized by ethnic inequalities is assumed to be ethnically homogenous (Esser 2006b, p. 30). If, in contrast, it exhibits ethnic heterogeneity, this can appear in two forms: Ethnic plurality if the inequality relates only to horizontal aspects, or ethnic segmentation if the inequality concerns vertical aspects. However, since the vertical and horizontal differences might overlap, e.g. "ethclasses" (Gordon 1964, p. 51), the picture can easily blur. Horizontal differences may translate into vertical differences if cultural differences affect positioning, for example through discrimination.

The third aspect of integration refers to society as a whole. It is denoted by 'system integration,' describing the relationships between different social systems (Lockwood 1964). For the work at hand, the first two aspects of social integration are crucial and I will therefore abstain from a detailed discussion of system integration. For a thorough discussion of system integration with specific reference to immigrant integration, see Esser (2006b, p. 30 ff.).

## 2.7 Conclusion

As we have seen, there is a manifold of sociological and social scientific approaches to the study of immigrant integration. The classic models, which conceptualize integration as a linear process of successive stages (Bogardus 1930; Park 1950; Park and Burgess 1970 [1921]; Park et al. 1967 [1925]), often saw the complete assimilation of the immigrant group as the only outcome. This is neither theoretically nor empirically necessary and thus—in face of stable patterns of intergenerational ethnic inequality—the study of immigrant integration was advanced by new theoretical models (e.g. Gordon 1964; Eisenstadt 1954a). While these models were certainly more accurate descriptively, they also remained rather descriptive, not specifying causal mechanisms that could explain why integration may take one or another path (Esser 1980). Contemporary models (Esser 2006b, c; Portes 1995; Portes and Rumbaut 2006; Portes and Zhou 1993; Rumbaut 2002; Rumbaut and Portes 2001; Zhou 1997) provide us with nuanced descriptions and explanations of immigrant integration that remedy many of the old models' shortcomings. Still, the field remains fragmented. Not least because theoretical concepts of immigrant integration have always been subject to an intense scientific and public debate, as we have seen in the course of this chapter. This holds particularly for the concept of assimilation. As Kivisto (2001, p. 570) observes, "[i]t has become a commonplace to preface any discussion of assimilation theory by noting that it has been the subject of such scathing criticism and repudiation that it has lost its heretofore-hegemonic status." In part, this criticism is deserved. Some frameworks display a very narrow understanding of integration. They see assimilation as the only stable and possible outcome and tend to oversimplify and overgeneralize, i.e. 'deduct' general truths from specific cases. However, much of the criticism directed at these frameworks seems misguided. Often enough we find one-sided and overdrawn depictions of 'conventional' models of immigrant integration. These accounts downplay or plainly ignore the models' complexities and ascribe to them a teleological character that can hardly be found in recent works (see e.g. Alba and Nee 1997, 2003; Gans 1997, 2007; Morawska 1994; Esser 2006b). In many instances, straw-men are constructed that are obviously intended to serve a rhetorical purpose rather than an attempt to accurately discuss these models.

From an empirical standpoint, the separation into an assimilationist and a pluralist position is defective, too. Such a separation sets up an artificial dichotomy, while empirically both processes are concurrent (Gans 1997, p. 875). Immigrant integration can encompass assimilation in some areas, such as structural assimilation, while

at the same time creating cultural pluralism. How is that possible? As an (aggregate) outcome assimilation does not imply that the immigrant group merges with a homogenous core society and giving up their cultural heritage. It merely posits that with respect to a certain distribution of characteristics—such as labor force participation rates, income, occupational status, etc.—inter-group differences have disappeared. Such inter-group comparisons do not rely on the assumption that the receiving society has to be homogenous. Instead, integration is assessed by comparing distributional characteristics of different groups. Thus, while assimilation is often described with metaphors of loss, since it allegedly decreases cultural variation, we can easily imagine situations in which the opposite is true. In the case of a very homogenous receiving society that displays little variance regarding the characteristics of interest, assimilation can indeed imply the disappearance of variance, i.e. differences. But most receiving societies are heterogeneous, as the critiques of conventional theory of integration have stressed. Immigrant groups, in contrast, are at times rather homogenous regarding their positioning in the receiving society's social structure and their socioeconomic background. This brings about ethnic forms of social inequality, which shape the individual's life chances; more often to the disadvantage of the immigrants group than to their advantage. In such a situation, assimilation can increase variance within the immigrant group: a group that is structurally assimilated will be more diverse regarding education, labor force participation, social status, etc. than a group which is not. Moreover, structural assimilation can be a prerequisite for cultural pluralism. Cultural pluralism, if it refers exclusively to horizontal differences between (ethnic) groups, requires that the groups are on par with each other. If this is not the case, then ethnic differences will be linked to stratification, which inevitably brings about vertical ethnic inequality (Esser 2006b).

The models that have been discussed place all their emphasis on how immigrants adapt to the country of reception. These models do not account for (potentially) lasting ties to the country of origin. If immigrants engage in border-crossing activities, which they do, then conventional accounts of immigrant integration are at best incomplete. In the last two decades a new perspective on migration has developed, which at its very foundations shares the doubts regarding the theoretical and empirical adequacy of traditional models of immigrant integration. This perspective, the transnational perspective on migration, has been—at least partially—built in direct opposition to the prevailing concepts of migration and immigrant integration (Glick Schiller 1999, p. 94; Levitt and Glick Schiller 2004, p. 1005). "Transnationalism represents, in this sense, the obverse of the canonical notion of assimilation, sustained as the image of a gradual but irreversible process of acculturation and integration of immigrants to the host society. Instead, transnationalism evokes the alternative image of ceaseless back-and-forth movements, enabling migrants to sustain a presence in two societies and cultures and to exploit the economic and political opportunities created by such dual lives" (Portes and DeWind 2008, p. 9). Unfortunately, the separation into (allegedly) assimilationist frameworks and pluralist frameworks has been extended to the study of transnational migration. The popular notion now is that there is integration of immigrants into the receiving society, on the one hand, and transnational involvement with maintained ties to the country of origin, on the

other. Studies on transnational migration and immigrant integration have developed parallel rather than in dialogue with each other (Morawska 2003, p. 133). In the course of the next chapter, we will encounter similar arguments to those discussed in this chapter that appear to justify the separation. Since we have seen that separating immigration experiences in terms of 'then and now' (Foner 2006) is rather artificial, the extension of this separation to the study of transnational migration appears equally defective.

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# Chapter 3
# Transnationalism

**Abstract** This chapter reviews the origins of the concept of transnationalism and contemporary research on the relation between immigrant integration and transnational activities.

The first part of the chapter discusses different approaches to the concept of transnationalism and how the concept became popular in the social sciences in the last two decades, by drawing on the work of Nina Glick Schiller, Linda Basch, and Christina Szanton Blanc, Thomas Faist, as well as Ludger Pries, and the work of Alejandro Portes and colleagues-to name but a few. It describes the sometimes heated debate on the nature and empirical relevance of the phenomenon in question and how, as the field matured, its meaning changed from the alleged discovery of a new phenomenon to a new perspective on social phenomena, among which migration is but one.

The second part of the chapter reviews the available quantitative studies on the scope of transnational involvement among contemporary immigrants and on the relation between immigrant integration and transnational involvement. Previous research indicates that cross-border activities and ties, in particular those that are not cost intensive, are rather common among immigrants, while deep transnational involvement and transnational modes of living are rare. It also appears that immigrant integration and transnational activities are not incompatible processes, at least for the first generation. However, these results may well be context-specific, as dependable data on transnational involvement of the general immigrant population have been available only for the United States.

**Keywords** Immigration · Integration · Incorporation · Assimilation · Transnationalism · Transnational activities · US · Australia · Netherlands

The following chapter on transnational migration is divided into two parts. The first part deals with the origins of transnationalism as a scientific concept. The second part reviews empirical and theoretical work on transnational involvement among immigrants and how their transnational involvement relates to their integration into the receiving society. By now we have witnessed 20 years of research on transnational migration and the field has certainly matured. Many of the enthusiastic and sometimes perhaps unwillingly exaggerated accounts of transnationalism have been refined in a more reasoned way (see e.g. Levitt and Jaworsky 2007). At the same time, the

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transnational perspective on migration has been firmly established within the social sciences. Still, important questions remain unanswered and this particularly holds for the relation of transnational involvement and immigrant integration.

Before discussing the concept of transnationalism and its origins in depth, it is necessary to develop an understanding of what transnationalism refers to. There has been considerable confusion regarding a precise definition, not least because there is a sizeable overlap between transnationalism and alternative existing conceptions and a certain ambiguity resulting from competing definitions (Portes 2003, p. 875; Kivisto 2001, p. 550). Some of the aspects that transnational migration studies focus on have already been studied from the perspective of globalization, international relations, and cultural diffusion (Sassen 1991; Meyer et al. 1997). Various different terms have been proposed in the literature. We find suggestions to study transnational migration, transnational migration circuits, transnational communities, transnational fields, transnational social spaces, transnational networks, transnational activities, transnational practices, and transmigrants, to name only the most prominent. For the moment, let us apply a straightforward definition of transnationalism that focuses on individual actions: transnational activities are border-crossing activities, not necessarily conducted by immigrants.

## 3.1 Approaches to Transnationalism

Despite its relatively young age, there are many different approaches to transnationalism. The maturation of the field of study has brought forth some excellent review articles as well as full volume books on this subject (see e.g. Kivisto 2001; Levitt and Jaworsky 2007; Portes 2003; Vertovec 2009; Khagram and Levitt 2008; Kivisto and Faist 2010). Obviously, these reviews are all guided by different rationales in their classifications of the approaches to the study of transnationalism. Many publications (see e.g. O'Flaherty et al. 2007; Kivisto 2001) draw a line between the research conducted by Alejandro Portes and colleagues (Portes 1996a, b, 1999, 2001, 2003; Portes et al. 1997, 1999, 2007, 2008; Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002, 2005; Landolt 2001) and the research of Nina Glick Schiller, Linda Basch, and Christina Szanton Blanc (Basch et al. 1994; Glick Schiller 1999; Glick Schiller et al. 1995; Szanton Blanc et al. 1995).[1] Besides the work of Portes and colleagues and the work of Glick Schiller and colleagues, Faist (Faist 1998, 2000a, b; Faist and Gerdes 1999; Kivisto and Faist 2010) and Pries (e.g. Goebel and Pries

[1] The use of the term Portes and collaborators or colleagues is not intended to downplay the work of Carlos Dore-Cabral, Luis Eduardo Guarnizo, José Itzigsohn, Silvia Giorguli-Saucedo, William Haller, Patricia Landolt, Cristina Escobar, Renelinda Arana, Alexandria Walton Radford, and all other contributors. Instead, it is only used to increase the readability of this chapter. The work of Nina Glick Schiller, Linda Basch, and Christina Szanton Blanc will also be referred to as the work of Glick Schiller and colleagues. Similarly, this does not mean that Nina Glick Schiller's contributions outweigh in any sense those of Linda Basch or Christina Szanton Blanc. For a better readability of the text I will refer to their work as the work of Glick Schiller and colleagues.

2002; Pries 1996, 1997a, b, 1998, 2001a, 2005b) have both extensively contributed to the development of transnationalism as a scientific concept and its dissemination in the social sciences. They are therefore also included in the review.

The differentiation between these four approaches on transnationalism serves a heuristic purpose in tracing the origins of transnationalism as a scientific concept and the (ongoing) debate the field is involved in. While it is easy to find differences in approach and research programs, it is also easy to find similarities. Before proceeding, two comments on the following review are due. First, any review is bound to be selective in one way or the other. It concentrates more on some works than on others. There are certainly many other important contributions to the study of transnationalism beyond the four that are discussed here (e.g. Levitt 2001; Levitt et al. 2003; Levitt and Jaworsky 2007; Vertovec 1999, 2004, 2009). This work often draws on them, although they are not included in the review as independent approaches. More than anything else, this is due to limited space. Second, we have to consider that transnational migration studies have grown and changed rapidly in the last 20 years. This applies to the field as a whole but also to the work of specific scholars. In the face of new knowledge and new empirical evidence, scholars have changed their description of transnational migration and its aspects. Accordingly, the following review should be understood as a review on how transnationalism was established as a field of inquiry, concentrating mostly on early approaches.

In the following, the work of Glick Schiller and colleagues will be discussed first, followed, secondly, by a review of Portes and colleagues' perspective on transnationalism, and thirdly, by a discussion of Faist's and finally of Pries' work on this subject. These four approaches differ in a number of aspects, for example, with regard to their understanding of the causes and consequences of transnationalism, the nature of transnationalism, its compatibility with existing approaches to the study of migration and integration, and the relation of current international migration to international migration in history—all of which will be covered in the review.

### *3.1.1 Transmigrants and Transnational Social Fields: The Work of Glick Schiller, Basch, and Szanton Blanc*

Transnationalism was made popular in the social sciences by a group of American-based anthropologists, Nina Glick Schiller and her colleagues Linda Basch and Christina Szanton Blanc (Basch et al. 1994; Glick Schiller 1999; Glick Schiller et al. 1995; Szanton Blanc et al. 1995). In their work, transnationalism refers to the increased interlinkage between people all around the world and the loosening of boundaries between nation-states. It denotes political, economic, social, or cultural processes that extend beyond the borders of a particular nation-state (Glick Schiller 1999, p. 96). In the specific context of migration, transnationalism describes "the process by which immigrants forge and sustain simultaneous multi-stranded social relations that link together their societies of origin and settlement" (Glick Schiller et al. 1995, p. 48). In this much cited definition transnationalism refers to a process

of individual actions that link the country of origin and the country of reception. Essential to the idea of transnationalism is its border-crossing or border-transcending nature: Immigrants are assumed to be simultaneously involved in two or more countries across borders. This multiple inclusion covers all aspects of life, be they familial, economic, social, organizational, religious, or political (Szanton Blanc et al. 1995, p. 684). Their theoretical work is grounded in ethnological observations of a new type of circular migration, focusing on immigrants who regularly oscillate between sending and receiving societies. Because the authors see this as a new phenomenon—at least in their early work—they propose to use the term 'transmigrant' to distinguish immigrants who are transnationally involved from those who are not (Glick Schiller et al. 1995, p. 48).

**Transmigrants and Transnational Social Fields** Transmigrants are thus defined as persons who migrate and yet establish and maintain stable relations that link the country of origin and the country of reception. What is more, transmigrant's "daily lives depend on multiple and constant interconnections across international borders [. . . ]" (Glick Schiller et al. 1995, p. 48). Some similarities to previous concepts, in particular sojourners and diaspora migrants, may come into mind. However, according to Glick Schiller (1999, p. 96), the concept of transmigrants differs from previous ones. Diasporas are understood best as "dispersed populations who attribute their common identity, cultural beliefs and practices, language, or religion to myths of a common ancestry but whose common heritage is not linked to a contemporary state." Accordingly, migrants belonging to diasporas differ from transmigrants in two important aspects. First, the collective identity that members of a diaspora share is not necessarily based on an existing nation-state. Second, members of a diaspora do not necessarily live lives which span across national borders. While transmigrants are pluri-local, members of a diaspora can be quite uni-local. Transmigrants also differ from sojourners, because besides being engaged in the country of origin, they are also integrated into the economy, political institutions, localities, and daily life in the receiving country (Glick Schiller et al. 1995, p. 48). According to this understanding, sojourners are not as much integrated into the receiving society, as their stay is of a more temporary nature.[2]

By virtue of the transmigrants' simultaneous involvement in two or more countries across borders, they create a multiplicity of networks that connect the sending with the receiving society. Glick Schiller and colleagues propose the concept of transnational social fields to describe these stable interconnections. While transnational social fields are occasionally mentioned in the earlier work (see e.g. Basch et al. 1994, p. 29), the concept becomes prominent especially in later works (Levitt and Glick Schiller 2004, p. 1009). The clearest outline of this concept can probably be found in Levitt and Glick Schiller (2004). Accordingly, transnational social fields are to be understood as a set of multiple interlocking networks across national borders through

[2] This differentiation between transmigrants and the other types of (im)migrants seems to disappear in later works (see e.g Glick Schiller and Levitt 2006, p. 8).

which ideas, practices, and resources are exchanged, organized, and transformed (Levitt and Glick Schiller 2004, p. 1009).[3]

**Causes of Transnationalism** Transmigrants and transnational social spaces are, according to Glick Schiller and her colleagues, products of the current structuring of the global economy. They offer a structural, and in part Neo-Marxist, explanation which attributes the emergence of transnational migration to the restructuring of global capital (see e.g. Szanton Blanc et al. 1995, p. 684; Basch et al. 1994, pp. 30–34, 228–233). In particular, the authors identify three core mechanisms which together have given rise to transnational migration. First, the global restructuring of capital has caused conditions in sending and receiving countries to deteriorate, thus stripping migrants of a "secure terrain of settlement" (Glick Schiller et al. 1995, p. 50). Second, adverse reception conditions nowadays await immigrants in the receiving societies (Glick Schiller et al. 1995, p. 50, 228). And third, current nation-state building politics of sending and receiving countries simultaneously create loyalties toward both countries (Glick Schiller et al. 1995, p. 50). What does this mean? With respect to the first point, Glick Schiller et al. (1995, p. 50) argue that today all parts of the world have been integrated into a single system of production, investment, communication, coordination, staffing, and distribution. All regions in the world are interconnected by this mode of production. At the same time, capital is channeled into key regions, especially cities, leaving peripheral regions of the world stripped of the infrastructure, education and health services (Glick Schiller et al. 1995, p. 50). The large-scale indebtedness and economic retrenchment of the sending countries and the associated deterioration of living standards cause persons to leave the periphery and seek paid labor in the core regions and cities. In short, the division of the world into core and periphery (see also: Wallerstein 2005) induces persons living in the periphery to sell the labor on a global market.

However, the receiving context is in many instances not favorable, which brings us to the second point. Much of the labor migration of previous decades was spurred by economic growth and accompanied by the possibility of a relatively quick economic assimilation in the receiving country. Currently, as the authors argue (Glick Schiller et al. 1995, p. 50), immigrants are more and more faced with limited economic possibilities in the countries of reception, and even if they become economically integrated they still find themselves racialized and discriminated (compare also the account of immigrant integration in pluralist frameworks as discussed in Chap. 2). At the same time, and this refers to the third point, many sending countries start to reclaim their expatriate populations, by constructing themselves as "deterritorilized nation-states" (Glick Schiller et al. 1995, p. 50, 52), which encompasses, for instance, granting dual citizenship and voting rights. To sum up, the global capitalistic economy creates labor migration, with immigrants following the streams of capital. Once in the receiving society, however, immigrants face adverse economic and

[3] Although the social field concept was originally coined by Kurt Lewin (see e.g. Lewin 1951), Levitt and Glick Schiller (2004, p. 1009) relate their concept to that of social fields proposed by Pierre Bourdieu (see e.g. 1987, 1989).

social conditions, making full integration into these new societies either not possible or not desirable. At the same time, they are provided with new opportunities to remain members of their sending country. Taken together, these conditions create (structural) opportunities and motives for transnational migration.

**Then and Now** Since transnationalism is seen as a natural byproduct of the present structuring of the global economy, it is clearly conceived of as a qualitatively new phenomenon—at least in the early work of Glick Schiller and colleagues (Basch et al. 1994; Glick Schiller 1999; Glick Schiller et al. 1995; Szanton Blanc et al. 1995). A new phenomenon, of course, requires new theoretical tools to be adequately described and understood. Conventional theories on migration and immigrant integration conceive of migration as a unidirectional process, in which immigrants uproot themselves, leave their home country behind, and face the difficult and painful process of becoming integrated (or assimilated) into the new society (Glick Schiller et al. 1995, p. 48). In the face of transnational migration, such a bipolar conception of the migration process can no longer satisfactorily capture contemporary migration. Because conventional theories concentrate on the integration of immigrants in the receiving society, they miss an important part of the picture, namely frequent cross border movements and connections. Consequently, conventional theoretical frameworks are not adequately endowed to explain transnational migration. The concentration on national societies and in particular on the receiving society stems from what Glick Schiller and Levitt (Glick Schiller and Levitt 2006) call "methodological nationalism." Methodological nationalism assumes that the nation-state (and national society) is the natural social and political form in the contemporary world (Wimmer and Glick Schiller 2002a, p. 302). This perspective naturalizes the nation-state and presupposes a container model of society, which "does not capture, adequately or automatically, the complex interconnectedness of contemporary reality" (Levitt and Glick Schiller 2004, p. 1006). As a consequence, frameworks which are located within methodological nationalism are based on an implicit meta-theoretical assumption that prevents these frameworks from grasping processes outside the national containers.

### *3.1.2 Transnational Activities: The Work of Portes and Colleagues*

Many assumptions and implications of the work of Basch, Glick Schiller, and Szanton Blanc were empirically untested. This applies foremost to the scope of transnational involvement among contemporary immigrants. In the above depicted work, we are inclined to believe that being transnationally active is a widespread and even dominant aspect of contemporary migration. A very important first step to assess the scope of transnational involvement among contemporary immigrants was the Comparative Immigrant Entrepreneurship Project (CIEP), conducted by Portes and colleagues (Portes 1996a, b, 1999, 2001, 2003; Portes et al. 1997, 1999, 2002, 2007, 2008; Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002, 2005; Landolt 2001).

**Table 3.1** Examples of transnational activities

| Field of action | Activities |
|---|---|
| Economic | Border-crossing entrepreneurial activities |
| | Conducting trade with country of origin |
| | Transfer of money or goods to country of origin (remittances) |
| | Investment in real-estate in country of origin |
| Political | Member of (political) organization in country of origin |
| | Member in (political) organization related to country of origin |
| | Participating in politics related to country of origin |
| | Contributing (financially) to organizations in country of origin |
| Socio-cultural | Frequent visits of friends or family in country of origin |
| | Frequent contacts with friends or family in country of origin |
| | Member of social organization in country of origin |

Up to today it remains the only large-scale empirical study which was explicitly conducted to study transnationalism. Its results are still highly cited when it comes to providing estimates of the scope of transnational activities of immigrants and the relation of transnational activities and immigrant integration (Vertovec 2009; see e.g. Kivisto and Faist 2010).

**Transnational Activities** Portes and colleagues focus on individual immigrants' border-crossing activities. Among the first contributions of the CIEP is its classification of transnational activities. In particular, transnational activities are classified into three categories: socio-cultural activities, political activities, and economic activities. Table 3.1 gives an overview and specific examples of these forms of transnational activities. Socio-cultural transnational activities are defined as activities "[. . . ] that involve the recreation of a sense of community that encompasses migrants and people in the place of origin. Socio-cultural transnationalism concerns the emergence of practices of sociability, mutual help, and public rituals rooted in the cultural understandings that pertain to the sense of belonging and social obligations of immigrants" (Itzigsohn and Giorguli-Saucedo 2002, p. 768). Political transnational activities encompass electoral and non-electoral activities that are aimed at influencing conditions in the sending country (Guarnizo et al. 2003, p. 1223). In particular, "[t]ransnational electoral participation includes membership in a political party in the country of origin, monetary contributions to these parties, and active involvement in political campaigns in the polity of origin. Transnational non-electoral politics includes membership in a hometown civic association, monetary contributions to civic projects in the community of origin, and regular membership in charity organizations sponsoring projects in the home country" (Guarnizo et al. 2003, p. 1223). Finally, transnational economic activities encompass all economic activities that cross borders, such as sending remittances or transnational entrepreneurship. The latter, which refers to self-employed immigrants whose business (success) depends on regular travels and contacts with the sending country (Portes et al. 2002, p. 284), takes a prominent position within the research of Portes et al. (Portes et al. 2002).

Such a classification is helpful when it comes to specifying and potentially delimiting the object of inquiry. Nevertheless, it is ideal-typical and thus should rather

serve heuristic purposes. Empirically, the different types of border-crossing activities are likely to overlap. For instance, it seems rather difficult to maintain a strict differentiation between socio-cultural and political activities in the country of origin, as participating in politics of the country of origin may go hand in hand or even be identical with socio-cultural activities there. Guarnizo et al. (2003, p. 1223) conceptualize political transnational involvement as encompassing non-electoral activities, such as membership in hometown civic associations and monetary contributions to these associations. In contrast, Itzigsohn and Giorguli Saucedo (2002, p. 767) include these activities in the realm of socio-cultural transnational involvement. It is apparent that both realms are overlapping and that being a member of charity organizations in the country of origin can be motivated both by political interests as well as by the intention to recreate a sense of community which spans across borders. In this sense, the distinction between these two forms of transnational activities is rather analytical, while their empirical correspondences are likely to be overlapping.

**Causes of Transnationalism** Compared to the work of Glick Schiller and her colleagues, Portes and his colleagues call for more caution in theorizing and assessing the causes, the scope, and the consequences of immigrants' transnational involvement. While Glick Schiller and colleagues, based on their ethnographic observations, do not hesitate to infer that transnational involvement is omnipresent among contemporary immigrants, Portes et al. (1999, p. 223) scrutinize this by drawing on Merton's (1987) necessary conditions for establishing new phenomena for scientific inquiry: (a) the process in question involves a significant portion of the relevant persons, (b) the process in question possesses a certain stability over time and is not exceptional and fleeting, and (c) the content of this process is not captured by some pre-existing concept. Thus, Portes et al. (1999) leave open the possibility that transnationalism is an academic construct which does not find an empirical counterpart.

Portes and collaborators (Portes 1999, p. 467; Portes et al. 1999, pp. 223–224) see changes and innovations in technologies of mass transportation and communication as the crucial condition for transnationalism to emerge. These "space- and time-compressing" technologies enable immigrants to readily cross borders, easily follow the events in the country of origin, and maintain close relations across borders. Moreover, the establishment and maintenance of networks across borders is a necessary condition for transnationalism (Portes et al. 1999, p. 224).[4] Yet, these are but a set of conditions that only specify antecedent conditions for transnational involvement. Consequently, "[a] first step in answering these questions [why immigrants are transnationally active] is to note that transnational activities must be in the interest of those that engage in them since, otherwise, they would not invest the considerable time and effort required" (Portes 1999, p. 469). As Portes (1999, p. 464; 2003, pp. 879–880) observes, while most immigrants have access to these means of communication and transportation, there is considerable variance in the extent to which they are transnationally active. In order to understand why some immigrants

[4] The second point seems problematic, as one can argue that border-crossing networks are not a prerequisite but a consequence of transnational activities.

are transnationally active and others are not, we have to examine the conditions in the context of reception as well as the context of origin. First, in line with the work on segmented assimilation theory, Portes (1999, p. 464; 2003, p. 880) stresses that the ethnic group in which an immigrant is embedded plays a crucial role in providing opportunities for transnational involvement. The form and scope of transnational involvement depends strongly on the ethnic groups' resources, such as experience with border-crossing trade (Portes 1999, p. 464). Moreover, immigrants, who are geographically dispersed in the country of reception, are less likely to engage in transnational activities, whereas regionally clustered immigrants, who live in dense ethnic communities, are more likely to engage in these activities. Ethnic communities accordingly can nourish transnational engagement (Portes 2003, p. 880). Second, the general attitude that immigrants are confronted with is likely to impact their motivation for transnational engagement. Portes (1999, p. 466; 2003, p. 880) points out that hostile conditions in the country of reception can bring about "reactive ethnicity" and with it an array of transnational activities. "At the grass-roots level, economic transnationalism offers an alternative to some immigrants and their home country counterparts against low-wage dead-end jobs; political transnationalism gives them voice that they otherwise would not have; and cultural transnationalism allows them to reaffirm their own self-worth and transmit valued traditions to their young" (Portes 1999, p. 469). In this case, transnational involvement can be understood as a reaction to potentially unfavorable conditions in the receiving country. If the conditions of reception are more favorable, then any transnational activities will be a mere "linear extension" of the immigrants' interest to remain in contact with their country of origin (Portes 1999, p. 466). The work of Portes and colleagues has a stronger micro-sociological focus, in which the reconstruction of individual motives and opportunities is an integral part of any explanation of transnational activities among immigrants.

**Then and Now** Not only do Portes and his colleagues depart in their theoretical focus from the work of Glick Schiller and colleagues, they also disagree on the question of the phenomenon's novelty. Portes (2001, p. 183) and Portes et al. (1999, p. 224) point out that precursors of contemporary transnationalism have existed for a long time. Return migration as well as visits to the country of origin have always taken place among labor migrants. Most historic precursors of transnationalism took the form of diasporas, such as trade diasporas or political diasporas (Portes et al. 1999, p. 225). The authors mention Russian Jews fleeing the Tsar, Armenians fleeing Turkish oppression, and the Spanish citizens fleeing from the fascist regime, building a huge Spanish diaspora (Portes et al. 1999, pp. 224–225). At this point it furthermore becomes obvious that Portes and colleagues see continuities between past and present migration, since they do not draw a distinction between diasporic and transnational activities, as opposed to Glick Schiller and colleagues (see e.g. Glick Schiller 1999, p. 96). Referring to Curtin (1984) and Pirenne and Hasley (1980 [1925]), Portes et al. (1999, p. 225) call attention to early and even medieval examples of trade diasporas. These were communities of merchants who settled abroad and became integrated into the local society while preserving a collective identity as members of a trade diaspora,

maintaining relationships to the places of origin, and regularly traveling back and forth. However, in contrast to present day transnationalism, historical precursors of political diasporas and trade diasporas were an exceptional phenomenon. Only a small portion of the very affluent immigrants could engage in these time and resource intensive activities (Portes et al. 1999, p. 225).

Contemporary transnationalism differs from its historical precursors, since the opportunities to be transnationally active are very different today. Means of mass transportation and communication are readily available, even to less well-off immigrants, and the global economy is more interconnected than ever before (Portes et al. 1999, pp. 224–226). Thus, while Portes (Portes 1999, 2001, 2003) and Portes et al. (1999) clearly point to continuities in transnational migration, they agree with other scholars that due to technological innovations there are also vast differences—if only in scope and scale. With respect to the relation of transnational involvement and immigrant integration into the receiving society, Portes and colleagues discuss several possibilities. They point out that—and in this they agree with other scholars of transnationalism—older theories of immigrant integration do not account for substantial back-and-forth movements between the country of origin and the country of reception (Portes et al. 1999, p. 228). Conventional theories of immigrant integration equated successful adaptation with successful integration (or assimilation) into the receiving society (Portes et al. 1999, p. 229). Transnational involvement might offer an alternative path, potentially opening up new adaptation possibilities for immigrants and their offsprings (Portes et al. 1999, p. 229; Portes 2001, p. 188). In particular, four possible scenarios are discussed. First, transnationally active immigrants might eventually return to their country of origin. Second, transnational activities might accompany and support integration into the receiving society. Third, transnationally active immigrants might remain stable in the transnational field, while their offsprings become assimilated into the receiving society. And fourth, transnationally active immigrants might pass these practices on to their offsprings. While Portes et al. stress that these are possibilities and that it is too early to judge which will become empirically relevant, they state that "it seems clear that they can transform the normative assimilation story, with major consequences for both sending and receiving countries" (Portes et al. 1999, p. 229).

### *3.1.3 Transnational Social Spaces I: The Work of Faist and Colleagues*

A yet different conception of transnationalism was put forth by Thomas Faist (1998, 2000a, b; Faist and Gerdes 1999), namely that of transnational social spaces. It shares some similarities with the concept of transnational fields as found with Basch et al. (1994, p. 24), but Faist develops the concept much further. Akin to the above depicted work of Glick Schiller and colleagues, Faist (2000b, p. 19) promotes to distinguish between different types of migration and thus migrants. In particular,

we find a differentiation between return-migration, circular migration and transnational migration. How do these forms of migration differ from one another and from transnational migration? Return-migration, although it ends with the return to the country of origin, does not necessarily imply any transnational activities during the stay in the country of reception. Circular migration "[. . .] is characterized by a frequent movement between two or more places, such as in seasonal labour migration. Circular migrants are different from transmigrants: the latter are persons who live in either the country of emigration or destination, and commute back and forth between the two locations. However, this is not the case of circular migrants. Rather it pertains to life-periods or a whole life among categories such as hypermobile businessman" (Faist 2000b, p. 19).

**Transnational Social Spaces** In face of the interconnectedness of sending and receiving country, Faist (2000a, p. 191; b, p. 8) argues against a conception of migration as a discrete event and a permanent move from one nation-state to another. Rather, migration should be understood as a multidimensional (economic, political, cultural, and demographic) process consisting of movements and links between two or more settings in various nation-states. Within the migration process, Faist attributes a central role to social networks and social capital (Faist 1998, 2000a, b). Immigrant networks help to reduce economic and psychological risks and costs associated with international long-distance migration. They facilitate traveling abroad, finding housing and work, keeping in touch with the country of origin, finding child care, and consummating communal and spiritual needs (Faist 2000b, p. 97). The networks and ties connecting sending and receiving societies make up transnational social spaces. As Faist (2000b, p. 199) puts it, transnational social spaces "consist of combinations of sustained social and symbolic ties, their contents, positions in networks and organizations, and networks of organizations that can be found in multiple states."

There are three types of transnational social spaces (Faist 2000b, p. 202). The first form of transnational social spaces are transnational kinship groups. Kinship groups, which are typical among first generation immigrants, are characterized by a strong reciprocity. Prime examples are the transnational family and sending remittances (Faist 2000b, p. 203). Such multilocal families can again take two forms: either parents living abroad with their offsprings (still) in the sending country or older migrants returning to their home country, while their (adult) children remain in the receiving country. Transnational circuits are the second type of transnational social spaces (Faist 2000b, p. 206). They are characterized by a constant circulation of goods, people, and information across the borders of sending and receiving states along the principle of exchange. Typically, these are trading networks and business networks spanning across borders. The third type of transnational social spaces are the so-called transnational communities (Faist 2000b, p. 207), which we also find with Portes' earlier work on transnationalism (Portes 1996a, b). Transnational communities emerge if migrants have strong and dense social and symbolic ties across borders. These communities do not necessarily require individual persons "living between cultures in a total 'global village' of de-territorialized space" (Faist 2000b, p. 207). They require, however, linkages through exchange, reciprocity, and solidarity in order to achieve a high degree of social cohesion and a shared repertoire of symbolic and collective representations.

**Causes of Transnationalism** For Faist (2000b, pp. 211–212), too, changes and innovations in telecommunication and transportation technologies are important factors contributing to transnational migration. These technological changes are a prerequisite as well as cause for transnational involvement. However, even if immigrants are transnationally involved, this does not necessarily create transnational communities (Faist 2000b, p. 239). Akin to Portes and colleagues (Itzigsohn and Giorguli-Saucedo 2002; Portes 1999, 2003), Faist (2000b, p. 213) relates the emergence of immigrants' transnational involvement to conditions in the receiving and the sending country. Transnational communities will, however, only emerge if certain conditions are met. First, contentious minority policies in sending countries contribute to the export of politics and conflicts into receiving countries. Second, obstacles to integration contribute to an orientation toward ethnicity and transnational ties. Third, in liberal democracies, which do not try to assimilate migrants by force, immigrants have a greater chance to keep their cultural distinctiveness and ties to their homeland. Taken together, these conditions promote the development of transnational social spaces. It is obvious that Faist's conception of the prerequisites for the emergence of stable forms of transnational social spaces links up well with Portes and colleagues' conception of how the interplay of contextual factors creates conditions that promote transnational activities (Itzigsohn and Giorguli-Saucedo 2002; Portes 1999, 2003). In particular, this conception is compatible with the basic idea of the modes of incorporation model that was discussed in the previous chapter.

**Then and Now** In agreement with Portes and colleagues, Faist does not see transnationalism as an entirely new phenomenon. Instead, multilocal and transnational families, for example, with their members scattered across several countries, have been a part of international migration for a long time (Faist 2000b, p. 11). But the magnitude of transnational involvement of immigrants in international migration has increased. Maintaining ties to those left behind, be they family, friends, or significant others, involves costs: economic costs for return trips and remittances, and psychological costs that emerge when practicing one's religion or other customs and while facing the need of adapting to a new environment (Faist 2000b, p. 126). However, innovations in long-distance travel and communication technologies have greatly reduced these costs. Thus, while incentives to remain in touch with the country of origin remain the same, costs have been reduced, which then is likely to lead to an increase in immigrants' border-crossing involvement.

Although transnational activities may have been part of international migration for a long time, Faist (2000b, p. 9) argues that the existence of transnational social spaces and transnational migration refute the predictions of classical assimilationist frameworks: leaving the native country's security, passing through a period of risk, (dis)stress, and turmoil, and then establishing a definite equilibrium in the receiving society. According to Faist (2000b, p. 243), conventional theories of immigrant integration are unable to deal with the phenomenon of transnationalism adequately. The main reason for their epistemological inadequacy lies in the theories' "container conception of space" and "container conception of culture"—matching the criticism of the so-called methodological nationalism in other works on transnationalism (Beck

2007a, b; Beck and Beck-Gernsheim 2009; Wimmer and Glick Schiller 2002a, 2003; Glick Schiller and Levitt 2006). Conventional theoretical frameworks, which deal with immigrant integration into national societies, assume that the processes of integration are unaffected by (continuing) border-crossing activities. Furthermore, the container concept of culture renders culture as a fixed and essential phenomenon (Faist 2000b, p. 282). Culture is conceptualized as a baggage from the sending country and is only important in the sense that cultural distance between the sending and the receiving society inhibits successful integration. Still, transnational involvement of immigrants and their social integration into a receiving society are not incompatible (Faist 2000b, p. 10, 242). There are simultaneous trends toward incorporation into the receiving country's society and the creation and maintenance of social, religious, political and economic transnational ties. Transnational ties with continuing immigrant integration (in the sense of a partial assimilation) can coexist. Overall, Faist (2000b, p. 226) seems to regard transnationalism more as a novel perspective rather than a novel phenomenon. The transnational perspective on immigration shifts the emphasis from the 'classical' question whether immigrants lose or retain their cultural distinctiveness to how transnational social spaces are organized, how immigrants structure and experience their ties, and how they adapt to living in between two cultures.

### *3.1.4 Transnational Social Spaces II: The Work of Pries and Colleagues*

The concept of transnational social spaces also takes a central role in the work of Ludger Pries (1996, 1997a, 1998, 2001b, c, 2002, 2005b), who contributed early to the development of transnational migration studies. Pries builds his work on transnationalism on what he describes as the connection and disconnection of social and geographic space (see e.g. Pries 2001b, p. 56 ff.). Geographic space is understood as a "[. . .] specific relational metrical-physical extension and relation of elements" (Pries 2001b, p. 70, 71) which can be conceived of in dimensions of distance, direction, size, shape, and volume (see also Gieryn 2000). Social space, in contrast, is described as a "[. . .] specific and concentrated complexity of social practices (routinized behavior, types of action, innovative and creative acting and so forth), systems of symbols (language, culture, status and social positioning, knowledge, rites and so forth) and artefacts (buildings, techniques, cultivated landscape and so on) with a certain extension in time and (geographic space)" (Pries 2001b, p. 71).[5] Transnational social spaces are then defined as dense, stable, pluri-local and institutionalized frameworks, which are composed of these social practices, systems of symbols, and

[5] Obviously, this conception departs from other understandings of social space as, for instance, Bourdieu's (1989, p. 17), in which social space is to be understood as the frame of reference for an individual's position in society.

artifacts (Pries 1998, p. 37; 2001a, p. 8, 18). Goebel and Pries also distinguish between different forms of migrants (Goebel and Pries 2002, p. 39 ff.): the "classical" immigrant, the return-migrant, the transnational migrant, and the diaspora migrant. The classical immigrant is characterized by the motive of permanent residence in the receiving country. The return-migrant stays for a limited period of time and then returns to her or his country of origin. The migrant belonging to a diaspora retains a strong orientation toward a potentially imagined homeland community, whereas the transnational migrant, although being possibly integrated into the local economy, participates in transnational activities and builds and maintains transnational ties.

**Causes of Transnationalism** In general, Pries (1997a, p. 16; 2001a, p. 23) seems to be more interested in understanding the consequences of transnationalism than its causes. We thus do not find an elaborate explanation for the emergence of transnationalism. However, we do find reference to globalization as an ongoing process that alters the relation between the local and the global, between geographic and social spaces, and the way the nation-state is able to claim its population (Pries 2001a, p. 23, 2001b, p. 56, 58, 68). Moreover, Pries (2001b, p. 57) asserts that "new and newly recognized forms of international migration processes, though not the only source of such a development, can thus bring about transnational social spaces." It is international migration itself which brings about the uncoupling of geographic and social space (Pries 2001b, p. 58). Unfortunately, the process by which international migration is causing this uncoupling is not specified. If we reconsider Pries' definition of social spaces (Pries 2001b, p. 71), especially the aspect of social practices, one is inclined to see migrants' individual actions as responsible for the creation of the transnational social spaces. Globalization and technological innovations can thus be conceived of as conditions that increase motives and forces to migrate and ease the maintenance of relations to the country of origin.

**Then and Now** According to Goebel and Pries (2002, p. 36), the conditions and patterns of international migration have changed greatly in the last decades. Not only is migration a growing phenomenon, its pattern is changing, too. While in the past migration was most often linked to permanent residence at the place of destination, in recent years these patterns of settlement have changed. Migration is no longer a unidirectional change in locality but becomes a recursive process (Goebel and Pries 2002, p. 36). Increasing pendulum-movements between sending and receiving countries are an indicator for transnational migration. Transnationalism has profound consequences on the relation between social and geographic space. Pries (2001b, p. 75) asserts that over the last two or three hundred years, social and geographic space were concordant. This concordance was especially strong in the bloom of nation-states, where territorially defined areas corresponded to national societies. But this correspondence between geographical and social space has been altered in the last decades of the twentieth century by globalization. It has been weakened, allowing for the emergence of transnational social spaces that extend across geographical space (Pries 2001b, p. 57). As a result, social spaces which were previously geographically and socially disjunct are now stacked within one geographic area (Pries 2001b, p. 57). Moreover, social spaces are no longer limited by geographical spaces. This means

that social spaces can now expand over several different geographical areas (Pries 2001b, p. 57). These multi-local social spaces are then what Pries (2001b) calls transnational social spaces. We see that Pries' conception of transnational social spaces and the central role the nation-states take in it share resemblance to the idea of "deterritorilized nation-states" in the work of Glick Schiller and colleagues (1995, p. 50, 52).

The border-crossing extension of social spaces as well as the stacking of socially disjunct spaces within one geographic space are historically new and lack comparable precursors (Pries 2001b, p. 58). Pries (2001b, p. 57) acknowledges that different and distinguishable social spheres have always been stacked together in one geographic area, such as the different estates in feudal structures or social classes. Yet, these social spheres were always directly linked to each other by means of a shared worldview or cultural practices. Although technological innovations in previous centuries, as, for instance, in the nineteenth century the steam-engine and telegraphic communication, already unleashed globalization processes, they did not result in a similar decoupling of social and geographic space, because the nation-state's grip on a population was still too strong (Pries 2001b, p. 58). This transformation brings about the need for a theoretical reconceptualization of migration and integration processes.

## 3.2 Open Questions and Unsettled Issues

The appearance of transnationalism as a scientific concept in migration research spurred a debate on its theoretical and empirical relevance—which at times has been heated (see e.g. Glick Schiller and Levitt 2006; Waldinger and Fitzgerald 2004). Most scholars of transnationalism consider this debate to be passé, because the issues over which it erupted have been settled. Today, proponents of the transnational perspective maintain that their research is repeatedly confronted with "usual suspects criticisms" (Vertovec 2009, p. 16)—usual suspects, because these criticisms have apparently been dealt with (see e.g. Glick Schiller and Levitt 2006). Indeed, it is true, some of the issues that were discussed emphatically at the beginning (e.g. is transnationalism a novel phenomenon or a novel perspective) appear to be settled—most agree today that it is a new or rather different perspective. Other controversial issues, however, have not been dealt with adequately and some questions remain unanswered. There is, in particular, a striking imbalance between conceptual, theoretical work, on the one hand, and empirical evidence, on the other. In particular, little heed was paid to admonitions calling for more thorough empirical examinations, before advancing evermore conceptual and theoretical work. Some authors argue (Portes et al. 1999, p. 218, 233; see e.g. Durlauf 1999) that this is even a recurring pattern in the wider social sciences, when the discipline has discovered something new (or is convinced of a discovery). As Portes et al. (1999) put it, "it is not so uncommon in the social sciences that elaborate explanations are advanced for processes whose reality remains problematic."

Obviously, this is a problem that relates to the scope of transnational involvement among immigrants. The pioneer studies on transnational migration were solely ethnographic studies, which could not assess the prevalence of border-crossing involvement among immigrants. Today, we have, albeit still little, quantitative evidence with which we will deal more thoroughly later in this chapter. Having evidence on transnational involvement which goes beyond ethnographic descriptions, the question remains whether this is a new aspect of international migration. Some scholars claimed that transnationalism is an entirely new phenomenon, stressing a historic break between recent and 'older' migration. Transnationalism, in its present characteristic, therefore must be differentiated from other processes and aspects of international migration (Basch et al. 1994; Glick Schiller 1999; Glick Schiller et al. 1995; Glick Schiller and Fouron 2001; Szanton Blanc et al. 1995; Glick Schiller et al. 1992; Goebel and Pries 2002; Pries 2001b, 2005b; Guarnizo et al. 2003, p. 1213). Others questioned its novelty, stressing historical continuities in transnational migration, and warn that the research on transnationalism is reinventing the wheel, by applying new (and potentially incorrect) labels to well-known phenomena (Lucassen 2006; Portes et al. 1999; Morawska 2004; Portes 2001; Waldinger 2008b; Waldinger and Fitzgerald 2004). Pendular migration, return migration, and the maintenance of ties with the country of origin are, for instance, anything but new.

As we have seen in the previous chapter, stressing differences or similarities between past and contemporary immigration experience is tied to the stance one takes in evaluating existing theoretical models. One of the major claims of early work on transnationalism was that a new phenomenon requires a new theory, because the old theories cannot adequately understand and explain the contemporary immigration. The old theories were constructed with reference to the 'old world'; new theories have to be built mirroring the 'new world.' For some, developing transnational migration studies was indeed associated with the rejection of a conventional conception of migration and integration (Glick Schiller 1999, p. 94). Transnational migration studies directly attacked the canonical research on migration by questioning its adequacy—thus legitimizing the claim for a new theoretical perspective. If we assume that migration and integration processes nowadays are completely different from previous decades—for whatever reasons—then it is unlikely that theoretical models, which have been built facing a different empirical reality, are still valid. However, if the world we face is not all that new, i.e. if there are historical continuities in transnational migration, then older theories on immigrant integration are not per se inadequate. These theories may not have focused explicitly on transnational aspects of international migration and immigrant integration, but they have dealt with an empirical reality that shares similarities with the world today. Nevertheless, if the phenomenon in question is real, existing theoretical approaches certainly suffer from incompleteness. In order to evaluate the validity of the claim of a historic break, we would need to compare transnational involvement of immigrants in the last centuries to transnational involvement among contemporary immigrants. Large-scale individual data, which would allow for such a comparison, is unfortunately unavailable for these historic periods. Even for contemporary migration large-scale data on transnational involvement is scarce—as we will see later in this chapter. Thus, when it comes to the relation between then and now, scholars of transnational migration have drawn on historic comparisons (see e.g. Lucassen 2006).

## 3.3 Transnational Involvement Among Immigrants in the Past

After two decades of research on transnationalism, it is clear today that transnational involvement among immigrants is not as new as it has been presented in early assessments. In fact, as Joppke and Morawska (2003, p. 20) state, "many important aspects of it resemble economic, social, and political translocal involvements of past cross-border travelers." Trade diasporas of itinerant merchants, for instance, have existed for centuries. Venetian, Genoese, and Hanse merchants in medieval Europe are early examples of economic transnationalism (Portes et al. 1999, p. 225 ff.). Furthermore, circular migration movements are also anything but new if we consider streams of circular labor migration at the turn of nineteenth to the twentieth century, as, for instance, the recruitment of foreign workers for the heavy industry in the Ruhr region and the mining industry in Germany (Hebert 2003, p. 55 ff., 65 ff.). Lucassen's (2006, p. 29 ff) account of transnational involvement of the Polish immigrants in the Ruhr region is instructive. The Ruhr region's rapid industrialization after 1870 attracted many immigrants, among which were thousands of Poles. These immigrants maintained their own language, founded their own associations, and were heavily involved in border-crossing activities. They kept close contact with relatives from the sending communities, frequently traveled back, and invested in property and housing there. Their transnational involvement also manifested in Polish associations: in 1896 there were 75 Polish organizations in the Ruhr region, in 1910 already 660, and at its peak in 1920 almost 1,450 (Murphy 1982, p. 141 ff.).

Immigrants' transnational involvement was not limited by continental Europe's borders. As in the current case, technological innovations in travel and communication technology greatly facilitated transnational activities and return migration among immigrants who came to the US in the nineteenth century (Cinel 1991; Wyman 1993). Ocean-going steam ships dramatically reduced the time needed to travel from the old to the new continent. The invention of telegraphy allowed for instantaneous communication across great distances. And a prominent testimony of keeping ties with the country of origin is Thomas and Znaniecki's study on "*The Polish Peasant in Europe and America*" (1919). Of those immigrants, 35 % returned to their country of origin and those who stayed kept in touch with relatives in their country of origin (Wyman 1993, p. 10, 33). Moreover, the consolidation of the nation-state in the nineteenth century already created "long-distance nationalism" (Glick Schiller 1999, p. 101 ff.), with immigrants contributing money to political movements in their respective countries of origin. In the German case, for instance, "Germanness abroad" ("Deutschtum im Ausland") was actively promoted by the newly founded German state in the late nineteenth century and aimed at keeping the German national identity alive and preventing German immigrants from assimilating to the receiving countries (Dann 1993, p. 191). Glazer (1954) has documented similar patterns for the American immigration experience.

As Joppke and Morawska (2003, p. 21) put it, "[. . .] the perception is unfound that, as one-way transplants, earlier migrations were permanent ruptures with home-country affairs, irrevocably dividing past and present lives of immigrants, whereas

present day shuttlers' lifeworlds span their home and host society in new transnational spaces." Even those who initially depicted transnationalism as new (Glick Schiller 1999, p. 95, 99 ff.) now point to the late nineteenth century when referring to precursors of current transnationalism. While most authors now seem to agree that precursors to present day transnationalism existed, there is disagreement on the reason why it has not received a lot of attention. Portes et al. (Portes et al. 1999, p. 225 ff.) claim that these early forms of transnational involvement among immigrants have mainly been an elite phenomenon, limited to wealthy immigrants who could afford cost-intensive maintenance of long-distance networks and long-distance travel. Transnationalism in history was of minor significance and thus was not incorporated into theoretical models of migration and integration. In face of the above mentioned historical work on immigration, this position appears disputable. Still, the costs for being transnationally active have reduced drastically. Assuming that most immigrants have some attachment to their country of origin, the scope of transnational activities has *probably* increased.

Glick Schiller et al. (1995, p. 51) attribute the negligence of transnational involvement among immigrants to the predominant (political and scientific) narrative of assimilation. From this perspective, it was not the limited empirical scope that averted the incorporation of transnationalism into theory. Instead, the prevailing concentration on immigrants' adaption in the receiving country prevented scholars from taking note of border-crossing activities. If we consider Gans' (1992, p. 49; 1997, p. 884) note on the potential selectivity of immigrants that were subject to sociological inquiry in the early models on immigrant integration—as discussed in the last chapter—it does not come as a surprise that traditional accounts of immigrant integration did not focus on border-crossing activities and ties to the country of origin. Immigration historians, however, have extensively documented border-crossing, bi-national social-cultural, economic, and political involvement among almost all immigrant groups in the US—although they did not call it transnationalism (Joppke and Morawska 2003, p. 21). Still, there was need for a concept that identifies this phenomenon. The common character of present and earlier forms of transnationalism has to be overlooked if we do not have a theoretical concept which identifies the phenomenon in question. As Portes (2001, p. 184) puts it, "[t]he parallels between Russian and Polish émigré political activism and the trading activities of the Chinese diaspora, for example, could not have been established because there was no theoretical idea that linked them and pointed to their similarities. In its absence, the respective literature remained disparate and isolated from each other, as well as from present events."

Most scholars today seem to have reached the conclusion that transnational migration studies do not deal with an entirely new phenomenon, but that they offer a novel perspective on processes of migration and integration. Treating transnationalism as a perspective allows us to focus our research and theory on the ties that immigrants build and sustain across the borders of two or more nation-states (Portes 1999, 2001, 2003). In this sense, the transnational perspective simply calls our attention to a specific aspect of migration and integration, which has always been a ubiquitous part of international migration (Waldinger 2008a, p. 24). This perspective can provide us

with a tool to understand and explain specific and possibly new or previously disregarded processes of integration. It is an analytical tool, enabling us to cover aspects of migration to which conventional theories of migration and integration have been blind.

## 3.4 A Note on Terminology

In the above depicted work, we are presented with an abounding number of new terms for processes that describe immigrants' cross-border involvement. Do we need all these terms? It might depend on the specific term and the process it describes. In any case, we should avoid conceptual conflation and overuse, as they render any analytical concept useless. If a concept is extended to every aspect of reality, it is stripped of its heuristic value. For a concept to retain a heuristic value, its scope has to be limited (Portes 2001, p. 219).

In this context, a distinction between transmigrants and circular migrants and sojourners appears hard to maintain, as the demarcation lines between their definitions seem a bit artificial. It is noteworthy that the term transmigrant was actually coined by William Peterson (1969, p. 261), who defined transmigrants as "those who move into an area for a period and then out of it." This early definition already shows that the boundaries between the concept of transmigrants and sojourners and circular migrants are not clear. I would argue that the concept of immigrant (or migrant) is well applicable even in the face of immigrants' border-crossing involvement. Another example of introducing a new concept, where an already existing would do, is that of "social remittances" (Levitt 1998, p. 927; 2001, p. 54). In her seminal ethnographic study on a village in the Dominican Republic, Levitt describes how the village's life is influenced by its residents' back and forth migration to Boston. To illustrate how ideas, behaviors, identities, and social capital flows from the receiving country to the country of origin through transnational ties and how they influence and restructure the village's daily life, Levitt suggests the concept of social remittances. To begin with, this is not a particularity of contemporary migration. Returnees from the US at the end of the nineteenth century and the beginning of the twentieth, for instance, imported various ideas and practices to Europe and profoundly influenced their countries and communities of origin (Wyman 1993, p. 151 ff.), which Levitt (2001, p. 59) acknowledges. However, the usefulness of introducing a new term referring to the phenomenon in question is limited if we already have a term at hand. The transmission of ideas, practices, and the like has been studied before under the term "cultural diffusion" (Strang and Meyer 1993; Strang and Meyer 1994), even explicitly so with focusing on how ideas influence and restructure local communities and the relations therein (see already Brown 1944). Although Levitt points to cultural diffusion, she does not give reasons why a new term seems necessary. Moreover, the term transnationalism itself can be perceived as problematic. As Smith (2002, p. 148) points out, transnationalism often seems to indicate a "third space," which, albeit divorced from

both the origin and the receiving country, implies an entirely new way of living simultaneously in both places. As we will see in the next part of this chapter, evidence for such transnational modes of living is rather scarce. Thus, for the rest of this work, I will use the terms transnational or border-crossing activities and involvement rather than the term transnationalism. Transnational activities are more tangible and more narrowly defined—as individual immigrants' border-crossing activities—and do not necessarily imply a simultaneous mode of living in-between two societies.

## 3.5 A Note on Methodological Nationalism

Before we proceed to reviewing the empirical evidence of immigrants' transnational involvement, an excurse on the so-called 'methodological nationalism' seems due. It has been mentioned in the above discussion that proponents of transnationalism criticize conventional theories for the way they depict (the receiving) societies—the alleged methodological nationalism (Levitt and Jaworsky 2007; Pries 2005a; Wimmer and Glick Schiller 2002a, b, 2003; Mau 2010). Methodological nationalism is assumed to take the nation-state (and national society) as the natural social and political form in the contemporary world (Wimmer and Glick Schiller 2002a, p. 302) and with this metatheoretical assumption it prevents conventional frameworks from grasping processes outside national containers. This critique is not limited to the bounds of migration studies. Instead, it has been developed into a critique of general sociological theory, which unquestionably takes the nation-state as its point of departure (see e.g. Beck 2007a, b; Beck and Beck-Gernsheim 2009; Mau 2010). However, it appears rather premature, because most of its claims justifying a paradigmatic shift are—once again—based on assumptions that lack empirical foundations.[6] Within the study of immigrant integration, methodological nationalism can be interpreted as a catchword that points to the shortcomings of conventional theoretical frameworks. From this perspective, there is something to it: by taking the national society as the unquestioned point of departure, we are likely to miss parts of the picture—as, for instance, immigrants' multiple inclusion into receiving and sending society. But do we have to reformulate all existing theories? Theoretical completeness calls for including border-crossing activities in any account of immigrant integration and the possibility of multiple inclusion in both sending and receiving society—a prominent demand in the literature on methodological nationalism (Wimmer and Glick Schiller 2002b, p. 233). As we have seen in Chap. 2, the model of intergenerational integration, which this work proposes, explicitly takes multiple inclusion into account. While this originally referred to multiple inclusion into the receiving society and the

[6] There is a related debate in the literature on immigration and citizenship. Although different terms are used in this literature, i.e. national, multicultural, and postnational models of citizenship are discussed, there are similar claims about the declining importance of national contexts for immigrant integration (for an overview see Bloemraad et al. 2008). Yet, results from empirical research in this area show that the nation-state still decisively influences immigrant integration as compared to postnational contexts (see e.g. Koopmans 2004; Koopmans and Statham 1999).

ethnic group, this can easily be extended to encompass multiple inclusion regarding the country of origin as well. Moreover, if we are interested in assessing immigrant integration, group comparisons are a very flexible way of measuring integration (see Chaps. 2 and 4). Of course, this is not confined to comparing an immigrant group with the autochthonous group, although this probably still is the most important dimension of comparison. However, we can easily choose a different comparison group, i.e. a group in the country of origin, a group belonging to a supranational structure, as the European Union, and the like. If we concentrate only on what is happening within the borders of one society, we might miss important aspects of immigrants' lives. But if the enlargement of our perspective is compatible with existing theoretical frameworks, then the call for abandoning all these frameworks appears premature.

## 3.6 Transnationalism and Immigrant Integration

After having established how research on transnational migration became prominent in the social sciences, we now turn to the available empirical evidence on immigrants' border-crossing activities and how they relate to integration into the receiving society. First, the studies' most pertinent findings on the prevalence of transnational activities are summarized. Second, it is examined how these studies try to bridge the transnational perspective and frameworks of immigrant integration.

The focus is on quantitative studies. The reason for this is plain: investigating the prevalence and scope of transnational involvement among immigrants can only be achieved via representative studies. Since qualitative studies do not aim for representativeness, the focus on quantitative studies follows naturally. Of course, this does not imply that any quantitative study is automatically representative. Ethnographic studies on immigrants' transnational involvement provide, as Mahler (1998, p. 82) notes, "detailed information on a limited set of activities and practices, [but] not a clear picture of the breadth of the social field, nor of the demography or intensity of players' participation in the activities people engage in." Quite naturally, the early ethnographic studies of transnational migration saw transnationalism everywhere. It was portrayed as a dominant feature of contemporary migration, which has led to an overuse of the concept. Not only was every immigrant portrayed as being transnational, suddenly everything immigrants were doing was in some way or the other transnational. Of course, it is a sociological truism that our theories shape what we perceive (Schütz 1962). Therefore, it does not come as a surprise that *transnational* migration studies see everything as relating to border-crossing involvement, while studies on immigrant integration see everything as relating to integration.

The implications drawn from the early qualitative studies on immigrants' transnational involvement were, at times, problematic in another respect. While case studies provide a deep insight into the processes associated with transnational migration, they oftentimes sample on the dependent variable (for a detailed discussion see: King et al. 1994, p. 130; Portes et al. 2002, p. 279). Cases are—unknowingly or not—chosen

according to the value of the attribute of interest, which is associated with two different problems. On the one hand, the range of the phenomenon is likely to be strongly overestimated. On the other hand, the absence of variation in the phenomenon—looking only at migrants who engage in transnational activities—creates difficulties in detecting the factors that account for the phenomenon. This is a widespread problem not only in qualitative work (for a critical assement see Collier et al. 2004) and it is not limited to studies on transnational migration. We can illustrate this problem with the study of Marger (2006), although its findings point in the exact opposite direction than the early studies on transnational migration. Marger's study investigates how integration and transnational activities are linked by looking at a sample of 70 business immigrants in Canada. These immigrants entered Canada in the 1980s and 1990s and were interviewed during this period and re-interviewed in the early 2000s. However, only 28 who had stayed in Canada could be re-interviewed. Most of them were rather assimilated. From this data the author concludes that adaptation through assimilation is the dominant mode of integration. Marger (2006, p. 883) states that a "[. . .] cohort of the contemporary global immigration who enter the host society with sufficient human and financial capital resources may bypass ethnic communities and the social capital provided by them in moving swiftly along an assimilation trajectory. Moreover in adopting an assimilationist course, these immigrants demonstrate the limitations of the transnational model, possessing, as they do, seemingly perfect characteristics to operate in a transnational setting." Marger disregards, however, that the attrition of his sample—he cannot re-interview those who have returned to their country of origin—is likely to systematically vary with his "dependent variable," i.e. the integration outcome and/or being transnationally active. Of course, the problem of (sample) selection is not limited to qualitative work.

The data sets of the studies reviewed here are quite heterogeneous—ranging from non-representative, small snowball samples (Snel et al. 2006) to larger cross-sectional samples (Portes 1999; Waldinger 2008a) to longitudinal data (Haller and Landolt 2005; O'Flaherty et al. 2007). The countries in which these data sets have been collected, the US, Australia, and the Netherlands, differ in many respects. Many of the countries' differences shape migration and integration processes (Teltemann and Windzio 2011) and are accordingly also likely to influence immigrants' transnational involvement. Consequently, the results from these studies are not easily comparable. In particular, we cannot systematically investigate effects of the sending and receiving context. This would require large-scale data sets from many receiving countries (see e.g. Tubergen 2006; Tubergen and Kalmijn 2005; Tubergen et al. 2004). Unfortunately, this kind of data is not available. Nonetheless, we can, with ample care, compare the studies' (descriptive) results to get an impression of how prevalent transnational activities are among immigrants in these countries and how transnational activities are related to measures of integration. This is obviously only possible if the data is representative, ruling out unrepresentative (e.g. non-random) samples. We know from the previous chapter that transnational migration studies have developed partly in direct opposition to classical models of immigrant integration. Despite the abundant conceptual work on transnational involvement, there are only few elaborate theoretical considerations on how immigrant integration might

relate to transnational involvement that allow for deriving testable hypotheses. One reason for this may lie in the fact that many studies on transnational migration have not been concerned so much with the immigrants' position in the receiving society but instead with the question how immigrants build and sustain ties across borders. Thus, it is mainly a question of perspective.

### *3.6.1 Empirical Evidence on Transnational Activities*

Today, there are a handful of quantitative studies from which we can gain an impression on how widespread transnational activities are among immigrants. First, the results from the Comparative Immigrant Entrepreneurship Project (CIEP) are discussed (Itzigsohn and Giorguli-Saucedo 2005; Portes et al. 2002). The CIEP is up to now the most influential study on immigrants' transnational involvement. It is extensively cited even in very recent work (e.g. Glick Schiller and Levitt 2006, p. 13; Vertovec 2009, p. 77 ff.; Kivisto and Faist 2010). Still, the CIEP is not the only source of quantitative evidence on border-crossing involvement. Haller and Landolt (2005), Kasinitz et al. (2002), Rumbaut (2002), and Waldinger (2008a) are among the few quantitative studies which examine immigrant integration and its relation to transnational activities. All these studies target the US, however. Outside the US, the only studies on this subject were conducted in the Netherlands (Snel et al. 2006) and in Australia (O'Flaherty et al. 2007).

The CIEP was explicitly designed to investigate transnational involvement among contemporary immigrant groups (Colombians, Dominicans, and Salvadorians) in the US. The data was collected from 1996 to 1998. The large sample and specific sampling strategy produced the first at least partially generalizable results (Itzigsohn and Giorguli-Saucedo 2005, p. 780; Portes et al. 2002, p. 282). Table 3.2 summarizes descriptive results from various studies that use the CIEP data (Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002, 2005; Portes 2003).[7]

Among economic border-crossing activities the CIEP provides information of two types: on transnational entrepreneurs, on the one hand, and on border-crossing financial involvement, like remitting, on the other. The former are defined as firm-owners whose business activities require frequent travel abroad and whose entrepreneurial success depends on regular contacts with other countries, primarily the country of origin (Portes et al. 2002, p. 287). The CIEP data show that transnational entrepreneurship is very uncommon; on average, only about 5 % of the immigrants interviewed for the CIEP engage in transnational business endeavors (see Table 3.2). Other forms of border-crossing economic activities are much more common. More than two thirds of immigrants in the sample send remittances to family members or friends in the country of origin. Regarding border-crossing political activities, which encompass electoral and non-electoral activities aiming to influence conditions in

[7] All figures in Tables 3.2, 3.3 and 3.4 are presented without decimals, because not all of the studies reported percentages with decimals.

**Table 3.2** Transnational activities among immigrants in different studies. (Source: Modified from Portes 2003; Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002; Waldinger 2008; Snel et al. 2006)

| | CIEP[a] | | Waldinger 2008 | Snel et al. 2006 |
|---|---|---|---|---|
| | ($N = 1{,}202$) | | ($N = 4{,}213$) | ($N = 250$) |
| Receiving country | USA | | USA | Netherlands |
| | Regular | Occasional | | |
| | % | % | % | % |
| Economic | | | | |
| Transnational entrepreneur | 5 | – | | 3–9 |
| Transfers money to family/friends in the country of origin | 74 | – | 47 | 28 |
| Political | | | | |
| Keeps in touch with politics in country of origin | | | | 53 |
| Reads newspaper from the country of origin | | | | 74 |
| Member of political party in country of origin | 10 | 18 | | 10 |
| Gives money to political party in country of origin | 7 | 12 | | |
| Takes part in political campaigns and rallies in country of origin | 8 | 14 | | |
| Votes in elections in the country of origin | | | 15 | |
| Socio-cultural | | | | |
| Member of hometown civic association | 14 | 28 | | |
| Member of (charity) organization active in country of origin | 14 | 31 | | 8 |
| Gives money to community/charity projects in country of origin | 10 | 25 | | |
| Travels to attend public festivities in country of origin | 6 | 17 | | |
| Participates in local sports club with links to country of origin | 8 | 18 | | |
| Real home is country of origin | | | 61 | |
| Is country of origin national first | | | 68 | |
| Made at least one trip to country of origin since migration | | | 66 | |
| Travels annually to the country of origin | 19 | | | |
| Visits family and friends in the country of origin | | | | 76 |
| Frequent contact with family in country of origin | | | | 88 |
| Plans to move back to country of origin | | | 35 | |

[a]From different publications

the country of origin (Guarnizo et al. 2003, p. 1223), the CIEP has revealed that only a minority of immigrants—not more than 10 %—regularly partake in such activities (Table 3.2).[8] Occasional political involvement, e.g. monetary donations to parties in the country of origin, across borders is a little more common, with almost a fifth of the immigrants in the sample (Table 3.2). Most widespread are socio-cultural forms of transnational involvement. These types of transnational activities most often come in the form of membership in charity organizations or hometown civic associations. Up to 31 % of the immigrants are occasionally involved in such activities (Table 3.2). Moreover, the CIEP shows that there are considerable differences in the extent to which the different immigrant groups engage in cross-border activities, which is likely to be due to differences in the sending contexts and receiving contexts (Guarnizo et al. 2003, pp. 1219–1221).

A second study on first generation immigrants' border-crossing involvement was conducted by Waldinger (2008a). His study draws on data from the 2002 PEW Hispanic Survey, a large-scale representative survey of Latinos living in the US (for a detailed description see ICR 2002). The largest ethnic groups in the 2002 PEW are from Mexico, Cuba, the Dominican Republic, Colombia, and El Salvador. Although this survey was not conducted with an explicit focus on transnational activities, it, nevertheless, contains an array of indicators on this topic. Among those are activities such as sending remittances, traveling to the country of origin, political participation in the country of origin and in the US, plans to move back to the country of origin, as well as questions referring to ethnic identity and feelings of belonging. Table 3.2 shows that economic border-crossing activities in form of sending remittances are also common among immigrants interviewed for the 2002 PEW: Almost half of the immigrants (47 %) report that they regularly send remittances to the country of origin. Visits to the country of origin are common, too, as two thirds reports that they have visited their country of origin at least once. Political participation is less prevalent. Only about a sixth of the sample (15 %) reports to vote in elections in their country of origin. We have to consider, however, that this relatively low percentage may result from legal restrictions and citizenship rights.

When it comes to Europe, so far only one quantitative study addresses transnational involvement among immigrants. The study of Snel et al. (2006) was conducted in the Netherlands, covering immigrants from six different countries of origin: Morocco, Dutch Antilles, Iraq, former Yugoslavia, Japan, and USA. The data was generated by a snowball method, and thus the ability to generalize from the results is severely limited (Snel et al. 2006, p. 289). Therefore, one is well advised to exercise caution regarding this study's empirical findings. The authors follow the differentiation of transnational activities into economic, political, and socio-cultural. Snel et al. (2006) find that transnational activities are a common practice among their sample of immigrants. Mostly, immigrants' transnational involvement comprises

[8] Although, by relative standards, if ten to 18 % of the immigrants in the survey report that they are a member of a political party in the country of origin, this is a very high figure. In Germany, for instance, party membership in 2010 was at about 2.2 % among those who are entitled to vote (Weichs 2011).

**Table 3.3** Transnational activities among newly arrived immigrants in Australia. (Source: O'Flaherty et al. (2007, p. 828))

| | Wave 1 (6 months) | Wave 2 (18 months) | Wave 3 (48 months) | Visited at least once | Visited at least twice |
|---|---|---|---|---|---|
| Visited the country of origin (%) | 3 | 15 | 37 | 43 | 11 |

($N = 3{,}618$)

socio-cultural and political activities (Table 3.2), whereas transnational economic activities, foremost professional economic activities, are rather scarce. This does not apply to remitting money to family members, as about 28 % of the sample report regularly sending money to the country of origin. Transnational political activities are more common among the sample. The rather cost-efficient types of transnational activities, i.e. reading newspapers from the country of origin and following the politics there, are quite widespread (on average 53 and 73 %, respectively), whereas more cost-intensive activities, such as being a member of a political party in the country of origin, is much less common (around 10 %). Keeping in touch with family members, which Snel et al. (2006) classify as belonging to the socio-cultural realm of border-crossing involvement, is by far the most common form. Around 88 % report that they have frequent contacts with their family in the country of origin and 76 % report visiting their family.[9]

O'Flaherty et al.'s study (2007) investigates transnational involvement among newly arrived immigrants in Australia. They draw on data from the Longitudinal Survey of Immigrants to Australia (hereafter LSIA), which is a representative sample of permanent newly arrived offshore immigrants coming to Australia in the beginning- and mid-1990s (O'Flaherty et al. 2007, p. 826). Since the focus of this survey is on immigrant integration and not on transnational activities, information on transnational activities is limited to one item, i.e. visits to the country of origin. The main descriptive findings of the study are presented in a separate table (Table 3.3).

Taking a look a Table 3.3, we can see that visiting the country of origin is rather common among newly arrived immigrants in Australia. This becomes especially obvious if one looks at the fourth column of the table, which refers to the third wave of the LSIA data. 48 months after settlement, on average 37 % have visited their country of origin. Over time, visiting home becomes more likely: in the first wave—which covers the newly arrived—on average only 3 % have visited their country of origin, in the second wave it is already 15 %, and in the third wave—as mentioned above—it is already 37 %. The tendency to pay a visit to the country of origin seems to increase with the time spent in the receiving country. This result is not surprising, because immigrants might lack financial resources and time in the initial stages of settlement that would allow for such a trip. Moreover, the longer the immigrants are in the receiving country, the longer is their 'time at risk.' Even if immigrants visit their country of origin only once, the observed probability of visiting this country will

[9] Unfortunately, Snel et al. (2006) do not provide information on the frequency of visits.

**Table 3.4** Transnational activities among 2nd generation immigrants in the US. (Source: Modified from Haller and Landolt (2005, p. 1193))

| | | Percentage | Mean |
|---|---|---|---|
| Visits to parents' country of origin | | | 3 |
| Has lived in the parents' country of origin for 6 months or longer | | 6 | |
| Remits money to parents' country of origin | | | |
| | Never | 76 | |
| | Less than once a year | 6 | |
| | Once or twice a year | 8 | |
| | Several times a year | 8 | |
| | Once or twice a months | 2 | |

Haller and Landolt (2005) do not explicitly mention the number of cases for the descriptive analysis. $N = 1{,}841$ is the number of respondents that were interviewed in the third wave of the CILS (Haller and Landolt 2005, p. 1191)

increase, the longer we observe them in a survey (which is in this example equivalent with the time spent in Australia), because they simply had more time to visit.[10] With respect to the frequency of visits to the country of origin, we see that over the whole period, i.e. from arrival to 48 months later, only 11 % of the immigrants visit their country of origin twice or more, while 43 % have visited it at least once.

The studies discussed so far concentrate on first generation immigrants. In the last chapter, however, we have heard that it would be especially interesting to investigate transnational involvement among immigrant offsprings (Portes et al. 1999, p. 229). Haller and Landolt (2005) examine transnational involvement among second generation immigrants in the US. They draw on data from the Children of Immigrants Longitudinal Study (hereafter CILS), a wide-ranging survey of the second generation in the metropolitan areas of Miami/Fort Lauderdale and San Diego (for a comprehensive description of the study see Portes and Rumbaut 2005). The initial wave was carried out in 1992, a first follow up was conducted in 1995/1996 and a second follow up in 2001/2003 (Portes and Rumbaut 2005, p. 987). The study included the children of immigrants from Cuban, Nicaraguan, Colombian, Haitian, or West Indian backgrounds. Since the CILS was not conducted with explicit regard to transnational activities, the array of items on transnational activities is relatively small. The CILS contains, nonetheless, information on visits to the parents' country of origin, how often the respondents remit money to the parents' country of origin, and in which country, i.e. the US or the parents' country of origin, the respondent feels more at home.

As Table 3.4 shows, part of the second generation is transnationally active, too, albeit much less compared to the first generation. On average, the second generation has made three visits to the country of origin in the 11 years between the first and the

[10] See Chap. 7 for a more detailed discussion of this. At the moment it suffices to say that even if the probability to visit the country of origin declines with time spent in the receiving country, the cumulative probability still increases, which is likely to produce the above association—a point which O'Flaherty et al. (2007) neglect to discuss.

last wave of the survey (1992–2003). However, among those who have visited the parents' country of origin, the percentage that has lived there for a longer period is rather low with only 6 %. Haller and Landolt's (2005) analysis reveals that sending remittances is uncommon among the offsprings of immigrants: more than three quarters do not remit money to the parents' country of origin (Table 3.4). And among those who do, occasional remittances are more common than regular—only 10 % send money at least several times a year.

So what do these studies tell us? Despite the differences in data sets and study designs, the studies suggest that a substantial share of the immigrants in the surveys is transnationally active today. The degree of involvement depends on the type of activity. The majority of first generation immigrants regularly sends money to the country of origin—findings that are in line with the literature on remittances (e.g. Brown and Poirine 2005; Massey and Parrado 1994; Taylor 1999; Dustmann and Mestres 2009; Sana and Massey 2005). Visiting the country of origin is also common among first generation immigrants. A driving force behind transnational involvement seems to be family-ties and potentially family-obligations. It appears that border-crossing activities are a normal part of the migration process, as these findings match up with the assessment of transnational involvement among immigrants in the past (e.g. Lucassen 2006; Wyman 1993). As Waldinger (2008a, p. 8) puts it, "large flows of remittances, migrant associations raising funds to help hometowns left behind, and trains or airplanes filled with immigrants returning home for visits to kin and friends are features encountered wherever large numbers of international migrants are found throughout the contemporary world."

If we compare first generation immigrants with their offsprings, we see that border-crossing activities are less common among the second generation. Only a minority still remits money and visits to the parents' country of origin are mostly uncommon, too. The latter finding is very much in line with the predictions of conventional theories of immigrant integration which assume that the orientation toward the country of origin declines intergenerationally. But as we will see in the following review, the relation between transnational involvement and immigrant integration is not that straightforward. All the studies also report considerable variation in the different immigrant groups' transnational involvement, which the authors link to differences in sending and receiving contexts (e.g. Guarnizo et al. 2003, p. 1219 ff.; Portes 2003, p. 879; Snel et al. 2006, p. 291; Portes et al. 2005, p. 1034). Thus, the situation immigrants face when leaving their country of origin and the situation in the receiving country are deemed to shape their border-crossing involvement. This brings us to the relation between transnational involvement and immigrant integration, because the latter is nothing else than an investigation into the immigrants' position in the receiving society with reference to the autochthonous population.

### *3.6.2 Immigrant Integration and Transnational Activities*

Despite plentiful conceptual work on transnational migration, there are only very few theoretical considerations on how immigrant integration might relate to transnational involvement that allow for deriving testable hypotheses. In the following we

will review the findings of the above discussed studies on the relation of immigrant integration and transnational involvement. In the field of immigrant integration we look back at a century of theoretical and empirical work. As we have seen in the previous chapter, there are many elaborate theoretical models aimed at explaining immigrant integration. Up to now, the transnational perspective on migration has not been incorporated thoroughly in the study of immigrant integration. Consequently, we cannot draw upon detailed theoretical models, with the work at hand being limited. What adds to this is the fact that most studies linking immigrant integration with transnational activities are so far rather inductive, trying to explore possible connections between the two.

Obviously, one of the central questions concerning the relation of immigrant integration and border-crossing activities is whether these processes are opposed to each other. In this vein, Guarnizo et al. (2003, p. 1215) and Portes et al. (2002, p. 288) set up transnational involvement as a potential alternative to integration into the receiving society. According to traditional frameworks of immigrant integration, the authors argue, one would expect that transnational activities are temporary and bound to disappear over time, as immigrants become more integrated into the receiving country. But how does transnational involvement come into being in the first place? In line with his work on immigrant integration, as discussed in the previous chapter, Portes (1999, p. 464; 2003, p. 879) emphasizes that transnational involvement varies with differences in sending and receiving contexts. Immigrants coming from unfavorable sending contexts, e.g. having experienced war and violence in their country of origin, are more likely to seek rapid integration into the receiving society and less likely to actively remain in contact with the country of origin.[11] Immigrants coming from more favorable sending contexts, conversely, are more likely to maintain contacts with the country of origin and engage in border-crossing activities. Likewise, the conditions immigrants face in the receiving country influence their probability to engage in border-crossing activities connecting receiving and sending country. Immigrants who are subject to hostile conditions in the receiving country and who are organized in closely-knit ethnic communities have multiple opportunities for transnational involvement. In contrast, if conditions in the receiving country are favorable and if immigrants are dispersed and inconspicuous, they have fewer incentives and opportunities to engage in transnational activities (Portes 1999, p. 466; 2003, p. 880).

Itzigsohn and Giorguli-Saucedo (2002, p. 772) similarly posit that transnational involvement emerges through an interplay of the immigrant's attachment to the country of origin, her or his financial resources, which are supposed to exert an enabling effect on border-crossing involvement, and the immigrant's experiences in the receiving country. To test this, the authors (Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002, 2005; Portes et al. 2002) investigated how factors that are commonly associated with immigrant integration are linked with different forms of transnational involvement. First, analyses of the CIEP data (Guarnizo et al. 2003, p.

[11] However, one could also turn Portes' argument around: immigrants coming from unfavorable sending contexts, i.e. refugees, may plan to return once the conditions in the sending context improve and may therefore abstain from seeking integration into the receiving society.

1215; Portes et al. 2002, p. 288) do not support the idea that transnational involvement and integration into the receiving society exclude one another. On the contrary, factors such as education, which are typically assumed to ease integration into the receiving society, actually increase the chance of being transnationally active (findings of the different studies are summarized in Table 3.5.) Moreover, years of residence seem to increase an immigrant's tendency to become transnationally active, both politically and economically. The length of the stay in the US can be associated with economic stability and security and as such might enable transnational involvement (unfortunately, the analyses conducted with the CIEP did not control for income). The same may hold for the negative effect of unemployment, which might be an indicator for the lack of financial resources. Interestingly, the acquisition of US citizenship is unrelated to transnational political activities. This could be due to the fact that acquiring the US citizenship can actually be a valuable resource in cross-border traveling for some immigrants, while being an indicator for a greater identification with the US for others. The opposing trends then may well explain the absence of a systematic effect on transnational activities. Not very surprising are the findings that directly relate to one's attachment to the country of origin: planning to return to this country increases immigrants' border-crossing involvement. Second, Itzigsohn and Giorguli-Saucedo (2002, p. 772) report evidence of what they term 'reactive transnationalism,' i.e. border-crossing involvement as a reaction to dissatisfactory life circumstances in the receiving country (see also Portes 1999, p. 465): experiences of discrimination and a negative perception of the receiving country increase the probability of being transnationally active (see Itzigsohn and Giorguli-Saucedo (2002, p. 778) and Table 2.5). Third, there is considerable variation in the different groups' transnational involvement, which indicates that the modes of incorporation, the conditions at exit and entry (see also Chap. 2) shape transnational involvement, too (Guarnizo et al. 2003, p. 1232 ff.; Itzigsohn and Giorguli-Saucedo 2002, p. 774 ff., 786 ff.; Portes 2003, p. 886 ff.).

Another piece of the puzzle is provided by Waldinger (2008a), who uses PEW 2002 data to examine the relation between transnational activities and immigrant integration. Waldinger (2008a) focuses less on investigating the differences between ethnic groups, but more on political and structural conditions of the receiving society that promote or hinder border-crossing activities. Accordingly, he argues that social and economic resources, settlement plans, and legal status might mitigate the differences between immigrant groups (Waldinger 2008a, p. 12). Among all sets of explanatory factors, characteristics associated with settlement display the most unambiguous effects. Contrary to the findings of the CIEP, the longer immigrants stay in the US, the lower their probability of being transnationally active. This holds for all indicators of transnational involvement except for visiting the country of origin (see Table 3.5). However, refined analyses show that this effect is mostly due to an accumulation of visits to the country of origin over time and not to an increased incidence. Waldinger (2008a, p. 17) also finds that using English language as the first language as well as being bilingual lowers the probability of transnational involvement compared to having Spanish as the first language.

**Table 3.5** Summary of the findings on the relation between immigrant integration and transnational involvement. (Source: Modified from Portes 2003; Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002; Waldinger 2008; Snel et al. 2006; Haller and Landolt 2006; O'Flaherty et al. 2007)

| | CIEP[a] | Waldinger 2008 | Snel et al. 2006 | O'Flaherty et al. 2007 | Haller and Landolt 2006 |
|---|---|---|---|---|---|
| Country | USA | USA | Netherlands | Australia | USA |
| Study | Cross-sectional | Cross-sectional | Cross-sectional | Longitudinal | Longitudinal |
| Dependent variables | Various activities | Various activities | Index of activities | Visits | Visits/remittances |
| Selected independent variables | | | | | |
| Length of stay | + | −[b] | 0 | | |
| Age at migration | | + | + | | |
| Born in the receiving country | | | | | +/−[d] |
| Education | + | 0/+ | 0 | 0/+ | 0 |
| (Full-time) Employment/formal paid job | | | 0 | +/− | |
| Unemployed/non-working | − | 0/+ | 0 | | 0/+ |
| Income | | 0/+ | | −/+[c] | 0/− |
| Acquisition of the receiving country's citizenship | 0 | 0/+ | 0 | − | |
| Experienced discrimination in receiving country | 0/+ | | | | |
| Intention to return to country of origin | + | | | | |
| Receiving country language proficiency | | 0/− | | + | |
| Sending country language proficiency | | | | | 0/+ |

[a]From different studies
[b]Curvilinear, overall negative effect (except for visits to country of origin)
[c]Curvilinear effect; study does not allow inferring overall effect
[d]Positive effect for visiting, negative effect for remitting

Human and financial capital and labor market participation, such as education, employment, and income, display ambiguous effects in Waldinger's analysis in the sense that some confirm predictions from conventional models of immigrant integration and some correspond to hypotheses derived from work on transnational migration: being employed increases the probability to remit money but decreases the chance to visit the country of origin; education increases the probability to visit the country of origin but decreases the chances to identify with the country of origin. From the analysis, Waldinger (2008a, p. 24) concludes that encompassing transnational modes of living are an exception among the respondents in the survey, because border-crossing activities do not cluster. For instance, while the probability of traveling to the country of origin increases with time spent in the US, the probability to remit declines. Still, the results from these analyses are akin to the results from the CIEP (e.g. Portes 2003) in the sense that immigrants who are better integrated and possess a secure legal status are more likely to engage in border-crossing activities involving physical presence in the country of origin (Waldinger 2008a, p. 24).

O'Flaherty et al. (2007) investigate how different degrees of integration on the several dimensions (see Chap. 2) relate to differences in transnational involvement. Specifically, the authors look at the economic and the cultural dimension of integration; the authors subsume motivational, cognitive, and emotional aspects of integration under the latter term (O'Flaherty et al. 2007, p. 823). Assuming that the degree of integration can be either high or low on each dimension, this provides us with a fourfold typology, in which each type is associated with specific incentives and opportunities to become transnationally active: successful economic integration and low cultural integration should be most strongly associated with transnational activities, while the opposite, i.e. low economic integration and high cultural integration, should be least associated with these activities. In the former case, immigrants have the resources and motive to become transnationally active, while in the latter case the immigrants lack the motive and the resources. The other two typologies are somewhat ambiguous, since they provide either the opportunities or the motive. Focusing on visits to the country of origin, O'Flaherty et al.'s (2007) analysis of the longitudinal LSIA data only partly supports the hypotheses. It appears that (the lack of) cultural integration plays a more important role than economic integration. The influence of economic factors even seems to decline over time, while cultural aspects of integration, for instance language proficiency and the wish to acquire the Australian citizenship, retain their influence or become even slightly stronger (O'Flaherty et al. 2007, p. 835). It should furthermore be noted that the visa categories exert a significant and strong influence: humanitarian visa holders have a considerably reduced probability for visiting their country of origin, while holders of 'Business Skills' visas have strongly increased chances (O'Flaherty et al. 2007, p. 836). As the visa categories are likely to be proxy measures of conditions at exit and entry, this finding is very much in line with the assumptions of the modes of incorporation model presented in the previous chapter.

The studies discussed so far investigate how immigrant integration influences the probability to engage in border-crossing activities. Snel et al.'s (2006) study

goes further, as it investigates both relationships, i.e. how transnational involvement influences integration and, vice versa, how integration influences transnational involvement. Regarding the former relationship, they do not find any relation between indicators of immigrant integration and transnational activities. In contrast to the studies conducted in the US, education, labor market participation, citizenship, length of stay are not significantly associated with engaging in activities connecting the sending and receiving country. Only age at migration seems to increase transnational involvement, i.e. the older the immigrant is at the time of migration, the higher is her or his transnational involvement (see Table 3.5 and Snel et al. 2006, p. 295).[12] When it comes to the effect that border-crossing activities have on measures of integration, Snel et al. report a positive association of political, socio-cultural, and everyday economic border-crossing activities with the identification with compatriots in the country of origin (Snel et al. 2006, p. 298). Yet, among their sample of immigrants, ethnic identification with compatriots living in the Netherlands is much more common than a transnational ethnic identification, which leads them to conclude that "[i]t is certainly untrue that space has lost its meaning in late-modern society and that contemporary migrants function in transnational communities rather than in their country of residence, as adherents of transnationalism sometimes argue" (Snel et al. 2006, p. 297). Moreover, the social dimension of integration appears to be unrelated to transnational activities: being transnationally active, regardless of the type of activity, is not significantly related to the number of native Dutch friends in the respondents' networks (Snel et al. 2006, p. 302).

The above studies deal with explaining transnational involvement among first generation immigrants. Haller and Landolt (2005) link transnational involvement to the second generation's integration by drawing on aspects of segmented assimilation theory. Among the predicted outcomes of segmented assimilation theory for second generation immigrants—selective, consonant, and dissonant acculturation (for details, see Chap. 2)—Haller and Landolt (2005, p. 1189) argue that only selective acculturation predicts high levels of interest in or involvement with the sending society, because it involves interest in the country of origin's cultural heritage. Consonant and dissonant acculturation do not predict a particular level of transnational involvement. The empirical analyses conducted deliver mixed evidence. Overall, it appears that factors the authors link to selective acculturation—family cohesion and knowledge and preference of a foreign language (Haller and Landolt 2005, p. 1195, 1197)—are important predictors for remitting as well as feeling equally at home in the US and the parents' country of origin. Interestingly, regarding visits to this country, only family cohesion functions as a significant predictor. Moreover, the authors find limited evidence of an association between downward mobility with higher rates of sending remittances among some ethnic groups (Haller and Landolt 2005, pp. 1202–1205), as the associations between unemployment and criminal conviction with transnational involvement indicate. These findings can also be

[12] Since the authors use an index score for transnational involvement based on various different items (Snel et al. 2006, p. 292), one can unfortunately not examine whether this holds for all types of transnational activities or just for some.

interpreted from the perspective of the other studies discussed above. If we conceive of border-crossing involvement as a reaction toward unfavorable conditions in the receiving country (Itzigsohn and Giorguli-Saucedo 2002, p. 772) (see also Portes 1999, p. 465), then it is rather plausible that the marginalization (i.e. being unemployed, having been convicted for a crime) as well as cultural segmentation (see Chaps. 2 and 4) are associated with increased transnational involvement.

### *3.6.3 Concurrent or Competitive Processes?*

What do these studies have in common? Where do they differ and what do these studies tell us about the relation of immigrant integration and transnational involvement? Before turning to these questions, we should remind ourselves that there are many plausible explanations for similarities as well as discrepancies of the studies' findings at hand. We have to bear in mind that these studies have been conducted in different countries with different migration histories and embedded in different migration systems. However, the comparability of the studies is limited not only due to their different settings, but also because of the differences in data sets.

Still, there are noteworthy similarities as well as differences in the findings of these studies. All studies find that occasional transnational activities, especially socio-cultural activities, visits, and remittances are common among immigrants. Transnational modes of conducting one's life, as is the case with the transnational entrepreneurs, however, are the exception. The interpretation of these results with respect to the different theoretical paradigms promoting or criticizing the concept of transnationalism is ambiguous. We can see them as supporting the claims of the transnational perspective on migration, when looking broadly at the proportion of immigrants who are to some extent involved in transnational activities. But we can also see them as supporting the position of traditional theories on immigrant integration, when we reflect on the fact that those activities are the most widespread which are occasional and least cost-intensive (in the sense of compatibility of integration and transnational involvement). These studies' multivariate analyses, unfortunately, do not reveal one shared pattern. Regardless of the problems of comparability, there are two discrepant sets of findings which are worth discussing.

First, this concerns the relation between the time spent in the country of origin and border-crossing activities. Studies conducted with the CIEP generally report that transnational involvement increases over time. The longer the immigrant lives in the receiving country, the more she/he is transnationally active. At least from this perspective, transnational involvement and integration into the receiving society do not appear to be mutually exclusive processes. Waldinger's (2008a) analyses, in contrast, suggest that transnational involvement decreases over time. Of course, time itself in the receiving country does not increase an immigrant's integration into the new society (Esser 1981). Rather, processes of integration unfold over time—acquiring language skills, becoming economically integrated, and taking up social relations with the autochthonous population all happen over time. In this sense, time spent in

the receiving country is more of a proxy for integration than a concrete measure of it. Therefore, a conclusion on the compatibility of transnational involvement and immigrant integration solely based on associations of years of residence and measures of transnational involvement appears premature.

Second, this concerns the relation between prominent predictors of immigrant integration and transnational involvement. There are two sets of measures that are especially important in this regard. The first set concerns measures of structural integration, such as income and education, because they are usually assumed to ease and facilitate integration into the receiving society—the former is also often used as an important measure of it (Dustmann 1994; Dustmann and van Soest 2001, 2002). At the same time, they might function as important resources for transnational involvement, as some of the above studies indicate (e.g. Guarnizo et al. 2003). However, the evidence on this is mixed. In some instances, these resources appear to increase border-crossing involvement, potentially through providing opportunities and reducing costs, whereas in other cases, they work in the opposite direction (see Table 3.5). Of course, they may very well depend on the type of activity we are looking at, e.g. visiting the country of origin, sending remittances, being politically involved in origin country affairs, etc. But even with such a differentiation, the evidence remains inconclusive (e.g. Haller and Landolt 2005; Portes 2003; Waldinger 2008a). The other set of measures concerns aspects of cultural and emotional integration. Although the theories of integration discussed in Chap. 2 in general remain silent with regard to transnational involvement, we can generally infer that the higher the sense of belonging to and the orientation toward the receiving country, the lower will be an immigrant's transnational involvement. And there is indirect evidence that this might be the case. Plans to return to the country of origin, experiences of discrimination, a negative perception of the receiving country, higher age at migration, all seem to increase immigrants' ties with the country of origin (see Table 3.5 and Itzigsohn and Giorguli-Saucedo (2002) as well as Haller and Landolt (2005)). Yet, measures of cultural integration, for instance receiving country language proficiency, are again ambiguous in their effects across the different studies (see Table 3.5 and Landolt (2001), Haller and Landolt (2005), and Waldinger (2008a), O'Flaherty (2007)).

Despite this, there seems to be one conclusion that most of the above studies agree on. Transnational involvement and immigrant integration—at least for the first generation—appear as concurrent rather than competitive processes. The studies conducted with the CIEP data conclude (Guarnizo et al. 2003, p. 1233, 1238; Itzigsohn and Giorguli-Saucedo 2005, p. 917; Portes et al. 2002, p. 289–290) that predictions from traditional theoretical models are consistently rejected. It is the better qualified, more experienced, and more secure immigrants who most often engage in border-crossing activities. Itzigsohn and Giorguli-Saucedo (2005, p. 917) state that transnational involvement does not hinder immigrants' integration into the receiving society. Snel et al (2006, p. 304) come to a similar conclusion, saying there is no evidence that transnational involvement is related to the various factors that determine integration into the receiving society, and hence integration and transnational involvement may well be simultaneous processes that do not impede each other. In part, Waldinger (2008a, p. 25) also commits to this interpretation, as

he argues that the same factors that promote cross-border involvement might promote integration into the receiving society. In contrast to the above studies, however, Waldinger (2008a) stresses that transnational modes of living, i.e. engaging in deep and manifold activities across borders, are an exception. Different types of transnational activities coincide with different settlement periods and most immigrants are likely to eventually lose their ties to the country of origin. Haller and Londolt's study (2005) can, of course, hardly be compared to the other studies, as it investigates the second generation's transnational involvement. Still, we find similarities to the above studies in the sense that different integration outcomes are linked to differences in transnational involvement, for instance as poor and marginalized second generation immigrants sustain ties with their parents' country of origin via remittances (Haller and Landolt 2005, p. 1203).

### *3.6.4 Previous Studies' Shortcomings*

Despite the invaluable importance of estimating how prevalent cross-border ties are among contemporary immigrants and of exploring how these may relate to their integration into the receiving society, the above studies have a number of shortcomings. The discussion of these shortcomings does not intend to demean the studies' importance and their contributions to the study of immigrant integration and transnational involvement. But if we are interested in a reliable assessment of immigrants' cross-border involvements as well as an understanding how this relates to the immigrants' integration in the receiving society, we cannot ignore aspects that might impact the studies' generalizability and the reliability of the results.

The first aspect to consider is certainly the process of data collection. Generalizing a study's findings to the underlying population is only possible if the data at hand is representative. In this respect, the study of Snel et al. (2006) cannot serve as a basis for any generalizations, because the data was collected via a snowball sampling scheme. Their results therefore cannot be generalized to the immigrant population in the Netherlands. Thus, we have to conclude that despite 20 years of research on immigrants' transnational activities, we still do not have a reliable assessment of the prevalence of immigrants' transnational involvement in any European country. For the US, the situation is different, with three large-scale data sets, the CIEP, PEW 2002, and CILS, available. The data of arguably the most influential of these studies, the CIEP, combines a random and non-random snowball sample (Itzigsohn and Giorguli-Saucedo 2005, p. 905). Waldinger (2008a, p. 6) emphasizes that immigrants belonging to the non-random part of the sample differ from the random sample part both in their degree of transnational involvement as well as with regard to socio-economic characteristics, with the level of transnational activities being generally higher in the non-random part. Waldinger (2008a, p. 7) even states that the description of "transnationals" (e.g. in Portes 2003) "seems to largely reflect the characteristics of the members of the referral sample." The 2002 PEW data used

by Waldinger (2008a) provides better grounds for estimating the scope of border-crossing involvement among immigrants in the US, since the data was collected through a random sampling procedure. The CILS used by Hallor and Landolt (2005) is a random sample of second generation immigrants, which is, however, confined to South Florida, including Miami. Hallor and Landolt (2005, p. 1184) use the Miami sample of the CILS. Since Miami is rather particular, being the center of finance and trade between the US, Latin America, the Caribbean, and the rest of the world (Haller and Landolt 2005, p. 1204) and a stronghold for the Cuban exile, their results may be specific to the unique context of Miami.

The data from the LSIA used by O'Flaherty et al. (2007, p. 826) is only representative of permanent immigrants in Australia who entered the country between 1993 and 1995 and were living in capital cities and major centers near these capitals. Immigrants without an identifiable country of origin, temporary immigrants, and immigrants who were granted a visa while already residing in Australia were excluded from the sample—as were New Zealand citizens who do not need a visa to live and work in Australia (O'Flaherty et al. 2007, p. 826). Moreover, the immigrants were only followed throughout the first 4 years after coming to Australia. While the "embryonic stages of settlement" (O'Flaherty et al. 2007, p. 840) are without doubt important for the further trajectories of integration, it might be too short of a time-period to assess how integration and transnational activities relate to each other. Moreover, one might argue that excluding temporary immigrants from the sample is problematic, as the intention to return to the country of origin is theoretically and empirically relevant for engaging in border-crossing activities. It is, nevertheless, informative to investigate transnational activities among a population in which they are by default less likely, i.e. among immigrants who intend to settle permanently in the country, because this tells us probably more about the relation between integration and transnational involvement than the investigation of this relationship among short-term or pendular migrants would.

The second aspect to consider is data structure and data analyses. Since the social sciences can rarely rely on experimental data to test or establish theories, we have to rely on analyzing non-experimental data. The problem with social science data is that we never have perfect measurements and rarely take all relevant factors into account. And we have to carefully consider this in any data analysis, for ignoring these issues can severely bias our results (see Chap. 5 for a detailed discussion). First, cross-sectional data is usually a weak basis for causal analysis—and this is what we are eventually interested in when asking questions such as how does immigrant integration relate to transnational activities. Despite the fact that many of the studies' hypotheses are not directly formulated as causal mechanisms, they imply such mechanisms. For instance, the hypothesis on 'reactive transnationalism' (Itzigsohn and Giorguli-Saucedo 2002, p. 772)—that *if* an immigrant is dissatisfied with her or his life in the receiving country *then* she or he will engage in border-crossing activities—is a causal claim. Only if very specific and unlikely conditions are met (see Chap. 5) can cross-sectional data analyses provide us with unbiased estimates of predictors. One necessary condition is that we can rule out that any (unobserved) confounder biases the analyses. Regarding the CIEP data and the analyses carried

out with it, it is unfortunate that factors which are likely to influence transnational activities were either not collected (e.g. receiving country language skills—see also Waldinger (2008a, p. 7)) or for whatever reason not included in the analyses (e.g. residence status or income).[13]

An additional problem in cross-sectional data is that we cannot distinguish causal processes from (self-)selection processes. This seems especially pressing if we remind ourselves that immigrant integration is a process over time. Longitudinal data offers some improvements over cross-sectional data when it comes to handling these problems. In this regard, both the LSIA and the CILS data surpass the other data sets, because they are longitudinal. But effectively using longitudinal data requires the application of adequate techniques of longitudinal data analyses. Unfortunately, neither O'Flaherty et al. (2007) nor Hallor and Landolt (2005) do take full advantage of the potential of longitudinal data. One might argue that this is hair-splitting. It is not, as will hopefully become clear in Chap. 5.

Taken together, we can thus conclude that "[w]hether defined in broad or narrow terms, the incidence of immigrant cross-state exchanges and loyalties has been established beyond doubt; still up for debate, however, are questions related to the prevalence of migrant cross-state social action and to the conditions and characteristics that either facilitate or hinder sustained home-host ties" as Waldinger (2008a, p. 6) puts it. The above studies are important first steps in assessing the scope of transnational activities among immigrants around the world and in exploring the relation these activities have to immigrant integration. As most of the above studies have a sizeable exploratory element in them, we should not be surprised that they do not deliver fully conclusive theoretical models that link border-crossing involvement to integration in an unambiguous way. Nevertheless, they can guide further theoretical development, as all studies implicitly or explicitly assume that opportunities and motivation for transnational activities are shaped by the interplay of conditions in the sending country, the receiving country, and characteristics of the individual immigrant. The following chapter thus presents an attempt to incorporate border-crossing activities into a general model of immigrant integration, more specifically the model of intergenerational integration.

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[13] It is justifiable not to include income as a predictor for transnational entrepreneurship in cross-sectional data, because the relation may be endogenous. However, one is hard pressed to find arguments for not including it in the analyses of other forms of border-crossing activities.

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# Chapter 4
# A Theory of Immigrant Integration and Transnational Activities

**Abstract** This chapter presents the book's theoretical model, discusses its assumptions, and presents hypotheses on the relation between immigrant integration and transnational activities.

Building on the model of intergenerational integration and its theoretical core, a theory of bounded rational action, the chapter presents a theoretical model that can jointly explain immigrant integration and immigrant transnational involvement. It rests on the simple assumption that immigrants, just as natives, try to improve their well-being within the constraints they are facing. Immigrant integration can be understood as an immigrant's position in and her or his interrelation with the receiving society. This position brings about specific opportunities and motivations for transnational involvement. Vice versa, transnational involvement will influence individual decisions that shape integration trajectories. I develop a formal theoretical model, from which I derive a set of hypotheses concerning a) the determinants of immigrants' transnational involvement and b) the consequences of transnational involvement for immigrant integration.

**Keywords** Methodological individualism · Rational choice · Bounded rationality · Immigration · Integration · Assimilation · Transnational activities · Transnationalism

The previous two chapters reviewed approaches to the study of immigrant integration and immigrants' transnational involvement and how they relate to one another. These approaches differ not only in their conception of the processes that are behind immigrant integration and transnational involvement, but also regarding the level at which these processes are assumed to operate. Some authors take a macro-sociological perspective, arguing that immigrants' transnational involvement is a product of the present structuring of the global economy. Others focus more on individual immigrants and the actions they take and on the conditions that give rise to these actions. It is indeed reasonable to assume that the structuring of the global economy and advances in telecommunication and transportation technology have their part in creating opportunities and motives for transnational involvement. However, naming these factors alone is insufficient, because this falls short of specifying the precise mechanisms which lead to transnational involvement among immigrants. And without specifying how structural conditions translate into individual border-crossing activities, these approaches are unable to explain a lot of the variance in

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transnational involvement among immigrants. As Portes (1999, p. 464) observes, "[i]t is clear, however, that these necessary conditions do not suffice to bring about the rise of transnational endeavors. Some groups become deeply involved in them while others do not; within specific immigrant communities, some individuals and families create transnational enterprises as a route for socio-economic mobility, while others pursue a more conventional path as wage workers." Explaining these variations requires spelling out how (structural) conditions and individual motivation interplay and bring about immigrants' border-crossing activities. The same holds for immigrant integration. "[A]ssimilation [or integration] is basically the consequence, or outcome, of actions taken by individuals. Groups do not assimilate, people do" (Barkan 2006, p. 9).

Still, the phenomena to be explained clearly lie at the societal level. We are interested in explaining *patterns* of immigrant integration and how they contribute to and are influenced by transnational involvement. With this we have arrived at a fundamental problem in the social sciences. If our goal is to explain certain phenomena, then we need theories which specify the link between an assumed cause and an effect. We want to know *why* immigrants are transnationally active and how immigrant integration is *affected* by transnational involvement. Essentially, these are questions of causality. The social sciences have unfortunately not reached consensus on how to answer these questions. There is even considerable disagreement on how to adequately formulate these questions. It is an ongoing debate that reaches back to the foundations of sociology (Weber 2005/1922; Durkheim 1984/1901). The two main questions in which this problem crystallizes are: (1) What constitutes an adequate explanation? (2) At what level should the explanation operate? These questions are tied to the way one conceives of society and the relation between individual actors and the "social"—the ontological question on the origin and nature of social phenomena and how they relate to the actions of individuals. This problem is also referred to as the micro-macro problem. Although there is not enough space in this work to discuss these issues at length (for detailed discussions see Elster 1982, 1989b; Udehn 2001; Watkins 1957; Huinink 2001; Alexander 1987; Heintz 2004; Hedström 2005, 2008; Hedström and Swedberg 1998), it is, nonetheless, important to establish an understanding of the metatheoretical underpinning of the theoretical approach presented in this chapter.

## 4.1 Explanations

Explanations provide answers to why-questions, such as: why is an immigrant (group) transnationally active? These types of questions can be distinguished from descriptions, which typically refer to how-questions. Of course, descriptions are a necessary prerequisite for explanations. We cannot explain why immigrant integration is related to transnational involvement if we do not know how. In principle, an explanation consists of two parts: a description of the phenomenon we intend to explain and an account of how the phenomenon is caused. A prominent formalization of

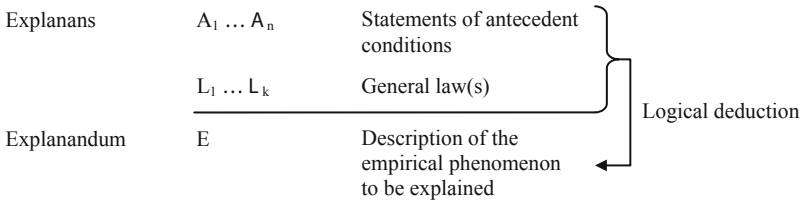


**Fig. 4.1** The covering law model of a scientific explanation. (Source: Hempel and Oppenheim 1948, p. 138)

this logic is the covering law model, sometimes also called the deductive-nomological model (DNM), proposed by Hempel and Oppenheim (1948, 1965). According to this model, a scientific explanation consists of the so-called explanandum (that, which is to be explained), an accurate description of the phenomenon to be explained, and the so-called explanans (that, which explains), an explanatory statement, consisting of a general law and antecedent conditions. The general law describes *how* specific *causes* are linked to specific *outcomes*. For instance, these laws come in the form of "if . . . , then . . . " statements. The antecedent conditions are a set of specific initial circumstances that are a prerequisite for the mechanism described in the law to operate. They are so to speak the "if"-component of the "if . . . , then . . . " statement (Esser 1999b, p. 41). A complete scientific explanation thus requires a) specifying a general law that explains the outcome of interest and b) demonstrating that the necessary conditions for the law to apply are met. The structure of the covering law model is displayed in Fig. 4.1. The relationship between explanandum, law, and antecedent conditions can be logically portrayed as $(A_i \wedge (L_i \rightarrow E)) \rightarrow E$.

For a practical example, we can draw on an explanation of transnational activities in the previous chapter. For instance, the literature proposes a 'reactive transnationalism' explanation for transitional involvement (Itzigsohn and Giorguli-Saucedo 2002, p. 772). The argument goes as follows: if immigrants are dissatisfied with their life in the receiving country, then they become transnationally active. In this case, the explanandum is transnational activities among immigrants. The explanans encompasses the 'law'—"if immigrants are dissatisfied with their life in the receiving country, then they become transnationally active"—and the antecedent condition—the dissatisfaction among respective immigrants. If we are able to show that the law is true and the antecedent conditions are met, we can explain transnational activities among immigrants. The covering law model's logic is straightforward, but it is not without problems. First, the model does not rule out the application of logical statements as 'laws' that are descriptively correct but explanatorily incorrect, such as Salmon's example of explaining a man's failure to become pregnant by his intake of birth-control pills (Salmon 1998, p. 340; Salmon et al. 1971, p. 34). A covering law model explanation of this phenomenon goes as follows: no one who takes birth control pills gets pregnant. John takes birth-control pills. Thus, from the fact that John is taking birth control pills we can logically infer that he did not become pregnant. This might be an extreme example, but it is fit to outline the deficiencies of the covering law model.

Not all scientific disciplines perceive the application of such incorrect explanations as problematic as long as the models predict correctly (see e.g. Friedman 1966). Such an instrumentalist perspective is, for instance, common in economics. In this case, theories (i.e. laws) are not evaluated by their conformity to reality, but only by how well their *predictions* conform to reality. However, this approach is explanatorily unsatisfactory, as the example of John and the birth-control pills shows. Although we seem to 'explain' what happened, we cannot clarify why it happened, because we allow for descriptively false assumptions connecting cause and effect. This approach also brings about serious problems in evaluating a theory. If we do not care about a theory's descriptive accuracy, we cannot evaluate a theory's performance according to falsification (Popper 1971), as we cannot attribute disconfirming evidence unambiguously. We are unable to discern whether the antecedent conditions were not met or the theory was falsified (Caldwell 1984, p. 429). The application of the covering law model therefore requires additional constraints, which prevent using causally irrelevant or descriptively inaccurate theories (see Poser 2001, p. 46 ff.). Without going into details of the philosophy of science's discussion on this issue, it is important that the relationship between consequence and cause is as explicit and precise as possible, because precision in mechanisms helps distinguishing between true causality and coincidental association.

A second, perhaps more important problem concerns the model's nomological core. As formulated by Hempel and Oppenheim (1948, 1965), any explanation requires a general law at its core. With the possible exception of theoretical physics, it is seriously questionable whether there are any general laws available in sciences; and this is not a particularity of the social sciences (Poser 2001, p. 62). But we can never ensure that a law is universally true—that its validity is without temporal or spatial restrictions—because the fact that a law has corresponded to reality in the past and present does not imply that it will do so in the future (Hume 1955/1748). Consequently, a theory or a law cannot be proven true; it can only prove to be reliable awaiting falsification (Popper 1971). Thus, the covering law model's core claim that the explanans has to contain a true law cannot be met (Poser 2001, p. 62 ff., 119 ff.). Does this make the covering law model inapplicable? Only if we uphold the strict claim that the mechanism connecting cause and effect has to be a universally true law. This, however, is not necessary. Instead, we can use well established hypotheses or rules as the explanatory core of the covering law model. Indeed, an explanation that relies on well-established hypotheses is compatible to the covering law model, as Poser (2001, p. 69) stresses.[1]

This paragraph does not intend to portray the covering law model as the only viable way of conducting research. There are areas in which the covering law model appears inapplicable, such as evolutionary biology, because this science cannot rely

[1] Moreover, the well-established rule connecting cause and effect is not required to be completely deterministic. Hempel (1968, p. 116 ff.) specifies an 'inductive probabilistic' model which is a weakened version of the covering law model. In contrast to the covering law model, which assumes deterministic relation, that is $(L_i \rightarrow E)$, the inductive probabilistic model assumes probabilistic relation, so that $p(L_i \rightarrow E)$.

on rules that predict mutation (Fischer 2003; Walsh et al. 2002; Goudge 1961).[2] In practice, moreover, inductive and deductive methods complement each other, even in the work of the most fundamental adherent of the covering law model. Thus, the covering law model is best understood as one idealtypic model of an explanation, which can guide our research although we cannot meet its strict requirements.

### *4.1.1 Excurse: Mechanism-Based Explanations*

Recently, an approach has become quite popular in the social sciences which claims to forgo the problems of the covering law model: mechanism-based, analytical sociology as proposed by Peter Hedström (Hedström 2005, 2008; Hedström and Bearman 2009a; Hedström and Swedberg 1998; Diewald and Faist 2011). Similar to the covering law model, an explanation according to this framework consists of the explanandum and the explanans (Hedström and Udehn 2009, p. 28). Instead of relying on general laws to explain, this approach aims at identifying mechanisms which link cause and effect. "The core idea behind the mechanism approach is that we explain not by evoking universal laws, [. . .] but by specifying mechanisms that show how phenomena are brought about" (Hedström 2005, p. 25). At the same time, however, these explanations should be general in the sense that they make no reference to time or place (Hedström and Bearman 2009b, p. 7). Although Hedström repeatedly stresses that mechanism based explanations do not rely on the covering law model's logic (Hedström 2005, p. 15 ff., pp. 32–33; Hedström and Bearman 2009b, pp. 4–5), it is unclear, how the mechanisms at the core of these explanations differ from well-established hypotheses (or rules), which make the core of a deductive-nomological explanation.

Hedström's main criticism of the covering law model is its compatibility with superficial and descriptively incorrect explanations (Hedström 2005, p. 20). This is a valid point, as shown above. However, a mechanism is not immune to being superficial and descriptively incorrect. Descriptive accuracy is something that a mechanism can aim for, but it does not guarantee it. Consequently, analytical sociology does not really provide explanations that depart from the logic of the covering law model. Or as Bunge (2004, p. 207) argues, "no law, no possible mechanism; and no mechanism, no explanation." We can only speculate why Hedström insists that mechanism-based, analytical sociology does not follow the covering law model. Opp (2007, p. 120) suggests that this might be a strategy to escape the stigma attached to this tradition.[3]

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[2] Still, the applicability of the covering law model in this science is debated (see, for instance, Ruse (1973)).

[3] The same holds for the theory of action that Hedström proposes—the Desires-Beliefs-Opportunities (DBO) theory (Hedström 2005, p. 38 ff.) In this model, a desire is defined as a wish or a want, a belief as a proposition about the world, which the actors hold to be true, and the opportunities make up the actors set of possible actions. "The cause of an action is a constellation of desires, beliefs, and opportunities in light of which the action appears reasonable" (Hedström 2005, p. 39). DBO theory bears a lot of resemblance to rational choice theories, although Hedström

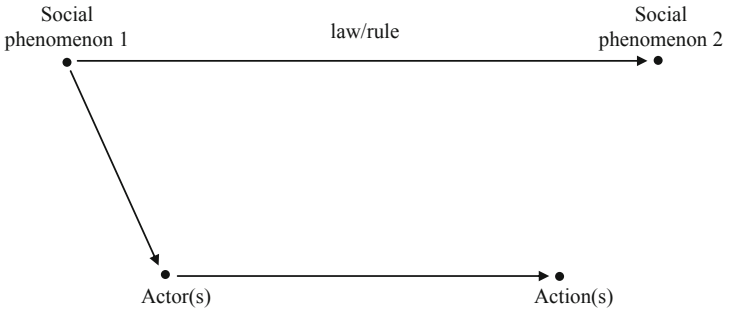


**Fig. 4.2** Macro-micro relation in methodological holism. (Source: Modified from Esser 1999a, p. 17)

### *4.1.2 Holism and Individualism*

Having established how an explanation can look like, the question remains at what level the explanation should operate. Within the social sciences, there are two central metatheoretical approaches, which provide different answers to this question. On the one hand, there is methodological holism, which views society and other social entities as a kind of ordered whole. On the other hand, there is methodological individualism, which views society and social entities as an aggregation of its parts. Methodological holism posits that social entities, be they groups, classes, systems, societies, or the like, are wholes which are more than the mere sum of their parts. Holism therefore calls for explanations that operate at the level of these social entities, because "[. . .] social systems constitute 'wholes' at least in the sense that some of their large-scale behavior is governed by macro-laws which are essentially *sociological* in the sense that they are *sui generis* and not to be explained as mere regularities or tendencies resulting from the behavior of interacting individuals. On the contrary, the behavior of individuals should (according to sociological holism) be explained at least partly in terms of such laws (perhaps in conjunction with an account, first of individuals' roles within institutions, and secondly of the functions of institutions with the whole social system)" (Watkins 1957, p. 106; italics in the original).

Methodological holism thus builds on Durkheim's claim (1984/1901) that sociology should uncover the 'laws' which govern the 'behavior' of social entities. This is displayed in Fig. 4.2. Social phenomena are situated at the macro-level and so should explanations—as displayed by the continuous arrow connecting social phenomenon 1 and social phenomenon 2. While events on the micro-level are influenced (or determined) by the macro-level, this relation is unidirectional: there is no micro-to-macro linkage.

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(2009b, p. 22; 2005, p. 41) insists that DBO is not a rational choice theory; if anything, rational choice is a specific type of DBO theory. Indeed, DBO theory forgoes some assumptions of strict utility maximization theories (for a thorough discussion, see Elster (1994)). However, DBO theory equals wider versions of rational choice (Opp 2007, pp. 118–119) that are commonly used in sociology today.

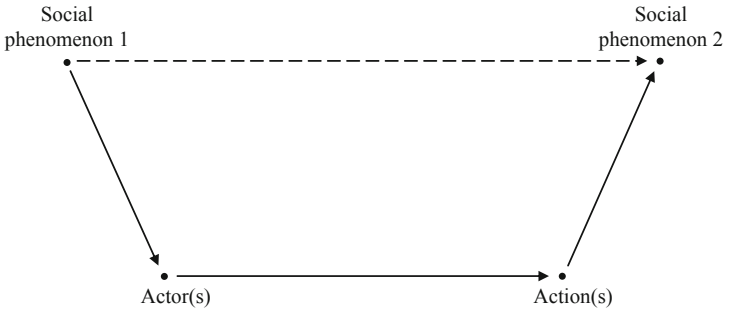


**Fig. 4.3** Macro-micro relation in methodological individualism. (Source: Modified from Esser 1999a, p. 17)

Methodological individualism conversely assumes that what we perceive as an ordered whole is an aggregation of its individual parts. Adequate explanations have to concentrate on the (inter)action of the components of which the larger whole is comprised and how this interplay gives rise to what appears as macro-level phenomena. Prominent within methodological individualist approaches is the assumption that individuals and their (inter)actions are the basic components. As Elster (1982, p. 453) puts it, "all social phenomena (their structure and their change) are in principle explicable only in terms of individuals—their properties, goals, and beliefs." Any seemingly emergent character of social phenomena disappears by dissecting the interplay of the individual parts. "According to this principle the ultimate constituent of the social world are individual people who act more or less appropriately in the light of their dispositions and understanding of their situation. Every complex social situation, institution, or event is the result of a particular configuration of individuals, their dispositions, situations, beliefs, and physical resources and environment" (Watkins 1957, pp. 105–106). This is displayed in Fig. 4.3. There is no direct connection between social phenomenon 1 and social phenomenon 2. Any ostensible connection between macro-level phenomena comes into being because of configurations and consequences of individual (inter)actions.[4]

Methodological individualism hence assumes that social phenomena at the macro-level can only be adequately understood and explained via reconstructing how (aggregations of) individual (inter)actions produce these phenomena on the macro level (Huinink and Schröder 2008, p. 31).

There is no simple answer to the question which approach is adequate, because it is an ontological question. No matter how elaborately we argue in favor for one or the other position, the decision always contains an arbitrary element: our *beliefs* about the nature of society. But the perhaps ontologically most reasonable

[4] The graph depicted in Figs. 4.2 and 4.3 is sometimes referred to as the "Coleman boat" or the "Esser bathtub," because it takes a prominent position in their work. It is true that Coleman (1986) and Esser (1993) have made this stylized representation of micro-macro link popular. However, it seems to originate from McCelland (1961).

hypothesis (Hedström 2008, p. 35) is to assume that social phenomena are produced, reproduced, and changed by individual actions: While we cannot plausibly imagine a society without human beings—despite seemingly autopoetic characteristics of social systems—we can imagine human beings without society (Hobbes 1969/1651), even though this is at best unrealistic too. The causal importance of individual actions would become obvious if we had a 'pause button,' which, if pressed, would freeze all individual actions: All social processes would instantly stop (Hedström 2008, p. 47). Moreover, the social sciences have, since their foundation, failed to provide reliable rules at the macro level. According to Esser (1999a, p. 7), there have been numerous candidates: the 'iron law of oligarchy,' according to which all forms of organizations will eventually develop into oligarchies (Michels 1925), Durkheim's (1981/1888) law of contraction, according to which societal differentiation processes will inevitably decrease the size and the power of the family circle, the race-relation-cycle (Park 1950), Weber's (2002/1920) conception of the interrelation of a protestant ethic and capitalism, and many more. But all these 'laws' are only ideal-typical descriptions of particular historic conditions and processes. None qualifies as a reliable rule that can provide the core for an explanation (for detailed discussions see Elster 1982; Popper 1974; Boudon 1983). Recalling the debate on the similarities and differences between contemporary and past migration, as discussed in Chaps. 2 and 3, it appears that explanations with a micro sociological core offer a distinct benefit: These explanations are applicable even in the face of changing circumstances, because these circumstances are not substantive parts of the theory but antecedent conditions shaping opportunities and motives for individual actions.

This work takes the position of 'structural individualism' (Wippler 1978), a variant of methodological individualism. The ontological positions of structural individualism and methodological individualism are the same. Both share the assumption that the social and all social phenomena are ultimately made up of individual actions. Structural individualism, however, differs from other, more restrictive forms of methodological individualism "in attributing substantial explanatory importance to the social structures in which individuals are embedded [. . .]" (Hedström and Bearman 2009b, p. 4). Certain parts of an explanation, e.g. the opportunity structure, shared beliefs and values, etc., which themselves constitute phenomena to be explained, enter the explanation as though they were exogenously given and it is assumed that they assert a causal influence on individual actions. Social phenomena which precede social situations thus constitute the antecedent conditions for individual (inter)actions in these situation (Esser 1999a, p. 17). Structural individualism thus accepts 'unexplained social phenomena' as part of an explanation. A strict version of methodological individualism does not attribute any causal power to social phenomena themselves (Udehn 2001, p. 318), precisely because they do not have a reality *sui generis*. They, too, are caused by individual actions and only individual actions can logically be a cause of anything. Relaxing methodological individualism is a pragmatic necessity. Using a strict version of methodological individualism would make any attempt to explain societal phenomena impossible. Any antecedent conditions foregoing individual (inter)actions would have to be endogenized, leading to an infinite regress (Hodgson 1986, p. 218); we would have to go back indefinitely

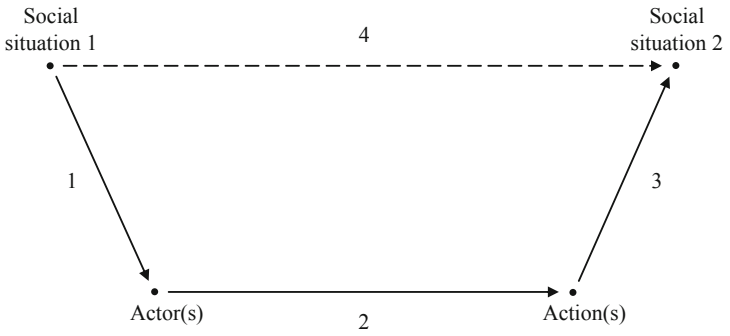


**Fig. 4.4** The three explanatory steps. (Source: Modified from Esser 1999a, p. 17)

in time to reach a satisfactory explanation. Therefore, for heuristic purposes, we treat social phenomena *as if* they have a reality of their own and exert a causal influence on individual actions.

### *4.1.3 Explanatory Sociology*

Following this, an explanation should have a micro-sociological core and this core should be a well-established, general hypothesis on how actors act. There are several sociological traditions providing micro-sociological grounded explanations to social phenomena. In the following, I will concentrate on explanatory sociology, the approach the model of intergeneration integration builds on (Chap. 3). Explanatory sociology explicitly aims at explaining social phenomena, such as network structures, typical beliefs, cultural tastes, common ways of acting, or patterns of immigrant integration, and so forth (arrow 4 in Fig. 4.4). Explaining the production, reproduction, or change of social phenomena consists of three steps (Esser 1999a, p. 15). The first step lies in determining the so-called 'logic of the situation' (1), which is a stylized description of the actor's situation by relying on so-called 'bridge hypotheses.' They are called bridge hypotheses, because they are designed to link the greater historic social situation with the individual actor and his or her subjective beliefs and motives. The second step consists of determining the 'logic of selection' (2) by using a theory of action that is able to explain why an actor has chosen or chooses a particular course of action, given the situation he or she is in. The third step is the 'logic of aggregation' (3), which specifies rules of aggregation that indicate how individual actions give rise to specific social phenomena. I will discuss these three logics in more detail below and start with the theory of action.

## 4.2 Theory of Action

The theory of action is an important part of an explanation, because it serves as the explanation's nomological core—it is the well-established, general hypothesis. The social and psychological sciences have developed an array of action theoretical models which could serve as the nomological core of an explanation. So which to choose? The literature offers several criteria that a theory of action has to meet: causality, precision, universality, simplicity, extendibility, modelability, and reliability (Esser 1999b, p. 137 ff.; Lindenberg 1985, p. 108; Esser 1999a, p. 241 ff.). Most of these criteria are common sense and do not need further elaboration. It is self-evident that a theory (of action) has to be reliable. But the other criteria are also straightforward if we orient ourselves at the covering law model (or at other analytical propositions such as the mechanism approach): If we are interested in a causal explanation of a specific phenomenon, then the need for precision and the ability to model causality follows naturally. The causal link is an inherent element of such an explanation. Moreover, the causal link between the antecedent conditions and the outcome (i.e. the action) must be as precise as possible, as precision reduces a theory's susceptibility to descriptive inaccuracy. The criterion of universality is also justified by the covering law model, notwithstanding the fact that we do not possess universally true theories. And a theory is all the more useful the more it can be extended to incorporate new findings.

When it comes to the theory's simplicity, things are more complicated. Making simplicity a necessary condition for any theory carries with it assumptions about relationships in the empirical world. These might as well be false. "The principle of choosing theories that imply a simple world is a rule that clearly applies in situations where there is a high degree of certainty that the world is indeed simple. Scholars of physics seem to find parsimony [i.e. simplicity] appropriate, but those in biology often think it is absurd" (King et al. 1994, p. 20). An alternative criterion can be that theories should maximize leverage, meaning that they should explain as much as possible with as little as possible (King et al. 1994, p. 29 ff.; Friedman 1966, p. 14). In many instances, this principle will produce identical outcomes to the simplicity principle. Maximizing leverage is a principle of effectiveness that often translates into building a simple theory. But the maximizing leverage principle does not make simplicity a criterion itself and thus it does not rest on the problematic assumption that the world (and relations therein) is simple. Instead, it is a ratio of explanatory power and simplicity. If we have two competing theories with the same explanandum, we should choose the simpler one. This principle is also compatible with Lindenberg's (1992) method of decreasing abstraction, which proposes to build theories that are as simple and abstract as *possible* and as realistic and complicated as *necessary*. The theory should be extended, i.e. made more complicated, only if it proves to be inadequate in its current, simpler formulation. The maximizing leverage principle moreover has a natural affinity to Popper's notion that we should favor theories with high empirical content (Popper 1971, p. 83 ff.). A theory's empirical content corresponds to the class of its potential falsifiers. Its empirical content increases with

the number of cases in which it can be falsified. The notion to explain as much as possible with as little as possible implies maximizing a theory's empirical content.

### *4.2.1 Intentional Actions*

Among the theories meeting the discussed criteria, theories of intentional actions (Wright 1971) that explain actions from an interplay of individual motives, beliefs, and social structure, are particularly well established and reliable (for an overview see e.g. Hechter and Kanazawa 1997, p. 196 ff.). In a very basic formulation, such a theory assumes that persons are interested in maintaining favorable conditions of their life and in improving those aspects which are unfavorable (Esser 2001a, p. 293). Given a person's interest and the range of possibilities, she or he will choose the option that promises to be the most rewarding. The connection between motive, belief, and action can be formally displayed. Assuming that an actor $i$ has a certain motive, or goal, $G_i$ and she or he believes that this goal can be reached via action $A$, then this can be stated as $(G_i \rightarrow A)$, i.e. reaching the goal $G_i$ implies $A$. A course of action $(A)$ can thus be explained by referring to the actor's motive $(G_i)$, and her or his belief $(G_i \rightarrow A)$. The complete explanation can then be stated as $(G_i \wedge (G_i \rightarrow A) \rightarrow A$ (Esser 1999a), which resembles the structure of the covering law model.[5] Of course, there might be more than one way to reach a goal, as individuals typically have an (albeit a structurally limited) array of actions to choose from.

Hence, such a theory specifies four aspects. First, it asserts that individual actors have desires (or preferences or motives), second, that they have beliefs (proposition about the world), third, that they face restrictions (or opportunities) defining the frame of feasible actions, and fourth, such a theory lays out a decision rule, for instance "within the feasible set of actions compatible with all the constraints, individuals choose those they believe will bring the best results" (Elster 1982, p. 464). A theory of intentional actions does not necessarily imply that an individual's decision is optimal or objectively rational. Beliefs can be insecure and need not match reality. Actors (can) consider normative aspects in their decision and they do not maximize utility from an objective point of view—as opposed to the assumptions in neo-classical microeconomic theory.

Among potential theories that fulfill these criteria, subjective expected utility theory (hereafter SEU) appears especially well suited. This theory has its roots in the works of statistician Daniel Bernoulli (1954/1738), John von Neumann and Oskar

[5] To be precise, this is not the covering law model but the so-called practical syllogism (Poser 2001, p. 51) which originates with Wright (1971). Wright, however, thought of the practical syllogism as an *alternative* to the covering law model. "The practical syllogism provides the sciences of man with something long missing from their methodology: an explanation model in its own right which is a definite alternative to the subsumption-theoretic covering law model" (Wright 1971, p. 29). It is, nonetheless, debated whether the practical syllogism is compatible with the covering law model or whether it even presupposes a covering law (Apel 1984; Tuomela 1976; Martin 1990).

Morgenstern (1944), and Leonard Savage (1954). SEU theory rests on six core assumptions (see Esser 1999a, pp. 248–259 for a detailed discussion): first, SEU theory assumes that an action encompasses a selection between different alternatives. This selection does not have to be conscious and deliberative in every situation. Second, SEU theory assumes that every selected course of action has consequences. Third, these (potential) consequences are evaluated by the actor, in the sense that these consequences are seen to be more or less desirable. Fourth, actors have subjective assumptions about the probabilities that a certain action will result in a certain consequence. Fifth, the alternative courses of action are evaluated by the actor according to these consequences and probabilities. Sixth, the actor chooses the action that she or he perceives as most likely to bring about the desired consequences. Or, to put it more simply, the actor will choose the action that she or he considers to be most beneficial.

A strength of SEU is its ability to formally model the decision process. The first assumption states that an actor chooses between different alternatives. In order to explain why an individual actor has chosen a specific alternative $A_i$, we consequently have to characterize the set of alternatives. The set of alternatives can be written as a vector $\mathrm{A} = (A_1, A_2, A_3, \ldots, A_n)$ (Esser 1999a, p. 252). This vector describes the alternative courses of action that an individual can choose from.[6] Every course of action produces certain outcomes. The set of outcomes is denoted by $\mathrm{O} = (O_1, O_2, O_3, \ldots, O_n)$. These outcomes are evaluated as more or less desirable. Hence actors associate different utilities with different outcomes. Thus, we have a vector $\mathrm{U(O)} = (U(O_1), U(O_2), U(O_3), \ldots, U(O_n))$ which captures the subjective utilities associated with the respective outcomes (Esser 1999a, p. 254). For reasons of simplicity we notate this as $\mathrm{U} = (U_1, U_2, U_3, \ldots, U_n)$.[7] In most situations individual actors do not have perfect information, as assumed, for instance, in classical microeconomic theory. Thus, they cannot perfectly predict the precise probability of how alternative $A_i$ will lead to outcome $O_j$ and hence utility $U_j$. But actors have subjective beliefs about the probabilities of certain outcomes and associated utilities. We denote these subjective probabilities as $p_j$. The set of expectations for an actor

[6] It is logically necessary that the alternatives are mutually exclusive and that in any situation an actor has at least two alternatives to choose from. These assumptions are unproblematic. Even in situations of extreme structural pressures and extreme adverse consequences, individual actors can still choose—at least in principle (Esser 1999a, p. 251). It is not necessary to describe the—almost infinite—set of all potential alternatives, but only those that are relevant within a specific situation.

[7] The way in which individuals assign subjective utilities to essentially "objective" outcomes is described via a utility function. Esser (1999a, p. 253) thus distinguishes between objective values of an outcome $V(O_i)$ and the subjective utility $U(O_i)$. This is an important distinction, in particular if we are interested in how seemingly equivalent outcomes are valued differently. Prominent examples are divergent evaluations of equal outcomes that are either framed as gains or losses or the often observable risk-aversion of individuals (see Kahneman and Tversky 1979; Tversky and Kahneman 1992). Although this certainly is an important and interesting topic, it is not the focus of this work and the distinction between $V(O_i)$ and $U(O_i)$ will not be used here.

can be written as (Esser 1999a, p. 256)

$$\mathrm{P} = \begin{array}{c|cccccc} & U_1 & U_2 & \cdots & U_j & \cdots & U_n \\ A_1 & p_{11} & p_{12} & \cdots & p_{1j} & \cdots & p_{1n} \\ A_2 & p_{21} & p_{22} & \cdots & p_{2j} & \cdots & p_{2n} \\ \vdots & \vdots & \vdots & & \vdots & & \vdots \\ A_i & p_{i1} & p_{i2} & \cdots & p_{ij} & \cdots & p_{in} \\ \vdots & \vdots & \vdots & & \vdots & & \vdots \\ A_m & p_{m1} & p_{m2} & \cdots & p_{mj} & \cdots & p_{mn} \end{array}$$

Within one alternative $A_i$ the probabilities add up to one so that $\sum p_{in} = 1$. The formal notion of the evaluation of an alternative then follows as $EU(A_i) = \sum p_{ij} \cdot U_j$ (Esser 1999a, p. 257). The expected utility (EU) weights for the complete set of alternatives is then given in matrix notation as

$$\mathrm{EU}(A) = \mathrm{p} \cdot \mathrm{U} \tag{4.1}$$

where EU($A$) is a column vector with $m$ elements, p is an $n$ x $m$ matrix, and U is a column vector with $n$ elements. Let us consider a hypothetical example with two alternatives, $A_1$ and $A_2$, and three outcomes

$$\begin{aligned} EU(A_1) &= p_{11}U_1 + p_{12}U_2 + p_{13}U_3 \\ EU(A_2) &= p_{21}U_1 + p_{22}U_2 + p_{23}U_3 \end{aligned} \tag{4.2}$$

Imagine $A_1$ denotes being transnationally active—for example, visiting the country of origin. $A_2$ denotes the alternative of staying in the receiving country which corresponds to maintaining the status quo. We write $A_1 = A_{TN}$ with the subscript $TN$ for transnational and $A_2 = A_{SQ}$ with subscript $SQ$ for status quo. The two alternatives do not produce the same consequences. While visiting the country of origin entails seeing friends and relatives there, staying in the receiving country does not. We denote this outcome as $O_1 = O_{TN}$ and the corresponding evaluation of it as $U(O_1) = U(O_{TN}) = U_{TN}$. As staying in the receiving country will not bring about $O_{TN}$, it follows that $p_{21} = 0$. We have to keep in mind that we are modeling the decision process, not the actual course of an action. Since the individual actor cannot be sure that her or his decision to follow a certain course of action will produce the expected outcomes (hence in most cases $p_{ij} < 1$), there is always the possibility that her or his attempt will be unsuccessful. In our example, the flight to the country of origin could be cancelled, the borders could be closed, or the like. In any case, the immigrant will not be able to undertake the trip. We denote $p_{11} = p_{TN}$, the outcome status quo as $O_2 = O_{SQ}$, and the corresponding evaluation of it as $U(O_2) = U(O_{SQ}) = U_{SQ}$. Maintaining the status quo corresponds to refraining from doing anything at all and we can reasonably assume that $p_{21} = p_{SQ} = 1$. A visit to the country of origin, of course, involves costs, such as traveling costs, which we capture with $O_3$ and $U(O_3) = U_3$. These costs will only occur if the individual decides to visit her or his country of origin and thus $p_{23} = 0$. For reasons of simplicity, we write

$U_3 = -C_{TN}$ and assume that the costs occur with certainty so that $p_{13} = 1$. If the trip to the country of origin fails, the immigrant will once again face the status quo. Since within one alternative $\sum p_{in} = 1$ it follows that $p_{12} = (1 - p_{TN})$. We can then simplify the above equations

$$EU(A_{TN}) = p_{TN}U_{TN} + (1 - p_{TN})U_{SQ} - C_{TN} \tag{4.3}$$

$$EU(A_{SQ}) = 0 \times U_{TN} + (1 - 0)U_{SQ} - 0 \times C_{TN} = U_{SQ} \tag{4.4}$$

SEU theory then assumes that an actor chooses the course of action that she or he perceives to be most beneficial. Hence, the immigrant chooses to visit her or his country of origin if she or he perceives this to be more beneficial than staying in the receiving country. We can depict this condition by the following inequality

$$EU(A_{TN}) > EU(A_{SQ})$$

$$p_{TN}U_{TN} + (1 - p_{TN})U_{SQ} - C_{TN} > U_{SQ} \tag{4.5}$$

This can be simplified into (Esser 2006, p. 40)

$$U_{TN} - U_{SQ} > \frac{C_{TN}}{p_{TN}} \tag{4.6}$$

This is an intuitive condition: The immigrant will only become transnationally active if the difference between the utility associated with being transnational active and the utility of the status quo is higher than the ratio of costs and success probability. The former, the difference in the associated utilities, is the motive for an action, whereas the latter, the ratio of costs and success probability, can be understood as the (structural) opportunity for such an action (Esser 2006, p. 41). If the courses of action do not differ in their expected utility, i.e. $(U_{TN} - U_{SQ}) \rightarrow 0$, then it is unlikely that the inequality will hold. Likewise, if the costs are high or the probability is low, it is unlikely for the inequality to hold, too. From this inequality it also becomes obvious how important the probability $p_{TN}$ is. If $p_{TN}$ is very low, $C_{TN}/p_{TN}$ will approach infinity and it is very unlikely that the difference in the utility terms is large enough to balance this out. This already indicates how important (beliefs about) structural opportunities and restrictions are (Esser 2006, p. 42).

Returning to the aforementioned criteria for theories of action, the discussion of SEU theory shows that it indeed meets those criteria. It is a general theory in the sense that it relies on a general principle: Actors choose the course of action that they perceive to be most beneficial. By relying on this principle the theory shows a lot of leverage. The ability to formally model decision situations with SEU theory allows for a high degree of precision and we can infer causal claims from it. It is extendable to include new developments (see Kroneberg 2005, 2007, 2008; Lindenberg 1996a, 2001; Lindenberg and Frey 1993) and it has proven to be very reliable in many areas of sociological inquiry (Hechter and Kanazawa 1997, p. 196 ff.).

### *4.2.2 Criticisms of Rational Choice*

Although I have avoided using the term rational choice until now, SEU theory is obviously a variant of rational choice theory. The term rational can cause confusion, because at times it is understood as implying objective rationality and optimality as in (neo)classical microeconomics. But the discussion of SEU theory shows that not all variants of rational choice rely on these assumptions. Still, rational choice theories and variants thereof have been subject to intensive and manifold criticism, targeting the theories' simplifying approach and its potentially unrealistic assumption about human decision making and acting. We can find three principal arguments that are put forth against rational choice: (a) *many* (*everyday*) *actions are not ends-oriented* (*or instrumentally rational*) *and thus cannot be explained with rational choice*, (b) *even in situations in which individuals act purposefully and in an ends-oriented way, rational choice does not predict correctly*, and (c) *rational choice is tautological*. The last point might appear surprising considering the first two. But as we will see, not all of these points are relevant for different versions of rational choice theory.

Let us consider the first point, which deals with the (unrealistic) assumption that all human action is carried out with deliberate consideration of means and consequences. Weber (2005/1922, p. 17 ff.) already proposed to distinguish between four ideal-typical forms of action: instrumentally rational action, value-rational action, affectual action, and traditional action. Only instrumentally rational action unambiguously corresponds to actions as modeled with rational choice. While the interpretation of value-rational action is debated regarding the role rationality plays in it (Kroneberg 2007; Schluchter 1979; Weiß 1989), it surely differs from instrumentally rational action, as it is not carried out anticipating consequences but is instead oriented at the action's intrinsic value. As Elster (1989a, p. 98) puts it, while instrumentally rational action is conditional (upon means and ends), value-instrumental (i.e. normative) action is unconditional. It is understood that many everyday actions are not instrumentally rational. And it is true that rational choice, especially in its strict versions, encounters problems explaining actions that are not ends-oriented.[8] But we should keep in mind that the above distinction is ideal-typical. Empirically, concrete courses of action are likely to contain elements of more than one type.

Regarding the second point, (psychological) research on rational choice has shown that its predictions do not always accord to human decision making even in situation of ends-oriented action. The famous work of Daniel Kahneman and Amos Tversky (2003, 1979, 1984), who extensively studied human decision making and acting, shows that the assumptions of the micro-economic model of rational action

[8] However, this issue is debated. One could argue that value-rationality is well compatible with the perspective of bounded rationality (Simon 1982, 1957). Norm-orientation can be an efficient heuristic in an overly complex world or it can endow individual actions with meaning (Hayakawa 2000), which motivates individuals to follow norms. But norms or values can also be rational in the sense that people have 'good reasons' to follow them. This is at the core of Boudon's (1996; 2009) conception of 'axilogical rationality', in which he stresses that Weber's value-rationality is not mere value-conformity (see Lindenberg (2000) for a critique).

are violated in many situations. For instance, individual actors are influenced by the framing of situations, are inconsistent in their assessment of situations, display loss aversion, etc. Individual actors are cognitive misers with only limited cognitive resources available, often relying on heuristics exhibiting only a "bounded rationality" (Simon 1957, 1982). While this is certainly true, we should note that a good part of the criticism directed at rational choice is targeted at the theory of action as used within (neo)classical microeconomics. The sociological versions of rational choice explicitly include subjective beliefs of individuals, building on those very human "abnormalities" that challenge microeconomic theory.[9] Concerning these two points, there is a very important qualification to be made. Indeed, rational choice sometimes faces difficulties in explaining individual courses of action, most often because human beings consider aspects that theory has not incorporated. Still, rational choice does quite well when it comes to explaining *changes* in behavior depending on the properties identified as important by the theory. To give a practical and well known example, experimental studies have repeatedly shown that rates of cooperation in social dilemma experiments, e.g. unrepeated games in the form of prisoner's dilemmas, can be much higher than predicted by rational choice (see for instance Andreoni 1995; Cookson 2000)—narrow rational choice theory predicts no cooperation at all for these games. Obviously, the participants' actions are (also) guided by normative considerations and they might be less reflective than assumed by rational choice. At the same time, however, these studies show that individual actions are indeed influenced by factors deemed to be central by rational choice theory, for instance group size, size of the incentives, etc., and, more importantly, by changes in those factors (Diekmann and Voss 2004, p. 20). This means that rational choice theories identify relevant and important aspects that determine decision making and acting but that they are incomplete, because they do not take all relevant factors into account. Does this make rational choice useless? The question is whether rational choice theories are only incomplete or incorrect. Descriptively incomplete theories (and incomplete explanations), which concentrate on certain aspects and blind out others (Sen 1980), differ fundamentally from incorrect theories and explanations. Hedström (2005, pp. 62–63) illustrates this in the following way: if we have a set $A = \{a, b, c, d\}$, then assuming $A = \{e, f\}$ is descriptively false, whereas $A = \{c, d\}$ is descriptively incomplete. The latter probably applies to all theories—at least in the social sciences—since a theory always stylizes relationships and concentrates on some aspects and ignores (irrelevant) others. Hence, we have to accept incomplete theories, while we are well advised to discard descriptively incorrect theories. Regarding rational choice, it appears that it is rather an incomplete theory, focusing on specific aspects and ignoring others, than an incorrect theory.[10]

[9] To be fair, though, we should take note that microeconomic theory is well aware of its shortcomings. We find more or less lengthy discussions of these issues in most microeconomic textbooks now (e.g. Frank 2008; Pindyck and Rubinfeld 2005).

[10] Descriptively incomplete theories are compatible with the covering law model, as it allows for so-called 'partial explanations'(Hempel 1962, p. 18). Moreover, there are rational choice models which try to remedy the problem of non-ends-oriented actions by combining the virtues of rational choice

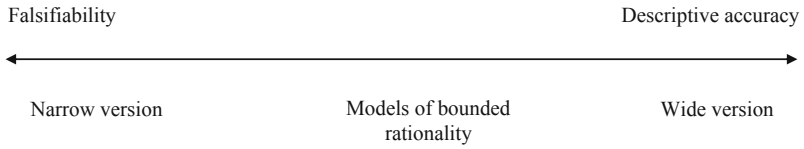


**Fig. 4.5** Different versions of rational choice theory

Let us consider the third point of criticism, which asserts that rational choice models are inherently tautological, because we can always ascribe *a posteriori* the most utility to the chosen course of action. We see someone drinking detergent and "explain" this by saying that she or he obviously expected this to be the most beneficial course of action (Frank 1993; Frank and Glass 2000). Such an explanation is certainly nonsensical. In the same vein, we could explain value or norm guided behavior via a utilitarian reconstruction. If we apply such an unrestricted version of rational choice theory, then the theory indeed will become tautological. It cannot be falsified. Any such post hoc explanation is useless. However, the research on the discrepancies between rational choice's *predictions* and human action demonstrates that it can very well be falsified. The classic conception of the homo economicus can, for instance, be seen as falsified. It is an altogether different problem that this model is still widely used. However, we should note that one of the reasons for using the narrow conception of rationality (i.e. the self-interest standard of rationality) is the potential tautological nature of rational choice explanations (Opp 1999). By using a rather narrow conception of what is supposed to be rational, one maximizes the theory's potential falsifiability.

Rational choice theories can be aligned on a continuum (as displayed in Fig. 4.5). At the one end, we find narrow conceptions, such as in economics, which can easily be falsified, but which are also descriptively inaccurate. At the other end, there are

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with more realistic assumptions about everyday and normative actions. An important development in this context is the Model of Frame Selection (MFS) (Esser 2000b, 2002; Kroneberg 2005, 2007, 2008; Esser 2001b). The MFS belongs to the group of dual process models that build on cognitive psychological research (DiMaggio 1997; Fazio 1990). It integrates different modes of action which vary in their degree of (rational) consideration: a reflective, calculating mode, in which an actor shows the forward-looking maximizing behavior assumed by rational choice theory, and an automatic-spontaneous mode, in which she or he will select without any prior reflection a mentally strongly accessible alternative. These modes are chosen according to the framing of a situation. Frames are mental models of a situation which structure the situation's goals as well as "programs of action" that can be automatic and spontaneous, value-rational, or instrumentally rational. The MFS is descriptively more accurate than rational choice models. So why choose a potentially less accurate model? The problem is that available data do not offer ways to operationalize concepts from the MFS (see Chap. 5). This is, of course, at the same time a poor and a coercive reason for the implementation of descriptively less accurate theory. Yet, following the method of decreasing abstraction (Lindenberg 1992) and the principle of maximizing leverage, it is sensible to start with a simpler theory and extend it if it proves to be inadequate in its current formulation. As a consequence, it only becomes necessary to implement more complex models if SEU proves not to be applicable in this work. I argue that, in the context of this work, SEU theory is well suited to explain transnational involvement among immigrants and patterns of immigrant integration.

wide, encompassing notions of rational choice, which may be descriptively more accurate, but at the same time harder to falsify.

Of course, this is far from an exhaustive discussion of the vices and virtues of rational choice models. But since rational choice models can be falsified as well as extended to be descriptively more accurate, they are valuable tools in explaining human agency. Although SEU serves as the nomological core of the explanation proposed here, it should be freed from the burden of being displayed as a general law, although this is still a common approach (see e.g. Esser 1999a, p. 205, 2007, p. 32). Rather, as discussed above, it serves as a well-established hypothesis on human agency. The version of rational choice proposed here is located nearer to the right on the continuum. Neither do I assume that only egoistic preferences are relevant nor that the individuals are fully informed and objectively rational. Certainly, such a version of rational choice with its abstract principle—to choose the course of action from the set of feasible alternatives that appears to be most beneficial—may appear empty and even unfalsifiable (Lovett 2007, p. 248). In order to derive testable hypotheses from any intentional theory of action, it needs to be filled empirically. Only if we reconstruct how actors perceive and define the situation which they are in, the opportunities and restriction they face, and the motives that induce a decision to act, can we apply any theory of intentional action. In doing this, we reconstruct the subjective sense of an action as proposed by Weber (2005/1922).

## 4.3 Definition of the Situation

Every course of action is preceded by an actor's subjective "definition of the situation" (Thomas 1965), which describes the linkage between objective characteristics of a situation and the subjective interpretation of the situation by an actor. "The definition of the situation is a necessary preliminary to any act of the will, for in given conditions and with a given set of attitudes an indefinite plurality of actions is possible, and one definite action can appear only if these conditions are selected, interpreted, and combined in a determined way and if a certain systematization of these attitudes is reached, so that one of them becomes predominant and subordinates the others" (Thomas and Znaniecki 1919, p. 68). Thus, any situation preceding an action can be systematized into three components (Thomas and Znaniecki 1919, p. 68) that are, first, the situation's objective characteristics, second, the actor's (internal) values and knowledge, and third, the actual definition of the situation, which refers to the actor's more or less clear conception of the situation's objective conditions and her or his values and knowledge.

Among a definition of the situation's objective and external characteristics are the opportunities, institutional rules, and significant symbols (for a detailed discussion see: Esser 2001b, p. 150 ff., 1999a, p. 50 ff.). Opportunities refer to the (materially) restricted set of feasible alternative courses of action. The set all of possible actions is restricted by scarcities in resources (or capitals). However, opportunities and restrictions are not only shaped by material conditions, but also by institutional rules.

These rules encompass any social norms that apply to a situation, defining desired or undesired means and the more or less meaningful goals of action. They can be understood as the "rules of the game" (Esser 1999a, p. 53). The last external component of a situation comprises significant symbols. Actors identify a frame of reference that applies to the situation and pinpoints the appropriate institutional rules and opportunities through perceiving and interpreting these symbols. Among the internal components of the definition are an actor's set of values and knowledge regarding the interpretation of a situation. Esser (1999a, p. 55) describes this complete set of knowledge and values as an actor's (social) identity. In this understanding, an actor's social identity comprises the complete set of organized knowledge and valuations of socially typified situations and of knowledge and valuations of the actor's (envisioned) relation to her or his environment. At this point it should be obvious why reconstructing the definition of the situation is important in the explanation of an action. It is within the definition of the situation that goals and means to reach them are selected $G_i$, $A$, and what is more, that actors evaluate the subjective utility they attach to certain outcomes ($U(O)$) and come up with a subjective estimate on how likely it is that the desired outcomes will be achieved ($p$). Therefore, the first step in explaining a course of action lies in determining the so-called 'logic of the situation' (indicated by first error in Fig. 4.4) via a stylized description of the actor's situation by relying on 'bridge hypotheses'. Bridge hypotheses translate a situation's objective characteristics into the central aspects of the intentional model of action: expectations and evaluations (Esser 1993, p. 120). Only by doing so can we use a decision rule—a theory of intentional action—to derive a concrete hypothesis on how an actor will act in a concrete situation and meaningfully test this proposition against our data. This, of course, means that we have to decide on a theory of action prior to this step.

## 4.4 Aggregation

Although explaining individual actions is an important part of a sociological explanation, it does not end there. What remains is the third step in explaining a social phenomenon (indicated by arrow 3 in Fig. 4.4), i.e. laying out rules of transformation that illustrate how individual actions constitute the phenomenon we are interested in explaining (Lindenberg 1977; Esser 2000a, p. 13 ff., 20 ff.). These rules of transformation are logical arguments that specify how individual actions generate social phenomena, for instance how individual decisions to divorce drive up (aggregated) divorce rates.

It has been criticized that within methodological individualism this aspect has not received enough attention and might be the least resolved (Schmid 2009; Friedman and Hechter 1988, p. 203; Udehn 2002, pp. 494–495), while it is arguably the most important. In some cases, aggregation is a straightforward endeavor, as in the example of divorce rates. Another example where complex rules of aggregation are

not required is an explanation of differences in labor market participation between immigrants and natives, e.g. higher unemployment rates among immigrants. Individual states, i.e. being unemployed, just add up and thus make for the social phenomenon. In this case, the rules of transformation are simple statistical aggregations. Similarly, the validity of a (jurisdictional) norm—a typical social phenomenon—logically follows if the majority of individual actors acts in accordance to this norm (Greshof and Schimank 2003, p. 4). Conversely, a norm will lose its validity if it is continuously violated.

Other social phenomena, however, require more complex accounts of how individual actions generate the social phenomena in question. This holds already for seemingly simple phenomena such as friendships between two persons (Esser 2000a, p. 14). In general, specifying how individual (inter)actions give rise to macro-level phenomena becomes more complicated if the "phenomena to be explained involve interdependence of individuals' actions, not merely aggregated individual behavior" (Coleman 1990, p. 22). Still, even if we agree that aggregation amounts to simple accumulation only in a very limited set of cases (Friedman and Hechter 1988, p. 203), this does not mean that interdependent processes cannot be modeled via explicit rules of transformation. Taking up the example from above—the validity of a norm—it is apparent that this explanandum is likely to involve interdependent actions. Actors will consider other actors' actions when deciding to follow a norm or not. But this interdependence can be modeled, for instance, through a tipping point model (Schelling 1978, p. 137 ff.), in which all actors are assumed to have a threshold value, which, once it is met, will trigger a certain action. Obviously, this is more complicated than a simple accumulation, as it may involve recursive processes. Fortunately, for the work and the research questions at hand, this task appears manageable. On the one hand, patterns of transnational involvement, as defined above, simply add up. On the other hand, patterns of individual social integration primarily refer to relative characteristics of groups, such as the aforementioned differences in occupational status.

## 4.5 Social Production Function

So far, the proposed theoretical model argues that once the preceding conditions are known, we can infer what course of action will be chosen. As argued above, this depends on subjectively expected benefits, probabilities, and costs. In view of this subjectivity, the question is why can we observe systematic patterns (and differences in patterns) between different social or ethnic groups? Thus, there is need for an additional theoretical building block that can explain how these patterns come into being in terms of individuals' motives, beliefs, and opportunities. In other words, it is necessary to specify how the 'rules of the game,' the institutional rules and the cultural frames, link up with the theory of action and why different actors have different goals or preferences.

The social production function (SPF) theory is one attempt to provide an endogenous account of preferences (Lindenberg 1993, 1996b; Ormel et al. 1999; Lindenberg 1986, 1989b). The very basic assumption behind this theory is that all individuals produce their own well-being by trying to optimize, within the constraints they are facing, achievements of two universal goals: physical and social well-being (van Bruggen 2001, p. 71; Ormel et al. 1999). Different social groups, i.e. immigrants and natives, may systematically differ in the ways they pursue these goals. This stems from differences in the endowment with resources, differences in opportunities and restrictions, and differences in cultural standards.[11] The SPF borrows its basic idea from economic theory, which states that certain input factors can be used to produce certain outputs. The production function consequently describes the way in which input factors and output are related, e.g. the quantity necessary to produce a certain amount of the desired output. Formally, the SPF can be stated as (Lindenberg 1996b, p. 175)

$$U = f(PW, SW)$$

where overall well-being is denoted as $U$ and the input factors physical well-being and social well-being are denoted as $PW$ and $SW$, respectively. There are five important assumptions regarding the characteristics of the SPF (Esser 1999a, p. 87 ff.; Lindenberg and Frey 1993; Lindenberg 1996b, 1993; Nieboer and Lindenberg 2002). First, the SPF is assumed to increase monotonously, i.e. the higher the input, the higher the output. Secondly, however, it is assumed that the marginal returns are declining (see Fig. 4.6). Thirdly, the SPF allows for evaluating the relative efficiency of an input factor. Fourth, it assumes a hierarchical structure of goals, with universal goals, like physical and social well-being, at the top and more concrete goals at the bottom, which serve as means in producing higher level goals. Fifth, SPF theory assumes that means can be substituted, with a declining degree of substitutability as one moves up in the hierarchy.

In the following, the aspects of the SPF will be discussed in detail. Starting with the hierarchical design (Fig. 4.7), the SPF specifies that that the universal goals on top and the instrumental goals at lower levels are linked by production functions specifying the relationship between these goals (van Bruggen 2001, p. 72). The higher one advances in the model, the more abstract the goals become—eventually ending with

[11] A critical discussion of the SPF theory can be found in Rössel (2005, p. 159 ff.), who argues that SPF theory places too much weight on the social determination of lower level goals. According to Rössel (2005, p. 159 ff.), SPF theory has an over-socialized concept of actors. Indeed, actors are certainly imaginative and resourceful in pursuing their goals and can be equally imaginative and resourceful in interpreting situations. Nevertheless, there is stability in how actors try to achieve goals, with change being mostly incremental (of course, there are also counter-examples such as revolutions). Placing the focus on the social aspect of the social production function seems therefore appropriate. What is more, it is a misconception that the social production function is deterministic. If it would be deterministic, it could not explain (social) change without reference to exogenous shocks. But if we consider the link to Merton's (1996 [1938]) work on social structure and anomy, it is obvious that it is possible to explain social change (e.g. through innovation or rebellion) within the bounds of the SPF theory.

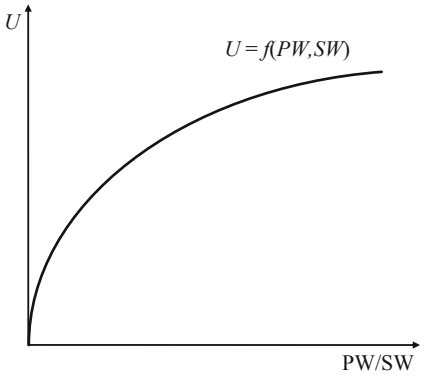


**Fig. 4.6** The relation between physical and social well-being to overall well-being in the SPF. *U* utility, *PW* physical well-being, *SW* social well-being. (Source: Modified from Esser 1999a, p. 97)

overall well-being. Overall well-being is achieved through ensuring physical and social well-being, the universal goals, which are located on the second level. While physical and social well-being are assumed to constitute universal input factors when it comes to producing overall well-being, they also represent basic human needs that have to be produced themselves. A person can only obtain social and physical well-being if she or he possesses characteristics, resources, skills, activities, and the like that other people value and appreciate or which are necessary for meeting her or his biological needs (Esser 1999a, p. 97). Consequently, we cannot directly produce physical and social well-being. Instead, we have to rely on "first order instrumental goals" to ensure their production. Lindenberg and Frey (1993, p. 196) identify five main first order instrumental goals. With respect to social well-being,

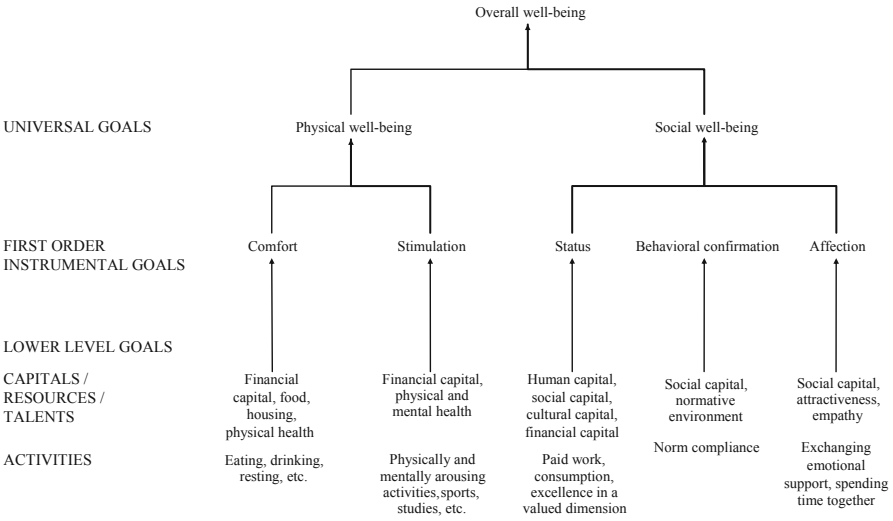


**Fig. 4.7** The hierarchical structure of the SPF. (Source: Modified from Ormel et al. 1999, p. 67)

there is social status, referring to a relative ranking, behavioral confirmation, and affection, which includes love, friendship, and emotional support. For physical well-being, Lindenberg and Frey (1993, p. 196) name comfort and stimulation.[12] These are located at the third level (see Fig. 4.7). If we denote those first order instrumental goals with $G$, the relation—the second production function—can be specified as (Esser 1999a, p. 99)

$$PW = g_1(G)$$

$$SW = g_2(G)$$

As the first-order instrumental goals are necessary to achieve physical and social well-being, the first-order instrumental goals have to be produced themselves, too.[13] There are some concrete suggestions what these lower order means of production actually are (e.g. van Bruggen (2001); Ormel et al. (1999); and see Fig. 4.7), but at this point it suffices to say that in general they encompass, in any combination, capitals, activities and talents, and time. Denoting those lower level goals with $X$ and time with $t$, this leads to the third production function

$$G = h(X, t)$$

In this context, it is useful to distinguish between different forms of capital that can be used to attain higher level goals. Taking up the distinction between four forms of capital (Bourdieu 1983, 2000), there is, first, financial capital, which refers to tangible resources, be they monetary or physical. Second, there is human capital, denoting the skills and knowledge that enhance productivity and one's position in the labor market. In contrast to financial capital, which is highly transferable, human capital is tied to the actor. A common example for human capital is a person's education. Human capital is, however, not limited to those skills acquired through (formal) schooling. In the context of migration, especially language proficiency (Esser 2006; Tubergen and Kalmijn 2005) and cultural knowledge are of crucial importance. This brings us to cultural capital, the third form of capital (Bourdieu 1987, 1989). Cultural capital overlaps with human capital, as both refer to knowledge and skills. It describes an actor's endowment with cultural and linguistic competencies. Typically, the process of cultural capital acquisition is lengthy, requiring early internalization, which makes cultural capital hard to attain later in life. Social capital is the fourth type of capital. It describes an actor's capacity to mobilize (scarce) resources by virtue of the actors' membership in social networks or broader social structures (Portes 1998).[14] In the

[12] Sometimes these first order instrumental goals are also referred to as 'primary intermediate goods' (e.g. Esser (1999a, p. 98)).

[13] This set of resources and talents is also referred to as 'indirect intermediate goods' (Esser 1999a, p. 105).

[14] There are differing and at times at least partially opposing conceptualizations and definitions of cultural and social capital. Bourdieu (1985, 1987), for instance, sees human capital as part of cultural capital. For a different approach to social capital, see, for example, Putnam (1995).

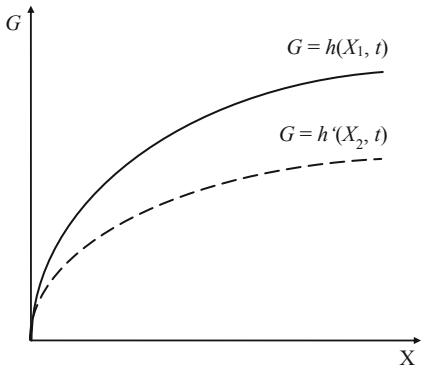


**Fig. 4.8** Two production functions for a first order instrumental goal. (Source: Modified from Esser 1999a, p. 100)

context of the SPF, it is important to understand that all these capitals can be used to produce first order instrumental goals (see Fig. 4.7), which then produce physical and social well-being.

The SPF's second important aspect is the incorporation of substitution mechanisms (Ormel et al. 1999; Ormel et al. 1997; Lindenberg 1996b). SPF theory assumes that one production factor can be exchanged for another. However, the ability to substitute decreases as one moves up the hierarchy of goals. Physical and social well-being can only be substituted to some extent in the production of overall well-being. But in the production of social and physical well-being it is easier to substitute one production factor for another. Status, for instance, can be substituted by behavioral confirmation or affection. Substitutability increases even more, if one looks at the level of capitals and activities: the production of status can, for instance, be achieved by all forms of capital.

Related to the mechanism of substitution is the possibility to evaluate the efficiency of the production factors. The efficiency of a production factor follows from its cost-benefit ratio, i.e. the relation between the amount of input and the amount of output. Production factors can vary considerably in their efficiency, as displayed in Fig. 4.8. The capital (or activity) $X_1$ is more efficient than $X_2$. Although the relation between the two production functions in Fig. 4.8. is rather simple, it can take on more complex forms. Importantly, while it is reasonable to assume that the production function for overall well-being monotonously increases with declining marginal returns, this is not necessarily the case for the production functions of physical and social well-being and for the first order instrumental goals. For instance, excessive food intake can bring about a negative effect on physical well-being, because it can create *dis*comfort.

The most efficient production factors are multifunctional (Ormel et al. 1999), i.e. they can simultaneously produce two or more first order instrumental goals. Financial capital is a case in point. It is necessary to ensure comfort, by allowing the purchase of food, it can be used to attain stimulation, and it automatically, by mere possession, creates status—at least in capitalist societies.

The observation that there are systematic differences in the way (groups of) individuals achieve their well-being, in particular regarding the strategies to attain lower level goals, points to what is social in the SPF. These differences are not idiosyncratic,

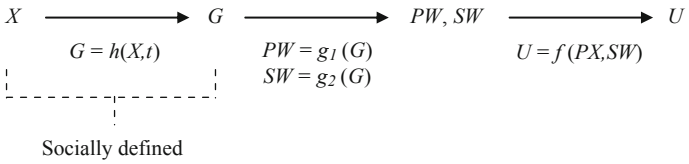


**Fig. 4.9** The structure of the SPF. (Source: Modified from Esser 1999a, p. 108)

but patterned, contingent upon an individual's position in a certain society, and thus social facts in Durkheim's sense (Lindenberg and Frey 1993, p. 196), as societies and subgroups 'define' what a production function looks like. Differences in production functions correspond to different productivity levels of lower level goals or entirely different sets of lower level goals in different societies and subgroups. The set of lower level goals and the productivity of those lower level goals are historically, culturally, and socially specific; they are materially, technically, institutionally, and culturally defined (Esser 1999a, p. 110). What is more, the set of socially defined production functions can be understood as culture: "a culture can be interpreted as having characteristic social production functions for various social positions in various social situations" (Lindenberg 1989a, p. 190). This understanding on how culture impacts action is highly compatible with Merton's (1996/1938) notion of cultural goals and institutional norms (Esser 1999a, p. 111). Cultural goals define what is socially desirable in a society and institutional norms define legitimate ways to achieve those goals. In Merton's words, cultural goals are "[. . .] a frame of aspirational reference. They are the things 'worth striving for' [. . .]" and institutional norms "define[s], regulate[s] and control[s] the acceptable modes of reaching out for these goals" (Merton 1996/1938, pp. 132–133). In terms of the SPF, cultural goals can be understood as defining the lower level goals and the institutionalized norms the way in which these goals can be achieved. The structure of the SPF is summarized in Fig. 4.9.

The production functions on the left side of Fig. 4.9 are those that are socially defined. The further one moves to the right, the more idiosyncratic the production functions become. However, the fact that the means which allow for achieving the first order instrumental goals are socially defined does not imply that there is little variance among them. The opposite is true. The ways in which people try to produce well-being varies within and, in particular, between different segments of a society. Still, some production functions and some capitals take a very prominent position. Among those are, especially in Western societies, human capital and financial capital, since they are multifunctional. This is obvious for financial capital, as discussed above. But it also holds true for human capital, as this form of capital plays a crucial role in determining one's life chances: human capital is one of the most important determinants of one's position in the labor market, which, in turn, largely determines one's position in society, one's financial capital, one's status, and so forth. It therefore does not come as a surprise that research on educational inequality and educational achievement is tied to the investigation of immigrant integration. Moreover, the assumption that forms of capital play a crucial role in the integration process links up with other models (see e.g. Alba and Nee 2003; Nee and Sanders 2001).

## 4.6 The Social Production Function, Immigrant Integration, and Transnational Involvement

Consequently, the SPF framework can be used to investigate differences in the ways groups go about in ensuring their social and physical well-being. From this it extends naturally to the investigation of immigrant integration. We can understand immigrant integration as convergences or divergences in the 'modes of production' of immigrants and the autochthonous population. The receiving society confronts the immigrants with social production functions that oftentimes differ from those in their country of origin (Kalter and Granato 2002, p. 202). In particular, there can be great differences in the efficiency of lower level goals (i.e. capitals), depending on the cultural distance between sending and receiving country, since cultural goals and institutionalized means are likely to differ between immigrants and non-immigrant groups. For example, human capital acquired in the country of origin may lose some or all of its value in the receiving society (Borjas 1989; Chriswick 1978; Friedberg 2000). Certainly, this is not only limited to the human capital, as many forms of capital are not transferable between different societies—either because it is geographically bound, as, for instance, social capital located in the sending country, or because it is devalued, as sending country cultural capital.

Focusing on these lower level goals, the process of immigrant integration can be reconstructed as investments in capitals. In general, an immigrant, as any other person, faces two possibilities: first, to maintain the status quo or, second, to invest time, effort, and resources to change her or his situation. This corresponds to the example given above regarding transnational involvement, where the immigrant also faces two options. Stating this in a more general form gives us (Esser 2006, p. 40)

$$EU(SQ) = U_{SQ}$$

$$EU(IN) = p_{IN}U_{IN} + (1 - p_{IN})U_{SQ} - C_{IN} \tag{4.7}$$

where $IN$ refers to investment and $SQ$ to status quo and $p$ and $U$ denote the subjective expected probabilities and utilities just as above. As demonstrated earlier, some simple algebra leads to the 'investment condition'

$$U_{IN} - U_{SQ} > \frac{C_{IN}}{p_{IN}} \tag{4.8}$$

The left side of the inequality describes the 'investment motive', i.e. the difference in utility associated with the two possible outcomes. The right side of the inequality captures the 'investment threshold', which captures the opportunities for the investment (Esser 2006, p. 41).

### 4.6.1 Three Alternatives

The investment condition emphasizes the importance of the interplay between individual motives and beliefs and structural conditions. Given a certain probability, the higher the costs, the higher the motive to invest ($U_{IN} - U_{SQ}$) has to be in order for the inequality to hold. If the structural conditions do not permit realizing the desired outcome, the motive to invest becomes irrelevant. This is the case if the probability to realize the desired outcome is too low or if the costs are too high. The probability to realize an outcome is particularly important: as the probability decreases, the term of the right hand side of the inequality increases. If the probability approaches zero, the right hand side of the inequality will approach infinity and, consequently, the chance for the inequality to hold will shrink drastically. The motive to invest is, however, highly relevant if the structural conditions permit the investment. The decision to invest then depends on the actor's evaluation of the status quo and the outcome of the investment.

Regarding the integration of immigrants, the model of intergenerational integration posits that immigrants typically have two different investment strategies to choose from (Esser 2006, p. 43 ff.): first, investing into receiving country specific capitals and, second, investing into ethnic capitals. The former corresponds to an assimilative course and the latter to an ethnic course, as, for instance, described in the theory of segmented assimilation (Portes and Zhou 1993; Zhou 1997).[15] Formally this is displayed as

$$EU\,(SQ) = U_{SQ}$$

$$EU\,(RC) = p_{RC}U_{RC} + (1 - p_{RC})U_{SQ} - C_{RC} \tag{4.9}$$

$$EU\,(EC) = p_{EC}U_{EC} + (1 - p_{EC})U_{SQ} - C_{EC} \tag{4.10}$$

with $RC$ denoting receiving country capitals and $EC$ ethnic capitals. Transnational activities lend themselves to being incorporated into the model by adding one additional possible investment strategy, as in the example discussed above

$$EU\,(TN) = p_{TN}U_{TN} + (1 - p_{TN})U_{SQ} - C_{TN} \tag{4.11}$$

One might object that the difference between ethnic investments and transnational investments is not clear cut. Indeed, this can be the case. At the moment, however, we assume an analytical distinction between these options; this topic will be discussed in detail later. The possible beneficial outcomes of the investment strategies can be compared to the status quo and to each other. The model predicts that an investment will be made only if the strategy is perceived as being more beneficial compared to

[15] The theory of intergenerational integration also aims at explaining ethnic conflicts. Thus, it incorporates a third option, investing into a change of the institutional order and the power structure: $EU\,(PC) = p_{PC}U_{PC} + (1 - p_{PC})U_{SQ} - C_{PC}$ with $PC$ for political conflict. Since this work focuses on the integration of immigrants and not on ethnic conflicts, I will disregard the last option in the remainder of the discussion.

the status quo and to the other investment strategies. For instance, an immigrant will invest into receiving country capitals according to the model if

$$U_{RC} - U_{SQ} > \frac{C_{RC}}{p_{RC}} \tag{4.12}$$

and if $EU\,(RC) > EU\,(EC)$ as well as $EU\,(RC) > EU\,(TN)$. $EU\,(RC) > EU\,(EC)$ equals

$$\begin{aligned} p_{RC}U_{RC} + (1 - p_{RC})U_{SQ} - C_{RC} &> p_{EC}U_{EC} + (1 - p_{EC})U_{SQ} - C_{EC} \\ p_{RC}U_{RC} - p_{RC}U_{SQ} - C_{RC} &> p_{EC}U_{EC} - p_{EC}U_{SQ} - C_{EC} \end{aligned} \tag{4.13}$$

Solving the investment condition (4.12) for $U_{SQ}$ and plugging this into (4.13)—under the assumption of indifference, i.e. the actor is indifferent to investing or maintaining the status quo $U_{SQ} = U_{RC} - (C_{RC}/p_{RC})$—this leads to

$$p_{RC}U_{RC} - p_{RC}\left(U_{RC} - \frac{C_{RC}}{p_{RC}}\right) - C_{RC} > p_{EC}U_{EC} - p_{EC}\left(U_{RC} - \frac{C_{RC}}{p_{RC}}\right) - C_{EC}$$

$$p_{RC}U_{RC} - p_{RC}U_{RC} + p_{RC}\frac{C_{RC}}{p_{RC}} - C_{RC} > p_{EC}U_{EC} - p_{EC}U_{RC} + p_{EC}\frac{C_{RC}}{p_{RC}} - C_{EC}$$

$$p_{EC}U_{RC} - p_{EC}\frac{C_{RC}}{p_{RC}} > p_{EC}U_{EC} - C_{EC}$$

$$U_{RC} - \frac{C_{RC}}{p_{RC}} > U_{EC} - \frac{C_{EC}}{p_{EC}} \tag{4.14}$$

This condition is straightforward: An immigrant will prefer investing into receiving country capitals rather than into ethnic capitals if the difference in expected gains minus the ratio of costs and probability for this investment, i.e. the 'net gains', is higher than the expected net gains from the investment into ethnic capitals. Under the assumption that these investments are mutually exclusive—we will return to this aspect later—the condition can be interpreted from the perspective of opportunity costs: only if the opportunity costs (the expected net gains of the forgone alternative) are lower than the alternative in consideration will an actor actually choose this course of action. However, this condition is not sufficient. At the same time, $EU(RC) > EU(TN)$ has to be met, which likewise states that the net gains of an RC-investment must outweigh net gains from transnational involvement

$$U_{RC} - \frac{C_{RC}}{p_{RC}} > U_{TN} - \frac{C_{TN}}{p_{TN}} \tag{4.15}$$

Alternatively, these conditions can be represented as

$$U_{RC} - U_{TN} > \frac{C_{RC}}{p_{RC}} - \frac{C_{TN}}{p_{TN}} \tag{4.16}$$

**Table 4.1** The relation between the different investment strategies

| Investment strategy | Condition 1 (Investment vs. status quo) | Condition 2 (Investment a vs. investment b) | Condition 3 (Investment a vs. investment c) |
|---|---|---|---|
| Receiving country capitals | $U_{RC} - U_{SQ} > \frac{C_{RC}}{p_{RC}}$ | $U_{RC} - \frac{C_{RC}}{p_{RC}} > U_{EC} - \frac{C_{EC}}{p_{EC}}$ | $U_{RC} - \frac{C_{RC}}{p_{RC}} > U_{TN} - \frac{C_{TN}}{p_{TN}}$ |
| Ethnic capitals | $U_{EC} - U_{SQ} > \frac{C_{EC}}{p_{EC}}$ | $U_{EC} - \frac{C_{EC}}{p_{EC}} > U_{RC} - \frac{C_{RC}}{p_{RC}}$ | $U_{EC} - \frac{C_{EC}}{p_{EC}} > U_{TN} - \frac{C_{TN}}{p_{TN}}$ |
| Transnational involvement | $U_{TN} - U_{SQ} > \frac{C_{TN}}{p_{TN}}$ | $U_{TN} - \frac{C_{TN}}{p_{TN}} > U_{RC} - \frac{C_{RC}}{p_{RC}}$ | $U_{TN} - \frac{C_{TN}}{p_{TN}} > U_{EC} - \frac{C_{EC}}{p_{EC}}$ |

*U* utility, *C* costs, *p* the realization probabilities, *SQ* status quo, *RC* receiving country capital, *EC* ethnic capital, *TN* transnational activities

and

$$U_{RC} - U_{EC} > \frac{C_{RC}}{p_{RC}} - \frac{C_{EC}}{p_{EC}} \tag{4.17}$$

In this form, the inequality's left side again captures the investment motive (or incentive or desire) while the right represent the opportunities and costs. We can thus systematize the relationship between the three possible investment strategies and the status quo, as summarized in Table 4.1. Only if the three conditions are met simultaneously will an immigrant invest into the respective capital.

These inequalities are abstract; they are the rational choice core of the explanation. As discussed above, they have to be filled empirically in order to produce concrete hypotheses. But before doing so, we have to consider how transnationalism and integration link up in the broader framework drawn out. One way, and this has been done above, is to incorporate transnational involvement as an additional investment strategy. This is what the remainder of this work concentrates on. Although transnational involvement is presented as a third investment possibility, it should not be understood as a general 'mode of production' akin to an assimilative or ethnic investment strategy (Kivisto and Faist 2010, p. 148). This would imply a transnational mode of living, which previous research, in particular on transnational entrepreneurship (Portes et al. 2002), has shown to be rather rare.[16]

The next step consists of empirically filling the abstract conditions in Table 4.1 to derive testable hypotheses. As outlined above, this is done via specifying bridge

[16] However, transnationalism can be incorporated into this theoretical framework in a different manner. As laid out in Chap. 3, this work builds on a straightforward, action-oriented conception of transnationalism—border crossing activities. Still, the literature offers other, broader conceptions, which focus on increased interconnectedness between states and the life of individuals across borders (e.g. Mau 2010; Mau et al. 2008). Understood in such a way, transnationalism shares aspects of globalization. Indeed, it is argued that a potential increase in transnational activities comes as a byproduct of globalization. As a consequence of globalization, social production functions may have been changed in the sense that the definition of their instrumental goals is less determined by national societies but instead globally or transnationally standardized (Kalter 2005), which also links up to the discussion of methodological nationalism (see Chap. 3). In this sense, transnationalism could refer to a declining importance of country-specific capitals and the increasing importance of generalized capitals. This phenomenon is elsewhere described as the structural isomorphism of contemporary nation-states (Meyer et al. 1997). The global expansion and standardization of (higher)

**Table 4.2** Levels and examples of factors influencing investment decisions. (Source: Modified from Esser 2006, p. 38)

| Level | Examples |
|---|---|
| Individual | Human capital (receiving or sending country; e.g. formal education), cultural capital (receiving or sending country; e.g. language), social capital (receiving or sending country or ethnic; e.g. composition of networks), financial capital (e.g. income), other factors (e.g. years of residence, age at migration, first or second generation, intention to stay, residence status, citizenship, ties to the sending country, identification, labor force status, marital status) |
| Contextual | |
| Sending context | Demographic, economic, and political situation in sending country, cultural distance between sending and receiving country |
| Receiving context | Integration policy, labor market, social distance between autochthonous and immigrant population, segregation |
| Ethnic group | Size, geographic dispersion, replenishment, institutionally complete enclaves |

hypotheses that help to understand how situations structure an actor's motives, opportunities, and restrictions for certain courses of actions. When trying to explain how immigrants determine whether to invest into receiving country or ethnic capitals or become transnationally active, an array of factors has already been identified by research so far (see Chaps. 2 and 3). It depends on their inclusion or exclusion from central subsystems of the receiving society, in particular their labor market position, on individual characteristics, such as their endowment with capitals, and on the existence of specific ethnic opportunities, for instance ethnic economies, the cultural distance between sending and receiving country, and the social distance between the autochthonous group and the immigrants. This enumeration can certainly be expanded. But the task at hand does not require specifying *every* aspect influencing the process of immigrant integration. Instead, it suffices to concentrate on those which are theoretically prominent and empirically relevant. The factors can be systematized according to the level they are situated on—the individual and the contextual level (Alba and Nee 2003, p. 38). At the individual level, we can further differentiate between the different capitals, as the acquisition is not only important regarding the outcome of the integration process, but they function as important inputs for this process, too. The contextual level can further be differentiated into sending context, receiving context, and ethnic group (Table 4.2).

While some factors suggest unambiguous, straightforward effects on the process of integration, its theoretical reconstruction is complicated by its dynamic and multidimensional nature. For instance, if we intend to explain transnational involvement, we have to consider that this is likely to influence a second phenomenon

education could serve as an example. Human capital acquisition is at the same time becoming more standardized (e.g. the Bologna process) and internationally more important in determining an individual's life chances. Although this line of argumentation is interesting, it is not what this work wants to investigate. Moreover, with this work's focus and the available data, it is not possible to test the empirical validity of this hypothesis.

to be explained, e.g. investments into receiving country capitals. From a standard assimilationist perspective, we could, for example, put forth the hypothesis that the higher an immigrant's transnational involvement, the lower will be her or his investment into receiving country capitals, because (a) transnational involvement enforces a sending country mode of production and (b) any investment uses up scarce time and resources—what is invested into one alternative cannot be invested into another. Although there are certainly path-dependencies, such an undifferentiated approach might be too simplistic, as it rests on the assumption that receiving country and sending country modes of production are different. This can be the case, but it does not have to be. Although time and resources are scarce, investments are not necessarily mutually exclusive.

However, there are some investment strategies that have a higher affinity toward another than others. In particular, transnational involvement and investment into ethnic capitals have a higher affinity than transnational involvement and investment into receiving country capitals, assuming that the former share some input factors. Some capitals might be multifunctional in the sense that they, once acquired, can be used to attain different goals across different modes of production. A prime example is the second generation's proficiency in the language of the country of origin. If this is given, it reduces the costs and increases opportunities for both transnational involvement and further ethnic capital investment. Moreover, even if we do without a strict causal order between the different dimensions of integration (cultural, structural, social, emotional), they are, nevertheless, interrelated. This has to be considered in a theoretical reconstruction, too. While any combination of inclusion and exclusion on the four dimensions is theoretically possible (Esser 2006, p. 27), some are theoretically and empirically more likely than others, because they are correlated. Within one mode of production this correlation is positive. The within correlation is positive, because a high level of integration on one dimension makes a higher level on another dimension more likely. For instance, high social integration into the receiving country makes a higher level of cultural integration into the receiving country more likely, as social integration increases the realization probability of investing into cultural integration (e.g. through contacts in interethnic friendships), increases the motive to do so, and reduces the costs. Between the modes of production the correlation can be positive or negative, depending again on the overlap of these modes.

### *4.6.2 Determinants of Transnational Involvement*

In specifying the determinants of transnational involvement, we have to assess the empirical circumstances for condition one and two being met simultaneously (see Table 4.1). That is immigrants will be transnationally active if $U_{TN} - U_{RC} > (C_{TN}/p_{TN}) - (C_{RC}/p_{RC})$ and $U_{TN} - U_{EC} > (C_{TN}/p_{TN}) - (C_{EC}/p_{EC})$ are simultaneously met.[17]

[17] Since $U_{TN} - U_{SQ} > C_{TN}/p_{TN}$ was used to solve the inequalities, both conditions $U_{TN} - U_{RC} > (C_{TN}/p_{TN}) - (C_{RC}/p_{RC})$ and $U_{TN} - U_{EC} > (C_{TN}/p_{TN}) - (C_{EC}/p_{EC})$ presuppose that $U_{TN} - U_{SQ} > C_{TN}/p_{TN}$ is met and we can concentrate the discussion on those two inequalities.

**Individual Factors** The first aspect to consider concerns a feature of the migration process itself, namely age at migration. Age at migration appears as a crucial factor shaping an immigrant's motivation and opportunities for transnational involvement, since the settlement process is likely to be moderated by the life cycle (Waldinger 2008, p. 18). The more time an immigrant has spent in the country of origin before migrating, the higher will be her or his attachment to this country, the more country of origin capital she or he will have accumulated there, and the more familiar she or he will be to this country's mode of production. The older an immigrant is when entering the receiving society, the higher will be her or his stock of sending country (SC) capitals (OC, which are assumed to equal ethnic capitals) and thus the higher the incentive to prevent their devaluation. Taken together, this will increase the expected gains of border-crossing activities ($U_{TN}$) and provide more opportunities for such activities through increased realization probabilities ($p_{TN}$) and reduced costs ($C_{TN}$). A further indirect effect of age at migration results from its influence on RC-investments. The younger a person is, the easier it is to learn and adapt to new modes of production prominent in the receiving country; for some aspects (e.g. language) there even seems to be a critical period (Esser 2006, p. 87). Additionally, investments into new capitals are less attractive the shorter the expected time-span in which benefits can be realized. With increasing age at migration, the remaining life in the receiving country decreases. Thus, the older an immigrant is when entering the receiving country, the higher is the probability that condition two is—*ceteris paribus*—met.

The assumed effects of age at migration in condition three—the comparison between transnational involvement and EC-investments—are put into parentheses (see Table 4.3) because their influence goes into the same direction: the older a person is at migration, the higher will be the expected gains from transnational involvement ($U_{TN}$) as well as from EC-investments ($U_{EC}$). Likewise, age increases realization probabilities ($p_{TN}$ and $p_{EC}$) and reduces costs for both alternatives ($C_{TN}$ and $C_{EC}$). If we write the third condition as $U_{TN} - (C_{TN}/p_{TN}) > U_{EC} - (C_{EC}/p_{EC})$ it is apparent that both sides of the inequality are proportionally influenced by age at migration.

Summing up, the first hypothesis is

Hypothesis TN1: The higher an immigrant's age at migration, the greater will be her or his transnational involvement.

Conversely, if an immigrant is born in the receiving country, the more will her or his (secondary) socialization take place with reference to the standards of the receiving country, in particular if she or he attends school in the receiving country. This entails higher realization probabilities ($p_{RC}$) of RC-investments, lower costs of such investments ($C_{RC}$), and higher gains ($U_{RC}$). At the same time, the second generation has considerably less first-hand knowledge about the country of origin. As such, the second generation has much fewer opportunities for border-crossing involvement, as it lacks necessary social capital in the country of origin, is less used to the mode of production in the country of origin, and is commonly less attached to it. Later generations are in general less endowed with OC-capitals than the first. As a result, the costs for transnational involvement are higher ($C_{TN}$) and the realization probability ($p_{TN}$) is lower. The same holds for EC-investments.

Hypothesis TN2: The second generation is less transnationally active than the first.

Although years of residence by themselves do not constitute a causal factor influencing immigrant integration (Esser 1981), they are crucially important in the process of immigrant integration for two reasons. First, years of residence are the most important proxy variable capturing opportunities for integration. Second, integration is a process over time: learning the new language, getting used to new customs and norms, building up new relations all happen over time and the years of residence capture the length of exposure. In terms of the inequalities in Table 4.3, this refers to increased realization probabilities of ($p_{RC}$), which makes it less likely that condition two is met.

Hypothesis TN3: The higher the years of residence in the receiving country, the less transnationally active an immigrant will be.

We could moreover assume that the longer an immigrant lives in the receiving society, the higher will be his or her orientation toward this country and thus the lower the motivation to be transnationally active. This might be the case, but, as the above discussion on individual social integration suggests, it is not necessarily so. In case of marginalization, the orientation toward the receiving country might be low, regardless of the length of stay. Obviously, this depends on other aspects that better capture the immigrants' orientation toward the country of origin and the receiving country. Among those, the intention to stay permanently or to eventually return to the country of origin takes a prominent position. If the immigrant intends to settle permanently in the receiving country, this is likely to increase an immigrant's assessment of the beneficial consequences of RC-investments ($U_{RC}$). Many of these investments require a considerable amount of resources and time, but their related rewards are realized only in the long run. If the stay is supposed to be temporary, the motivation to invest into RC-capitals is consequently lower. And, maybe even more important, if an immigrant plans to return to the country of origin, this involves a strong incentive to maintain sending country capitals—in particular social capital located in the sending country. Conversely, a permanent stay reduces potential gains ($U_{TN}$) and thus the incentive to be transnationally active. Overall, therefore, the probability that condition two is met will be lower.

Hypothesis TN4: If an immigrant intends to stay permanently in the receiving country, transnational involvement will be lower.

Apart from the intention to stay in the receiving country, direct feelings of belonging and identification will influence an immigrant's motivation to be transnationally active. Acquiring the receiving country's citizenship can be an indicator of identification with this country (Diehl and Blohm 2008). If citizenship acquisition is a manifestation of an immigrant's identification with the receiving country, it can be viewed as an immigrant's crossing of boundaries between ethnic groups (or an attempt to do so). From such a perspective, citizenship signifies belonging, and it would decrease gains from transnational involvement ($U_{TN}$). However, acquiring the receiving country's citizenship can also have instrumental value. On the one hand, it secures legal status, with its value being determined by the differential (legal) treatment and opportunities for citizens and non-citizens. In some areas, acquiring

**Table 4.3** Theoretical constructs and bridge hypotheses

| Factor | | | | Condition 2 (TN vs. RC) | | | | | | Condition 3 (TN vs. EC) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | $U_{TN}-U_{RC} > (C_{TN}/p_{TN})$ | | | | $-(C_{RC}/p_{RC})$ & | | $U_{TN}-U_{EC} > (C_{TN}/p_{TN})$ | | | | $-(C_{EC}/p_{EC})$ | | Overall |
| | | Age at migration | TN1 | + | | − | + | + | − | (+) | (+) | (−) | (+) | (−) | (+) | + |
| | | 2nd generation | TN2 | | + | + | − | − | + | | | (+) | (−) | (+) | (−) | − |
| | | Years of residence | TN3 | | | | | − | + | | | | | | | − |
| Individual | Emotional | Intention to stay | TN4 | − | + | | | | + | (−) | (−) | | | | | − |
| | | Citizenship (RC) | TN5 | | ? | ? | ? | ? | ? | | | ? | ? | ? | ? | ? |
| | Cultural | Language proficiency (OC) | TN6 | | | − | + | | | | | (−) | (+) | (−) | (+) | + |
| | | Language proficiency (RC) | TN7 | | | | | − | + | | | | | | | |
| | Structural | Human capital | TN8 | | + | ? | ? | − | + | | | − | ? | | | − |
| | | Income | TN9 | + | + | − | + | − | + | + | + | − | + | − | + | ? |
| | | Labor force status (empl.) | TN10 | | + | | | | + | | | | | | | − |
| | Social | Social capital (EC) | TN11 | + | | − | + | | | | | (−) | (+) | (−) | (+) | + |
| | | Social capital (OC) | TN12 | | | | | | | | | | | | | + |
| Contextual | Receiving context | Social distance | TN13 | | − | | | | − | | | | | | | + |
| | Ethnic Group | Geo. Concentration | TN14 | | | − | + | | | | + | − | + | − | + | + |

*U* the utility, *C* costs, *p* the realization probabilities of the respective alternatives (*TN, RC, EC*), *OC* origin, *RC* receiving country, *TN* the number of the hypothesis

citizenship is even a prerequisite for full participation, e.g. in politics and sometimes also in the labor market. If this is the case, then having the citizenship of the receiving country increases potential gains ($U_{RC}$) and realization probabilities ($p_{RC}$) and reduces costs ($C_{RC}$). On the other hand, the citizenship of the receiving country can also ease traveling across borders if the citizens of the receiving country enjoy better visa conditions. The legal rights an immigrant enjoys through acquiring citizenship can also open up new possibilities for transnational endeavors, such as getting residence permits for family members. As a result, citizenship acquisition can also increase realization probabilities ($p_{TN}$) and decrease the costs ($C_{TN}$) of border-crossing activities. Thus, the effect of acquiring the German citizenship cannot be established unambiguously, since different processes driven by different motivations are likely to mutually cause immigrants to become citizens of Germany.

Hypothesis TN5: Acquiring German citizenship will neither increase nor decrease transnational involvement.

On the cultural dimension of integration, language proficiency is arguably one of the most important aspects affecting immigrant integration (Esser 2006), because it can directly affect one's inclusion or exclusion from social systems or (ethnic) groups. In order to be included into an ethnic group, one has to have command of the language that is spoken within this group and, likewise, inclusion into subsystems of the receiving society, e.g. the educational system or the labor market, generally requires proficiency in the language of the receiving country. Similarly, being proficient in the language of the country of origin is a prerequisite for transnational endeavors. It increases realization probabilities ($p_{TN}$) and decreases the costs ($C_{TN}$). Therefore, condition two is more likely to be met, because the size of the inequality's right side decreases. Receiving country language proficiency is, in contrast, an essential prerequisite for (further) RC- investments, in particular for human capital and labor market participation. It increases realization probabilities ($p_{RC}$) and decreases the costs ($C_{RC}$), which makes it less likely that condition two is met.

Hypothesis TN6: If an immigrant is proficient in the language of the country of origin, her or his transnational involvement will be higher.

Hypothesis TN7: If an immigrant is proficient in the language of the receiving country, her or his transnational involvement will be lower.

Human capital on the whole is associated with higher expected gains ($U_{RC}$), high realization probabilities ($p_{RC}$), and lower costs of investment ($C_{RC}$) into receiving country capitals. In almost all Western receiving societies, human capital takes on an extraordinarily important position in determining one's life chances, as these depend on the position in the labor market, which again depends on an individual's endowment with human capital. Moreover, high human capital already indicates a familiarity with a prominent mode of production in receiving countries—this holds at least for (post)industrialized societies.

Hypothesis TN8: The higher an immigrant's human capital, the lower will be her or his transnational involvement.

This hypothesis now obviously stands in contrast to findings of previous research (e.g. Guarnizo et al. 2003; O'Flaherty et al. 2007) in which education is partly understood as an asset for transnational involvement. But we have to consider two

points. First, these studies do not control for both human and financial capital. Therefore, indicators of human capital might be conflated with available financial capital. Second, findings on a positive association between human capital and transnational involvement might very well be domain-specific in the sense that there is a positive relation between education and political transnational involvement. But this might not primarily be an association between human capital and border-crossing activities but between human capital and political participation (Guarnizo et al. 2003, p. 1229; but see Waldinger 2008 for divergent findings).

The role income (and financial capital in general) plays is also ambiguous. On the one hand, income is a central aspect of immigrant integration. It is a major dependent variable in integration research, specifically with regard to questions of structural integration. On the other hand, financial capital is the material base for most investments into capitals on the other dimensions, be they EC, RC, or border-crossing. It is a case in point for a phenomenon that is explanandum and explanans at the same time. Its effect on the realization probability ($p_{RC}$) of RC-investments is positive, as it endows the immigrant with necessary resources and status that make realizing a beneficial outcome more likely. At the same time, transnational involvement can be costly, depending on the type of activity.[18] In this sense, financial capital also provides the material basis for border-crossing activities. By itself, it creates multiple opportunities, but the way in which these opportunities are employed cannot be determined easily. However, we can assume that one form of transnational involvement is positively influenced by the available financial resources: namely sending remittances.

Hypothesis TN9: The higher the available financial capital, the higher will be the probability and level of remittances.

While employment is an important source for financial capital among immigrants, regular employment itself can prevent border-crossing activities if they require considerable amount of time, as employment "ties" the immigrant to the receiving country. Moreover, gainful employment is an important indicator for successful (structural) integration into the receiving society and this can increase the perceived attractiveness of (further) RC-investments. Therefore, regular employment by itself is supposed to limit transnational activities, increasing the opportunity costs for border-crossing involvement. If we rewrite condition two as $U_{TN} - C_{TN}/p_{TN} > U_{RC} - C_{RC}/p_{RC}$, this becomes apparent: full time employment increases the inequality's right side.

Hypothesis TN10: Being employed will reduce transnational involvement.

With regard to ethnic social capital, we can assume that a (co)ethnically homogenous network is associated with higher transnational involvement. Through reinforcing ethnic modes of production, it increases the expected gains of border-crossing activities ($U_{TN}$), the realization probabilities ($p_{TN}$), and reduces costs ($C_{TN}$).

Hypothesis TN11: A (co)ethnically homogeneous network is associated with higher transnational involvement.

[18] I will disregard transnational entrepreneurship, which, despite its popular position within the scientific literature, represents a marginal phenomenon as shown in Chap. 3.

Conversely, the effect of personal relations with the autochthonous population increases the expected gains of RC-investments ($U_{RC}$) as well as the realization probabilities ($p_{RC}$), and reduces costs ($C_{RC}$). However, due to the way the data on network composition is collected (see Chap. 5 for details), it is unfortunately impossible to assess both the effect of ethnic and receiving country social capital at the same time.

With regard to social capital in the country of origin, we can similarly assume that this reinforces ethnic modes of production, it directly increases the expected gains of border-crossing activities ($U_{TN}$) and the realization probabilities ($p_{TN}$) and it reduces costs ($C_{TN}$).

Hypothesis TN12: Having relatives in the country of origin is associated with higher transnational involvement.

**Contextual Aspects** While social capital and personal networks are attributes of the individual, they are not independent from the greater social context. If, for instance, the social distance between the immigrant group and the autochthonous population is great because of discrimination and social closure, informal social relations will not be very common. The receiving context thus plays a prominent role in structuring individual opportunities. Taking up the example of discrimination, which will serve as a case in point for social distance, we can infer that discrimination will reduce the perceived realization probabilities of RC investments ($p_{RC}$) and decrease the expected gains from such investments ($U_{RC}$). Educational investments are good examples. An immigrant will refrain from investing into RC human capital if she or he is convinced not to be able to realize its gains because of discrimination on the labor market (see Kalter 2003). This will consequently increase the probability that condition two is met.

Hypothesis TN13: If an immigrant experiences discrimination, she or he will be transnationally more active.

Open discrimination is not the only contextual factor which will influence the choice between RC-investments and transnational involvement. When it comes to the ethnic group in the receiving country, we are, nevertheless, able to assess its influence. The ethnic group's effect on the possible investment strategies depends not only on its overall size, but also on its geographical concentration. Because geographical concentration varies even with ethnic groups according to an individual's place of residence, we can try to evaluate how being embedded into an ethnic neighborhood influences transnational involvement. In general, the ethnic group takes a very prominent position for investments into EC-capitals. It can offer the possibility to circumvent the devaluation of ethnic capitals. Whereas ethnic (cultural) capital cannot be efficiently used in the receiving society to assure well-being, it still fulfills this function within the ethnic group (Blau 1994, p. 28 ff.). The larger the group, the more possibilities there are to use one's ethnic capital. This not only depends on the group's size, but also on the group's concentration—foremost in the immigrant's spatial context (e.g. Schunck and Windzio 2009). Consequently, the group size and geographical concentration increase potential gains and realization probabilities, as they increase the opportunities and motives for an ethnic mode of production. The

role the ethnic group takes for EC-investments indicates that there is an overlap between an ethnic mode of production and transnational activities. Transnational involvement can equally serve the purpose of preventing the devaluation of ethnic capitals. This becomes particularly obvious for proficiency in the language of the country of origin, because it is a necessary requirement for an ethnic mode of production in the receiving country (within the ethnic group), as well as for border-crossing activities. It opens up opportunities for these activities and as such increases the realization probabilities ($p_{TN}$) and reduces the costs ($C_{TN}$) for such endeavors. Although embeddedness into the ethnic group can, in principle, serve as a substitution for transnational involvement (and vice versa), it generally enforces ethnic modes of production, strengthens ties with the country of origin, and decreases the costs of transnational involvement. This is particularly the case within institutionally complete ethnic enclaves or neighborhoods that offer special services geared toward the needs of immigrants and host ethnic organizations, whose activities span across borders. Therefore, living in an immigrant neighborhood—which serves as a proxy for being embedded locally into an ethnic group—increases potential gains from transnational endeavors ($U_{TN}$) and realization probabilities ($p_{TN}$) and reduces costs ($C_{TN}$).

Hypothesis TN14: If an immigrant is embedded in an ethnic group, she or he will be transnationally more active.

All hypotheses are summarized in Table 4.3 according to the level and the dimension to which they belong. An inferred positive relation between a factor and a term in the inequalities is denoted by a "+", a negative relation with a "−", and in case the direction cannot be unambiguously established, this is denoted by "?". The last column of Table 4.3 presents the assumed overall effect on transnational involvement.

**Motivation and Opportunities Revisited** Now, some of the above hypotheses may appear simplistic. But we have to consider that these hypotheses are all built on a "*ceteris paribus*" assumption, i.e. all other factors are held constant. However, inferring hypotheses is complicated by the fact that *ceteris paribus* may not be a sufficient assumption, because the effect of one factor might depend on the level of another. Income is a good example: it can provide means for transnational involvement, but it is also a central indicator for successful economic integration. Under the assumption that the dimensions of integration are positively correlated, a high income might reduce the orientation toward the country of origin and increase the orientation toward the receiving country, which would make transnational involvement less likely. But, as argued above, the dimensions of integration are not deterministically linked. Regarding income, we can expect differential effects depending on, for instance, the orientation toward the receiving country.

From the relation between income and RC-orientation, displayed in Fig. 4.10, we can infer the following differential hypothesis: transnational involvement is highest among those immigrants who have the opportunities (high income) and the motivation (low RC-orientation) and is lowest among those who lack both opportunity (low

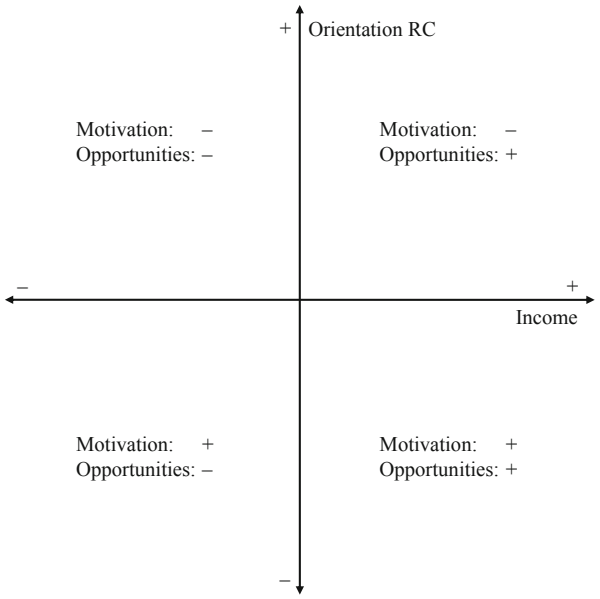


**Fig. 4.10** Differential effects of income on transnational involvement dependent on the orientation toward the receiving country. (Source: Modified from O'Flaherty et al. 2007, p. 824)

income) and motivation (high RC-orientation). The effect of the other two configurations cannot be established unambiguously. If the opportunities are completely missing, then the strength of the motive is irrelevant—the inequality specified in condition two is never met, as the term on the right side approaches infinity. If the opportunities for border-crossing involvement are present but the motive for transnational involvement is absent, then condition two is similarly not met. Thus, it depends on the *interplay* of motive and opportunity. Empirically, this implies that the effect of motivation and opportunities is not linear but multiplicative, i.e. it is an interaction. We can generalize such an expectation of multiplicative effects across the different dimensions of integration as in Fig. 4.11.

The differentiation between high and low levels of integration on a single dimension is incomplete, since integration has to be understood with reference to both the ethnic group and the receiving society. This was presented in Chap. 2 in terms of marginalization, segmentation, assimilation, and multiple inclusion. Instead of exploring all possible interactions between all dimensions of integration, the focus will be on the interaction between the structural and the other dimension (see Table 4.4). Since the structural dimension largely determines material opportunities and restrictions, it is perhaps the most important. To simplify this presentation, structural integration is reduced to being either high or low with reference to the receiving society. Not all configurations in Table 4.4 are empirically likely. For instance, structural inclusion into the receiving society is unlikely to coincide with marginalization on the cultural dimension.

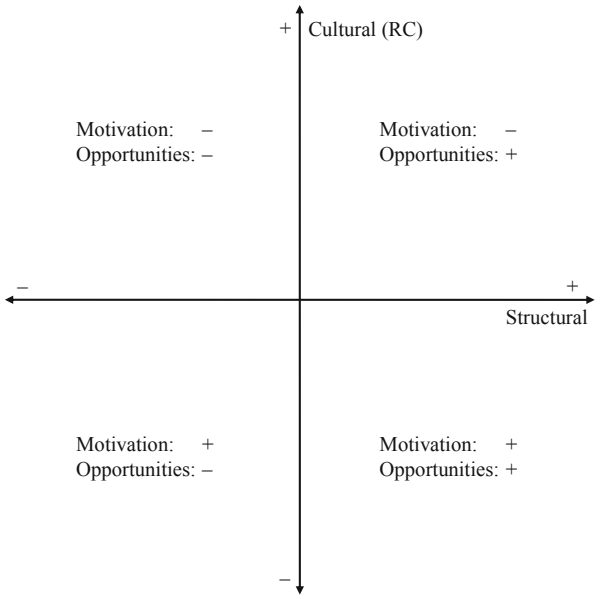


**Fig. 4.11** Differential effects of income on transnational involvement dependent on cultural and structural integration into the receiving country. (Source: Modified from O'Flaherty et al. 2007, p. 824)

Other configurations allow for precise predictions. If high structural integration coincides with segmentation on any other dimension, this provides the motive as well as the (financial) opportunities to be transnationally active. Many lower level goals that are important input factors in an ethnic mode of production reduce costs ($C_{TN}$), increase realization probabilities ($p_{TN}$), and increase gains of transnational involvement ($U_{TN}$). Examples of these lower level goals are proficiency in the language of the country of origin or a (strong) ethnic identity. The same holds for high structural integration combined with multiple inclusion on the other dimensions—although the motive is likely not to be as strong, as there is a viable alternative to transnational or ethnic modes of production. If high structural integration is met with assimilation on the other dimensions, immigrants lack the motive to be transnationally active despite opportunities. Overall, for high levels of structural integration, the effect of inclusion into and exclusion from receiving society and/or the ethnic group is straightforward—with the exception of cultural marginalization.

For low levels of structural integration, some of the possible configurations do not unambiguously predict an immigrant's tendency to be transnationally active, since the influential factors at times operate in opposing directions: low structural integration paired with social marginalization is likely to bring forth strong incentives to become transnationally involved, but this may not be within the feasible set of alternatives if the immigrants lack the financial means. This is denoted by "?" in Table 4.4. In this case, the empirical outcome strongly depends on the costs of

**Table 4.4** Configurations of dimensions of integration and effects on transnational involvement

| Dimension | | Structural | |
|---|---|---|---|
| | | High | Low |
| Cultural | Marginalization | ? | − |
| | Segmentation | ++ | ? |
| | Assimilation | − | − |
| | Multiple inclusion | + | ? |
| Social | Marginalization | + | ? |
| | Segmentation | ++ | ? |
| | Assimilation | − | − |
| | Multiple inclusion | + | ? |
| Emotional | Marginalization | − | − |
| | Segmentation | ++ | ? |
| | Assimilation | − | − |
| | Multiple inclusion | + | ? |

the concrete transnational activity. Long trips to the country of origin as well as big financial investments seem unlikely, because they are cost-intensive, while low cost involvement should be more likely. The same differential prediction holds for segmentation and multiple inclusion on the other dimensions. If low structural integration coincides with assimilation on the other dimensions, the models' predictions are again clear: the immigrant lacks the motivation as well as the opportunities to be transnationally active. Complementing the above discussion we can thus derive additional hypotheses specifying conditional effects.

Hypothesis TN15: High structural integration met with segmentation (on any other dimension) is positively associated with transnational involvement.

Hypothesis TN16: High structural integration met with assimilation (on any other dimension) is negatively associated with transnational involvement.

### *4.6.3 The Effect of Transnational Involvement on Integration*

Now that we have established hypotheses regarding the determinants of transnational involvement, we can examine the effect of such border-crossing activities on the process of integration. This is done analogously to the above discussion. The question of interest now is: how do transnational activities influence the decision to invest either into EC- or RC-capitals? The relevant conditions thus are $U_{RC} - U_{EC} > (C_{RC}/p_{RC}) - (C_{EC} - p_{EC})$ and $U_{EC} - U_{RC} > (C_{EC}/p_{EC}) - (C_{RC} - p_{RC})$. It is sufficient to investigate the effect of transnational involvement on one of these two conditions, because the represent the same decision. What makes an RC-investment more likely simultaneously makes an EC-investment less likely. Thus, in the following, only one condition $U_{RC} - U_{EC} > (C_{RC}/p_{RC}) - (C_{EC} - p_{EC})$ will be regarded.

Overall, transnational involvement is likely to strengthen modes of production that are dominant within the country of origin. Under the assumption that the modes of production differ, this will make RC-investments less likely, because it increases potential gains from EC-investments ($U_{EC}$) and realization probabilities ($p_{EC}$) and reduces costs ($C_{EC}$). Why is this so? First, there is an overlap in input factors for EC-investments and transnational involvement. For example, proficiency in the language of the country of origin is a prerequisite both for ethnic modes of production within the receiving country as well as for maintaining ties with the country of origin. Assuming that transnational involvement will come along with higher language proficiency, this consequently increases realization probabilities ($p_{EC}$) for EC-investments. Additionally, the costs of EC-investments decrease if lower level goods, which are required for those investments, are obtained through border-crossing activities. Consequently, the condition $U_{RC} - U_{EC} > (C_{RC}/p_{RC}) - (C_{EC} - p_{EC})$ is less likely to be met and, conversely, the condition $U_{EC} - U_{RC} > (C_{EC}/p_{EC}) - (C_{RC} - p_{RC})$ is more likely to be met.

Hypothesis IN1: Transnational involvement will make integration into the receiving society (i.e. assimilation or multiple inclusion) less likely.

But this general hypothesis on the relation between immigrant integration and transnational involvement, which indicates mutual exclusion rather than concurrence, obviously stands in contrast to other studies' findings (see Chap. 3). How can these differences be explained? The effect of transnational involvement is likely to be mediated by other—individual and contextual—factors. For instance, if there is very little cultural distance between sending and receiving country, transnational involvement is unlikely to exert a strong influence on the process of integration. In the case of cultural similarity, there is great overlap in social definition of the lower level goals that efficiently secure well-being. A person who migrates from one Western (post)industrialized society to another, e.g. from Great Britain to the US, will be much more familiar with the culturally defined goals and institutionalized means in the US than a person coming from a culturally dissimilar context. Theoretically, this implies that EC- and RC-investments are compatible and that those factors which make one investment less costly or more likely to realize similarly effects the other investment—at least to some extent.

Moreover, findings showing that certain types of transnational activities, e.g. political (Guarnizo et al. 2003), are associated with the same factors that are supposed to be an indicator for and a driving force behind integration, e.g. education, actually do not contradict the predictions of the model of intergenerational migration. Indeed, from a conventional assimilationist perspective, it is either-or: either assimilation into the receiving country or ties with the country of origin. But the differentiation into several dimensions of the integration process allows us to deduct much more detailed hypotheses. So, while integration (or assimilation) on one dimension might occur, this does not necessarily imply that it is happening on all dimensions. Similarly, while structural assimilation is an important prerequisite for further integration into the receiving society, by itself it does not rule out being active across borders. Instead, as argued above, structural assimilation might also be a prerequisite for intensive border-crossing involvement. And this extends beyond the material resources necessary for keeping ties with the country of origin. For instance, integration on the structural

dimension might be accompanied by an increased interest in politics as well as by the acquisition of necessary skills to actively participate. But if there are ties with the country of origin, why should this be limited to the politics of the receiving country? The effect of transnational involvement can thus be expected to depend on the aforementioned individual characteristics as well as the immigrant's situation in the receiving country. Table 4.5 first presents the undifferentiated hypotheses. This is followed by an assessment of the differential effects of border-crossing activities conditional upon individual and contextual characteristics.

Table 4.5 shows that for several configurations of transnational involvement the model does not clearly predict how the condition $U_{RC} - U_{EC} > (C_{RC}/p_{RC}) - (C_{EC} - p_{EC})$ will be influenced. In other words, in these situations, the model predicts that transnational involvement and integration into the receiving society act against each other. For instance, if border-crossing activities are paralleled by a strong orientation toward the receiving country, transnational involvement is unlikely to exert any influence. In the following, I will thus concentrate on the instances in which we can derive clear and unambiguous hypotheses on how transnational involvement will influence the integration process and how it will make the four possible outcomes—marginalization, segmentation, assimilation, multiple inclusion—more or less likely.

I will concentrate on a few selected effects that are intended to highlight the theoretical reasoning. A high age at migration paired with transnational involvement will make it less likely that $U_{RC} - U_{EC} > (C_{RC}/p_{RC}) - (C_{EC} - p_{EC})$ is met, because this enforces an ethnic mode of production. Analogous to the above discussion, the logic behind this reasoning is straightforward: in this case, border-crossing activities will increase expected gains from investments into ethnic capitals ($U_{EC}$) and conversely decrease $U_{RC}$, increase $p_{EC}$ and decrease $p_{RC}$, and also increase $C_{RC}$ and decrease $C_{EC}$.

Hypothesis IN2: Transnational involvement combined with high age at migration will make assimilation and multiple inclusion less likely and segmentation more likely.

On the social dimension, if having a social network that is predominantly comprised of co-ethnics is met with transnational involvement, this can be expected to increase the valuation of EC-investments ($U_{EC}$), decrease their costs ($C_{EC}$), and increase the expected probability to realize their gains ($p_{EC}$).

Hypothesis IN3: Transnational involvement combined with a (co-)ethnically homogenous network will make assimilation and multiple inclusion less likely and segmentation more likely.

As above, it does not exclusively depend on the individual characteristics but also on features of the context. In particular, cultural and social distance again play a crucial role. In both cases, we can expect transnational involvement to magnify their effect, as it enforces ethnic modes of production. Again, as it is unfortunately impossible to test the effect of cultural distance with this study's data, the focus will be on (individual) experiences of social distance.

**Table 4.5** The effects of transnational activities on RC- and EC-investments

| Factor | | | Condition | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | $U_{RC} - U_{EC} >$ | | $(C_{RC}/p_{RC})$ | | $-(C_{EC}/p_{EC})$ | | Overall |
| Transnational activities | | | | | + | | − | + | − |
| Transnational activities X | | | | | | | | | |
| | | Age at migration | − | + | + | − | − | + | − |
| Individual | Emotional | Identification with RC | + | + | + | | − | + | ? |
| | | Identification with SC | − | + | + | | | | − |
| | Cultural | Language proficiency (RC) | | | ? | ? | − | + | ? |
| | | Language proficiency (SC) | | | + | | − | + | − |
| | | Human capital | + | + | ? | + | − | + | ? |
| | Structural | Labor force status | + | + | + | − | − | + | ? |
| | | Income | + | + | ? | + | − | + | ? |
| | Social | Network (RC) | + | + | ? | + | − | + | ? |
| | | Network (EC) | | + | | | − | + | − |
| Contextual | Receiving context | Social distance | − | | | − | − | + | − |
| | | Ethnic group | | + | | | − | + | − |

$U$ the utility, $C$ costs, $p$ the realization probabilities of the respective alternatives (RC, EC)

Hypothesis IN4: Transnational involvement combined with experiences of discrimination will make assimilation and multiple inclusion less likely and segmentation more likely.

Table 4.5 concentrates on some of the arguably most important manifest characteristics of the different dimensions of integration. Regarding the interactions of transnational activities with dimensions of integration, the above discussion should cover all relevant aspects. Of course, we might come up with additional manifest characteristics that could interact with border-crossing involvement and influence investment decisions. However, at this time this is unnecessary, as it would not change the theory's predictions. Now that we have a set of concrete hypotheses on the determinants as well as the consequences of transnational involvement, the next step is to put these hypotheses to the test by investigating how well they conform to empirical reality. Before doing so, the next chapter offers a discussion of the methods this study employs to test the model's predictions.

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# Chapter 5
# Methods

**Abstract** This chapter discusses the challenges of drawing causal inferences from observational data, outlines the rationale behind the choice of statistical models used to test theory's implications, and discusses the data.

The first part of the chapter discusses the problems of drawing causal inferences from observational data. Building on the counterfactual approach to causality, I discuss the fundamental problem non-experimental research faces when attempting to draw causal inferences, i.e. unobserved heterogeneity or, in other words, the lack of an appropriate control group. Techniques of longitudinal data analysis, however, offer a partial remedy for this problem. I propose to combine the advantages of fixed effects and random effects regression models by estimating hybrid models (also referred to as correlated random effects models in the econometric literature).

The second part of the chapter presents the study's empirical basis. I discuss the data source, the German Socio-Economic Panel (SOEP) and the operationalization of the theoretical constructs. The SOEP is a representative, on-going, longitudinal household survey in Germany. It comprises several subsamples that especially sample immigrants and is thus particularly suited to investigate immigrant integration. It encompasses not only a rich set of question-items relating to aspects of immigrant integration, but also several items relating to transnational involvement, that are visits to the country of origin, duration of such visits, sending remittances, as well as the amount remitted.

**Keywords** Longitudinal analyses · Longitudinal data · Panel data · Fixed effects · Random effects · Unobserved heterogeneity · Hybrid models · Correlated random effect models · SOEP · Germany

The previous chapter was devoted to developing a theoretical model which allows us, on the one hand, to understand and explain the relationship between immigrant integration and transnational involvement and, on the other hand, to infer concrete hypotheses on this relation. The next step now consists of testing the model by investigating if its hypotheses conform to reality or if they are falsified. As the hypotheses specify cause and effects, the interest therefore is in drawing causal inferences. However, drawing causal inference from non-experimental, i.e. observational, data is a difficult task; some even maintain that it is impossible (Kempthorne 1978). As Hausman and Wise (1981, p. 365) put it, "[u]nbiased parameter estimates, although

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illusionary, are thought by many researchers to be the primary objective of empirical analysis in the social sciences." Whether or not we see this claim to be true, there are some fundamental problems we have to be aware of when we attempt to draw causal inferences from observational data. Ignoring these issues will for sure lead to biased and thus incorrect inferences.

The most fundamental threat to causal inferences in non-experimental research is endogeneity. In a broad sense, endogeneity is given if we cannot determine consistently what is the cause and what is the effect. This problem may originate from *unobserved heterogeneity*, *simultaneity*, and *measurement error*. Unobserved heterogeneity arises if cases differ with respect to unobserved characteristics that are correlated with the observed characteristics and the outcome. Neglecting to control for these characteristics means that any relationship that is found between an independent and a dependent variable is likely to be biased, because these omitted variables may determine that relationship. To give a practical example of unobserved heterogeneity, consider that we are interested in estimating the impact of transnational activities on a migrant's receiving country language skills. If we estimate this without controlling other relevant characteristics, such as education, years of residence, ability, etc. the estimate of the causal effect is likely biased, because these unobserved characteristics are prone to influence both transnational activities and language proficiency. The notion of unobserved heterogeneity thus amounts to observations being conditionally different, i.e. heterogeneous, in terms of unobserved characteristics in ways that are unaccounted for in the estimation. Unobserved heterogeneity is sometimes discussed in a different terminology that is *selection bias* or *omitted variable bias*. Simultaneity, also known as reverse or reciprocal causation, describes a situation in which the value of the dependent variable in fact causes the value of the independent variable. In our example, this corresponds to a situation in which the level of receiving country language proficiency causes transnational activities. Lastly, measurement error arises if the characteristics we are interested in are imperfectly measured. The consequences of measurement error are unfortunately not straightforward and depend on the specified statistical model. In a simple case—in the context of a linear regression—measurement error creates downward biased estimates. This downward bias is known as the attenuation bias. In nonlinear regression models, the direction of the bias is not that straightforward. We will pick up this point at the end of the chapter.

It is quite likely to encounter all of these problems at once in observational data analysis. While simultaneity cannot be easily solved with tools of data analysis—one has to rely on a strong theoretical argument to justify the supposed direction of a relationship—there are methods which to some degree remedy the problem of unobserved heterogeneity and measurement error. Unfortunately, there is a trade-off between correcting for measurement error and controlling for unobserved heterogeneity. Both problems are severe. One might argue that we always face the problem of unobserved heterogeneity; no study possibly includes *all* relevant measures. At the same time, measurement error is likely, but not necessarily given. Moreover, we can aim at reducing measurement error by developing better methodology for data collection, while some unobserved heterogeneity is likely to remain even in face of

perfect data collection. There are some concepts that we just cannot measure. Therefore, we can make a cautious claim that unobserved heterogeneity is the bigger of the two problems; although there are scholars who would disagree with this stance. Since the choice of methods is very much motivated by these problems, the following section will discuss causality and how unobserved heterogeneity threatens causal inferences. It might appear as a lengthy discussion, but the choice of methods should be well justified. Far too often, it appears that methods are used without sufficient reflection on their adequacy.

## 5.1 Causality

In recent years, the so-called "counterfactual approach to causality" has become very popular in the social sciences, foremost in economics, and is becoming increasingly popular also in sociology (Brand and Halaby 2006; Caliendo and Kopeinig 2008; Gangl and DiPrete 2004; Morgan and Harding 2006; Morgan and Winship 2007). This approach is mostly attributed to the work of economist Donald Rubin (1973, 1974, 1976, 2005), but others made important contributions to its development, too (e.g. Heckman et al. 1996, 1998, 1997; Rosenbaum 1999; Rosenbaum and Rubin 1985).

Recall the example from above: We want to assess an immigrant's receiving country language skills dependent on her or his transnational activities. In this case, our dependent variable, language skill level is denoted by $Y_{it}$ for person $i$ at time $t$. The individual causal effect is then defined as

$$\delta_i = Y_{it}^1 - Y_{it}^0 \tag{5.1}$$

where $Y_{it}^1$ is person $i$'s language skill level being transnationally active and $Y_{it}^0$ the skill level without being transnationally active and where $\delta_i$ is the individual causal effect. Clearly, we can never observe both outcomes for a given time-point t. Either a person is transnationally active or not. This has been called the fundamental problem of causal inference (Holland 1986, p. 947). Instead, what we can observe is

$$Y_{it} = Y_{it}^1 \quad \text{If} \quad D_{it} = 1$$
$$Y_{it} = Y_{it}^0 \quad \text{If} \quad D_{it} = 0$$

where $D_{it}$ is a variable indicating whether the attribute of interest (e.g. transnational activity) is present ($D_{it} = 1$) or not ($D_{it} = 0$). If we put it into experimental wording, $D_{it}$ is the exposure (or treatment) indicator. It is thus equal to 1 if an individual is exposed to the cause and 0 if she or he is not exposed (Morgan and Harding 2006, p. 8). The fundamental problem of causal inference is displayed in Table 5.1

We can only observe one of the potential outcomes. By formally stating this relationship, we can set up an observation rule, written as (Morgan and Winship 2007, p. 35)

$$Y_{it} = D_{it}Y_{it}^1 + (1 - D_{it})Y_{it}^0 \tag{5.2}$$

**Table 5.1** The fundamental problem of causal inference. (Source: Morgan and Winship 2007, p. 35)

| | | *Outcome* | |
|---|---|---|---|
| | | $Y_{it}^0$ | $Y_{it}^1$ |
| *Exposure* | $D_{it} = 0$ | Observable | Counterfactual |
| | $D_{it} = 1$ | Counterfactual | Observable |

If $D_{it} = 1$, i.e. a person is exposed, then we observe $Y_{it}^1$ and $Y_{it}^0$ is unobservable. If $D_{it} = 0$, then we observe $Y_{it}^0$ while $Y_{it}^0$ is unobservable. In light of this fundamental problem, the question arises if causal inferences are, nevertheless, possible. Fortunately, they are. To see how, it is best to start with situations in which causal inferences are almost certainly impossible. Unfortunately, these situations are rather common. Since one cannot estimate the true individual causal effect, causal effects are oftentimes estimated by investigating differences in the expected outcomes between persons. Thus, we shift the attention to aggregate causal effects in a defined population (Morgan and Harding 2006, p. 8).

$$\begin{aligned} E[\delta_i] &= E\left[Y_{it}^1 - Y_{it}^0\right] \\ E[\delta_i] &= E\left[Y_{it}^1\right] - E[Y_{it}^0] \end{aligned} \tag{5.3}$$

For the example given above, this is the expected effect of being transnationally active for all persons from a randomly drawn sample regardless of the treatment status. In the counterfactual tradition, (5.3) is referred to as the average treatment effect (ATE). The average treatment effect is a weighted average of two other treatment parameters, the average treatment effect on the treated (ATT) and the average treatment effect on the non-treated (ATC), with the last letters referring to 'treatment' and 'control,' respectively (Brand and Halaby 2006, p. 756; Winship and Morgan 1999, p. 665; Morgan and Winship 2007, p. 45). The average treatment effect for the treated (ATT) is given by

$$\begin{aligned} E(\delta_i^1 \big| D_{it} = 1) &= E\left[Y_{it}^1 - Y_{it}^0 \big| D_{it} = 1\right] \\ &= E\left[Y_{it}^1 \big| D_{it} = 1\right] - E\left[Y_{it}^0 \big| D_{it} = 1\right] \end{aligned} \tag{5.4}$$

The superscript 1 in $\delta_i^1$ indicates that this is the average treatment effect for the treated. The average treatment effect for the non-treated (ATC) by

$$\begin{aligned} E\left(\delta_i^0 \big| D_{it} = 0\right) &= E\left[Y_{it}^1 - Y_{it}^0 \big| D_{it} = 0\right] \\ &= E\left[Y_{it}^1 \big| D_{it} = 0\right] - E\left[Y_{it}^0 \big| D_{it} = 0\right] \end{aligned} \tag{5.5}$$

Here, the superscript 0 in $\delta_i^0$ indicates that this average treatment effect refers to the non-treated. The decomposition of the average treatment effect takes the following form, where $\pi$ is the proportion of the population which receives the treatment and $1 - \pi$ the corresponding proportion which does not

$$\begin{aligned} E[\delta_i] &= \pi E\left[\delta_i^1\right] - (1 - \pi) E\left[\delta_i^0\right] \\ E[\delta_i] &= \pi E\left[Y_{it}^1 - Y_{it}^0 \big| D_{it} = 1\right] - (1 - \pi) E\left[Y_{it}^1 - Y_{it}^0 \big| D_{it} = 0\right] \end{aligned} \tag{5.6}$$

Plugging (5.4) and (5.5) into (5.6) and rearranging the terms brings about (Morgan and Winship 2007, p. 45)

$$E[\delta_i] = \Big(\pi E\big[Y_{it}^1 \big| D_{it} = 1\big] + (1-\pi)E\big[Y_{it}^1 \big| D_{it} = 0\big]\Big) - \Big(\pi E\big[Y_{it}^0 \big| D_{it} = 1\big] + (1-\pi)E\big[Y_{it}^0 \big| D_{it} = 0\big]\Big)$$

Many approaches to causality do not differentiate between these three possible effects, the average treatment effect, the average treatment effect on the treated, and the average treatment effect on the non-treated. And, at first sight, this differentiation might appear somewhat confusing. But at second sight, it does make a lot of sense and is of practical importance. Regarding the example from above, it is quite fruitful to carefully consider what effect we are actually interested in. Are we interested in the effect of transnational activities on language skills for those who typically are transnationally active (ATT)? Are we interested in the effect of transnational activities for those who are typically not transnationally active (ATC)? Or are we interested in the average effect with regard to both groups (ATE)? In many instances the ATT (5.4) is the effect of interest. The biggest challenge we face in estimating (5.4) is evidently the fundamental problem of causal inference. It implies that Eq. (5.4) in its present form can only be estimated for $i \neq i$. To see why this is a problem, let us consider the example of a cross-sectional observational study. Imagine we collected data at $t = 0$ from a random sample of immigrants living in Germany and we want to investigate if transnational activities have a causal effect on a migrant's language skills. What we want to estimate is (5.4). What we are instead able to estimate is

$$E[\delta_i] = \pi E\big[Y_{it}^1 \big| D_{it} = 1\big] - (1-\pi)E\big[Y_{it}^0 \big| D_{it} = 0\big] \tag{5.7}$$

This between person comparison is called the naive estimator (Morgan and Winship 2007, p. 44). Only under very specific conditions does this estimator provide us with an unbiased estimation of the causal effect: if the treatment assignment mechanism is ignorable. What does this practically mean? We can easily imagine situations in which treatment assignment is not ignorable. In our example, the question would be whether immigrants who are transnationally active differ systematically from immigrants who are not. This is likely to be the case. First, there could be unobserved characteristics, like a general orientation toward the receiving or the sending country which concurrently determines whether or not an immigrant is transnationally active and influence a person's language skills. Second, it could be that receiving country language skills determine whether or not a person is transnationally active, i.e. treatment selection is not independent from the outcome. In both cases we face an endogeneity problem. The first is caused by unobserved heterogeneity and the second by simultaneity.

With respect to (5.3), this means that we compare persons that are not comparable, since they differ in relevant unobserved characteristics. As a result, the estimate of $\delta_i$ also includes baseline differences in $Y_{it}$. What we observe as language skill differences attributed to transnational activities might in reality only reflect baseline

differences.[1] Treatment selection is ignorable if the selection process is independent from the value of $Y_{it}$. Which is not given in the case of endogeneity; either $Y_{it}$ is causing the value of $D_{it}$ (simultaneity) or there is unaccounted covariation between $Y_{it}$ and $D_{it}$ (unobserved heterogeneity). The independence or ignorability assumption can formally be stated as

$$\left(Y_{it}^1, Y_{it}^0\right) \perp D_{it} \tag{5.8}$$

It means that treatment assignment is independent of the potential outcome, as is the case if $D_{it}$ is completely random (Morgan and Winship 2007, p. 40). The underlying logic here is that if treatment assignment is independent from the potential outcome, then differences between $Y_{it}^1$ and $Y_{it}^0$ can be attributed to the treatment, as all other factors that might influence the potential outcome are balanced over the two groups (Brady and Collier 2004, p. 32). If exposure is randomly assigned, we can be sure that all relevant factors are balanced across the treatment and the control group. Yet, in observational data it is extremely unlikely that all confounding factors are by default balanced across the treatment and the control group. Nevertheless, if we can identify and observe possible confounders, we can solve this problem by conditioning on them. Thus we can achieve a weaker version of (5.8)

$$\left(Y_{it}^1, Y_{it}^0\right) \perp D_{it} \middle| S_{it} \tag{5.9}$$

where $S_{it}$ is a set of observed variables (Morgan and Winship 2007, p. 75). By conditioning on $S_{it}$, we can meet the so-called Conditional Independence Assumption (CIA). It states that after controlling for $S_{it}$, the treatment assignment is ignorable. Although practically this is almost impossible as it is unlikely to identify and measure all relevant factors—some might be impossible or difficult to measure at all. When it comes to simultaneity, we have no reasonable means for tackling this problem with cross-sectional data, simply because we cannot establish causal ordering with this data. Even with panel data this issue remains problematic as we will see later. Coming back to the question regarding the validity of the naive estimator, we see that if the CIA is met, the naive estimator produces an unbiased estimate.

Of course, all these problems could be solved by an experiment. By relying on random selection into treatment and control group, unobserved characteristics will be balanced across groups and obviously do not influence treatment assignment. Moreover, in an experiment we can manipulate treatment and thus rule out simultaneity. The application of experiments is, unfortunately, seldom feasible for research questions in the social sciences, either due to practical or ethical issues. We just cannot randomly assign immigrants to a treatment group and a control group, either forcing them to be transnationally active or to abstain from these activities.

[1] Sometimes this is called unit homogeneity assumption (Brady and Collier 2004, p. 29; Rubin 1974), which states that the units used for comparison should be identical to each other in all relevant characteristics except for the treatment.

## 5.2 From the Counterfactual Approach to Regression Analysis

Still, causal inferences from observational data are possible. Two modeling approaches are able to deal with problems of endogeneity: Matching and a variant of the familiar regression analysis. The logic behind matching is intuitively very appealing and closely connected to the counterfactual approach: Persons are matched, who are very similar and (ideally) differ only with respect to the treatment. If the matches are indeed similar, then the difference in the outcome can be attributed to the treatment. In our example, this would mean that we compare immigrants, who are similar with respect to cultural, structural, social, emotional integration, and other relevant aspects but differ in whether or not they are transnationally active. Thus, we try to ensure that the conditional independence assumption is met by structuring the data in a way that mimics the outcome of random assignment into treatment and control group. The difference in language skills can then be attributed to the presence or absence of transnational activities. These methods are quite powerful and they are currently en vogue. One can get the impression that these methods are the panacea to all problems of causality in non-experimental research. But this obviously is not the case. They, too, have limitations. Although these limitations are discussed in the theoretical literature, often enough they are plainly ignored in applications. Consider, for instance, the assumption of conditional independence, which states that given a set of controls $S$ treatment assignment is ignorable. To meet this assumption, we would have to identify all variables that predict treatment assignment or, in other words, the value of the main independent variable $D$.[2] This appears as a very challenging endeavor. It is neither likely that we are able to identify all relevant variables nor is it likely that we can measure all. We are once again faced with the problem of unobserved heterogeneity, which will bias our estimates.

Thus, I will focus on regression models, which under specific conditions can outperform matching methods. It should be noted, however, that most of the criticism directed at matching methods also applies to regression models.[3] Any statistical model should always be treated with great care and we are well advised to carefully consider if the underlying assumptions are met. Although there seems to be a natural affinity between the counterfactual approach and matching methods, it is easy to show how the regression approach can adopt this perspective (see e.g. Heckman and Robb 1989). Consider the observation rule in Eq. (5.2): $Y_{it} = D_{it}Y_{it}^1 + (1 - D_{it})Y_{it}^0$. By rearranging the right part of the equation, we get

$$Y_{it} = Y_{it}^0 + \left(Y_{it}^1 - Y_{it}^0\right) D_{it} \tag{5.10}$$

$$Y_{it} = Y_{it}^0 + \delta_i D_{it} \tag{5.11}$$

[2] However, one could argue that this is a mere prediction problem, i.e. we only have to be concerned with a very accurate prediction of the treatment regardless of whether the variables we use are correlated with unobserved predictors.

[3] And there are approaches which try to deal with "selection on unobservables" (e.g. Morgan and Winship 2007, p. 184).

For people used to regression analysis this should appear familiar (Morgan and Winship 2007, p. 78). In this formulation, $Y_{it}^0$ corresponds to the intercept and $\delta_i$ to the regression parameter of the main independent variable. When it comes to predicting the concrete value of $Y_{it}$, the model specified in Eq. (5.11) will be imperfect, as there are other factors that also influence its value. Thus, Eq. (5.11) becomes

$$Y_{it} = Y_{it}^0 + \delta_i D_{it} + \mu_{it} \tag{5.12}$$

where $\mu_{it}$ is the error term (Morgan and Winship 2007, p. 78). We see that the naive estimator of the average treatment effect (ATE) equals the regression parameter of $D_{it}$ in a linear regression model. Causal interpretation of regression coefficients is based, however, on the same assumption, although it is notated differently. Only if the core assumptions of the regression model are met, i.e. $\mu_{it} \sim N(0, \sigma^2)$ and $Cov(D_{it}, \mu_{it}) = 0$, then the regression coefficient will be unbiased. If $Cov(D_{it}, \mu_{it}) \neq 0$ we face an endogeneity problem. The standard answer to this problem is to include additional control variables which hopefully will break the correlation between $D_{it}$ and the error term (Morgan and Winship 2007, p. 79), which equals achieving the conditional independence assumption. Including a set of observed variables $S_{it}$ into Eq. (5.12) gives us

$$Y_{it} = \alpha + \beta D_{it} + \eta S_{it} + \mu_{it} \tag{5.13}$$

with $S_{it}$ being a matrix of control variables and $\eta$ a vector of the associated regression parameters. By including these controls we can achieve $Cov(D_{it}, \mu_{it}|S_{it}) = 0$. The last statement can equivalently be expressed as $E(\mu_{it}|D_{it}, S_{it}) = 0$. It states that the expected value of the error is zero given a set of control variables $S_{it}$; or that $\mu_{it}$ and $D_{it}$ are conditionally independent given $S_{it}$ (Heckman and Robb 1989, p. 522). This corresponds to the CIA as expressed in Eq. (5.9) (see also Morgan and Winship 2007, p. 141).[4] But this—just as the CIA—is hard to achieve if some of the characteristics which create the correlation between $D_{it}$ and the error term cannot be identified or measured (Brady and Collier 2004, p. 34).

The choice between regression and matching is not as fundamental as it may appear. On the contrary, the methods are related and the difference is not that large. Matching has distinct advantages over simple regression models, such as the possibility to include individual level heterogeneity of causal effects by distinguishing between the different types of causal effects. Regression models usually assume that $\delta$ is constant over all individuals. Moreover, it forces the researcher to more carefully consider issues of endogeneity, most importantly selection biases, by trying to mimic a situation in which the data is balanced as in a randomized experiment. If conditions are met, matching results can provide better estimates than regression models (Morgan and Winship 2007, p. 142 ff.). Overall, matching and the counterfactual approach in general provoke a more thorough consideration of causality and how

[4] There are numerous different ways of expressing this assumption, but they all mean the same, e.g. $E(\mu_{it}|D_{it} = 1) - E(\mu_{it}|D_{it} = 0) = E((\mu_{it}|D_{it} = 1) - (\mu_{it}|D_{it} = 0) = 0$.

causal inferences might be flawed. But all this depends on whether the assumptions are met. If this is not the case, matching results are as biased as the results from a poorly specified regression model.

Even more, applications of matching procedures often rely on regression models to stratify the data, e.g. to compute propensity scores predicting treatment assignment. Matching is a two stage process, which strongly depends on a good estimate of treatment assignment. If the model in the first stage does not perform well in predicting treatment assignment, then causal effect estimates will be biased, because incomparable individuals will be chosen for comparison. How likely is it to meet the assumptions of matching? Probably as likely as meeting the assumptions of regression models, i.e. not too likely. It is a strong assumption that a set of control variables can be identified that ensures conditional independence or zero correlation between the error and the main independent variable, respectively. In most cases this will be hard to achieve. But there is a class of regression models which is able to consistently estimate the ATT, even in the presence of time-constant unobserved heterogeneity. Nevertheless, we need longitudinal data to estimate these models.

## 5.3 Excurse on Potential Exposure

But before we advance to discussing how longitudinal data can help us in dealing with the problem of unobserved heterogeneity, it seems necessary to critically examine the notion of causality within the counterfactual approach. Although its notion of causality is logically appealing, it has been criticized for being too narrow and as hardly applicable to many sociological research questions (e.g. Goldthorpe 2001). The counterfactual approach shares basic assumptions with experimental research, and, consequently, in its strict formulation accepts as causes only those characteristics which—in principle—can be treatments in experiments. This does not mean that the counterfactual approach rules out causes that cannot be manipulated because of ethical or practical reasons. It is sufficient if a treatment can be manipulated hypothetically—the counterfactual model thus rests on an idea of 'manipulative causality'. The basic assumption of the counterfactual approach thus is that each unit is potentially exposable to any of the causes (Holland 1986, p. 946). Does this hold for being transnationally active? In principle, we can imagine an immigrant being 'exposed' to being transnationally active or not. However, Holland (1986, p. 855) might disagree with this assessment, arguing that the "voluntary nature of much human activity makes causal statements about these activities difficult in many situations." Instead, causal claims in a strict sense can only be made if the exposure resembles a treatment. This then would allow for causal claims. In any case, the counterfactual approach rules out as causes any stable attributes, such as ethnic origin, gender, social background, etc., because they are time-invariant and cannot be manipulated. From the counterfactual perspective, stable attributes cannot cause other attributes. As Kempthorne (1978, p. 15) bluntly puts it, "it is [. . .] nonsense to talk about one trait of an individual *causing* or determining another trait of the

individual." Some authors therefore suggest that the general focus of analysis in the social sciences should change by concentrating on analyzing the effects of (time-varying) characteristics that, in principle, can be manipulated (Allison 1994, p. 192). But if we follow the counterfactual approach completely, this would not be enough. It is not sufficient for causes to be (potentially) manipulable; they also have to resemble (exogenous) treatments. Where do we go from here? Ruling out intentional human actions as causes would make a major part of social sciences research impossible. But there are other accounts of causality in which intentional actions even make for an integral part. For instance, the interventionist conception of causality in philosophy. According to this view, actors can intervene in systems and bring about changes that would not have occurred without the intervention (Wright 1971, p. 60 ff.). Most social scientists would agree that purposeful human action can be a cause and many, as we have seen in the previous chapter, even assume that human agency is the only cause for social change (e.g. Boudon 1980; Elster 1989; Esser 1999; Hedström 2005). Interestingly but not surprisingly, the term counterfactual is also used when the interventionist conception is discussed (see e.g. Tuomela 1976, p. 185). The logic of covering law model (or practical syllogism) applied to human agency as discussed in Chap. 4, in which intentional actions are linked to specific outcomes via individual motives, entails a counterfactual logic: If an action *A* had occurred, when in fact it did not, it would have produced a certain outcome *O*.

Moreover, from a sociological perspective, many stable characteristics, such as gender or ethnic origin, are not as stable as they first appear (Goldthorpe 2001, p. 7). It is true that a person cannot change her or his ethnic background. But a person's ethnic background has an effect only because it is constructed as socially relevant. Thus, it can be argued that immigrants do worse in the labor market not because of their ethnic background (as an essentialist attribute), but because of the social construction of ethnicity as a relevant criterion for differentiation. For instance, an employer might be less inclined to hire immigrants, because she or he believes that immigrants are less productive. In this case, the employer might use the (observable) ethnic background of a potential employee to infer unobservable characteristics—as assumed in the theory of statistical discrimination (Arrow 1971). Therefore, it is not the potential employee's ethnic background per se, but the employer's perception and evaluation of it. From this perspective, the effect of ethnic background is generated through a (potentially) manipulable mechanism. And in this sense, ethnic background becomes—hypothetically—manipulable. This conception is, by the way, highly compatible with Alba and Nee's (Alba and Nee 2003, p. 59; Alba 2008, p. 39) notion of assimilation as a decline in social salience and consequences of group membership—as discussed in Chap. 2. If we apply this perspective, making causal claims regarding such stable attributes still is difficult, because it is not the attribute itself but associated processes that have an effect. In many cases, a stable characteristic tends to be correlated with unobserved characteristics and processes. But the problem of unobserved heterogeneity is general and it applies to well manipulable characteristics, too.

It appears, therefore, that the strict counterfactual logic of causality (as, for instance, proposed by Holland (1986)) is too narrow to be applicable without modifications. But there are numerous less strict formulations, which are more compatible with sociological inquiry (see for instance Gangl 2010; Morgan and Winship 2007). The social sciences can surely only profit if they give more thought to the way in which stable characteristics affect outcomes. As argued above, the apparent relation between a stable characteristic and an outcome is often produced by a process—which can, at least in principle, be manipulated. In many cases it is thus a question of theoretical specificity, which brings us back to the discussion of the covering law model and insufficient explanations in Chap. 4. In any case, the counterfactual approach is very useful because it makes us sensitive to biases that can obscure our analysis. It emphasizes that making causal claims through applying statistical models relies on important, and in part untestable, assumptions.

## 5.4 Fixed Effects and Random Effects Models

The above discussion centers around the problem that we need a within person comparison ($Y_{it}^1 - Y_{it}^0$) but can only achieve a between person comparison ($Y_{it}^1 - Y_{jt}^0$), as we cannot observe both outcomes for one person. The strategies discussed—e.g. achieving conditional independence—aim at making the between person and the within person similar by adjusting for relevant controls. If we have repeated observations, regression methods for panel data analysis can offer an invaluable advantage, since a certain class of methods can adjust for time-invariant unobserved characteristics. These models are most often referred to as *fixed effects models*, but sometimes also as *change score models*. To see how these models do so, consider the regression equation from above

$$Y_{it} = \alpha + \beta D_{it} + \eta S_{it} + \mu_{it} \tag{5.14}$$

The error term $\mu_{it}$ captures all unobserved characteristics that we have not included in our model, as discussed above. We have not yet taken into account the possibility to decompose the error into a time-variant and a time-invariant part, which we can sensibly do if we have repeated observations. The error term can accordingly be decomposed into

$$\mu_{it} = \gamma_t + u_i + \varepsilon_{it} \tag{5.15}$$

$\gamma_t$ is a period effect that is constant over all units, $u_i$ is a time-invariant unit-specific effect that captures all unobserved heterogeneity (conditional on $D_{it}$), $\varepsilon_{it}$ is a transitory idiosyncratic disturbance unique to the *ith* unit at time $t$ (conditional on $D_{it}$ and $u_i$) (Halaby 2004, p. 510). The key idea is that that $u_i$ represents causes that are unobserved but stable over time. For now, we will ignore $\gamma_t$, since there are straightforward ways in which one can counter this problem (basically by estimating $\hat{\gamma}_t$) as I

discuss below. This decomposition can also be done with respect to the independent variables in $S_{it}$

$$S_{it} = X_{it} + Z_i \tag{5.16}$$

where $Z_i$ refers equivalently to all time-invariant observed characteristics and $X_{it}$ to the time-variant ones. Equation (5.15) can now be rewritten as

$$Y_{it} = \alpha + \beta D_{it} + \phi X_{it} + \eta Z_i + u_i + \gamma_t + \varepsilon_{it} \tag{5.17}$$

This equation might look a lot more complicated compared to Eq. (5.14), but it actually is not. All that has been done is to decompose the observed and unobserved characteristics into time-variant and time-invariant parts. Let us again consider the example. The primary interest still is to estimate the effect of transnational activities on host country language skills—thus $\beta$ is the primary parameter of interest. $Z_i$ captures all measured characteristics that might influence an immigrant's language skills which do not change over time. Examples might be ethnic origin, gender, age at migration, and the like. Similarly, $X_{it}$ refers to measured characteristics that can influence an immigrant's language skills and which do change over time. Examples of these characteristics can encompass things like labor force participation, income, years of residence, the ethnic composition of personal networks, and the like. Regarding the unobserved parts in Eq. (5.18), $u_i$ covers all time-invariant characteristics that are not measured and not included in the model. This might be unmeasured or immeasurable (language) ability or a general and constant orientation toward the receiving and the sending country, respectively. In this sense, $u_i$ can be interpreted as a unit-specific term that adds to the overall intercept. Similarly, $\varepsilon_{it}$ includes unmeasured characteristics that change over time. The causal parameter $\beta$ provides us with an unbiased estimate if the unmeasured characteristics do not differ systematically between treatment and control group. That is we assume that $E(\varepsilon_{it}|D_{it} = 1) - E(\varepsilon_{it}|D_{it} = 0) = E((\varepsilon_{it}|D_{it} = 1) - (\varepsilon_{it}|D_{it} = 0)) = E(\varepsilon_{it}) = 0$ and $E(u_i|D_{it} = 1) - E(u_i|D_{it} = 0) = E((u_i|D_{it} = 1) - (u_i|D_{it} = 0)) = E(u_i) = 0$—in other words that the errors are uncorrelated with the independent variables: $Cov(D_{it}, \varepsilon_{it}) = 0$ and $Cov(D_{it}, u_i) = 0$ (disregarding $X_{it}$ and $Z_i$ in the following). Now, if we consider a case in which we have two consecutive observations for each person

$$Y_{it\,0} = \alpha + \beta D_{it\,0} + \phi X_{it\,0} + \eta Z_i + u_i + \gamma_{t0} + \varepsilon_{it\,0} \tag{5.18}$$

$$Y_{it\,1} = \alpha + \beta D_{it\,1} + \phi X_{it\,1} + \eta Z_i + u_i + \gamma_{t1} + \varepsilon_{it\,1} \tag{5.19}$$

Subtracting (5.18) from (5.19) brings

$$(Y_{it\,1} - Y_{it\,0}) = \beta(D_{it\,1} - D_{it\,0}) + \phi(X_{it\,1} - X_{it\,0}) + (\gamma_{t\,1} - \gamma_{t\,0}) + (\varepsilon_{it\,1} - \varepsilon_{it\,0}) \tag{5.20}$$

the *first-difference model*. Owed to the subtraction, the time-invariant unobserved heterogeneity cancels out. This also intuitively makes sense. We started from trying

to estimate the true causal effect through a within comparison, i.e. through $Y_{it}^1 - Y_{it}^0$. If we consider the ATT given by (5.4) as

$$E\left(\delta_i^1 \middle| D_{it} = 1\right) = E\left[Y_{it}^1 \middle| D_{it} = 1\right] - E\left[Y_{it}^0 \middle| D_{it} = 1\right]$$

it is obvious, as we have seen above, that this ideal form of this intra-personal comparison is impossible to achieve for $t = t$. Still, we need a within comparison, because only the within comparison can assure that the effect estimate is not biased by confounding factors. With longitudinal data, we can approximate the estimation of this effect by looking at the intra-individual change in the outcome variable after exposure. We could thus state the ATT from a longitudinal perspective as

$$\begin{aligned} E\left(\delta_i^1 \middle| D_{it1} = 1\right) &= E\left[Y_{it1}^1 - Y_{it0}^0 \middle| D_{it1} = 1\right] \\ E\left(\delta_i^1 \middle| D_{it1} = 1\right) &= E\left[Y_{it1}^1 \middle| D_{it1} = 1\right] - E\left[Y_{it0}^0 \middle| D_{it1} = 1\right] \end{aligned} \tag{5.21}$$

assuming that the treatment exposure occurred in $t_1 < t < t_0$. By looking at the difference between $Y_{it1}^1$ and $Y_{it0}^0$ it is clear that unit-specific time-invariant factors will not bias any estimate, because their influence on $Y_{it}$ is *constant* over time. The estimate of $\beta$ in (5.20) thus corresponds to the ATT, because all individuals which do not experience a change in $D_{it}$ are disregarded in the estimation (this will be explained in more detail in the next section). But this is not really a problem, because most of the time we are not interested in the naive estimator—a plain between person comparison—but in some kind of intra-personal comparison. In this sense, we are more interested in intra-individual (co)variation than inter-individual (co)variation. Is the estimate of $\beta$ unbiased? Let us again consider the three potential sources of bias as in Eq. (5.15). The observed (read: measured) value of $Y_{it}$ for a given individual $i$ at time $t$ in the treatment group can be stated as

$$Y_{it}^1 = \delta_i + \gamma_t + u_i^1 + \varepsilon_{it}^1 \tag{5.22}$$

and equivalently for an individual $i$ in the control group

$$Y_{it}^0 = \gamma_t + u_i^0 + \varepsilon_{it}^0 \tag{5.23}$$

What we eventually observe is accordingly the sum of these three, respectively four parameters. If we state Eq. (5.1) with respect to (5.22) and (5.23) for $i \neq i$ we get

$$Y_{it}^1 - Y_{it}^0 = \delta_i + \left(u_i^1 - u_i^0\right) + \left(\varepsilon_{it}^1 - \varepsilon_{it}^0\right) + (\gamma_t - \gamma_t) \tag{5.24}$$

As we can see, Eq. (5.24) will, in its unconditional, simple form produce an unbiased estimate only if $u_i^1 = u_i^0$, $\varepsilon_{it}^1 = \varepsilon_{it}^0$, and $\gamma_t^1 = \gamma_t^0$. This is merely a different way of stating the ignorability assumption. But the discussion hitherto has shown that this condition is hard to meet. While a cross-sectional between person comparison eliminates the influence of $\gamma_t$, the estimate is still likely to be biased by $(u_i^1 - u_i^0)$ and $(\varepsilon_{it}^1 - \varepsilon_{it}^0)$. As we have seen above, longitudinal data allow, however, to partial out $(u_i^1 - u_i^0)$. Since $t \neq t$, this amounts to

$$Y_{it1}^1 - Y_{it0}^0 = \delta_i + (\gamma_{t1} - \gamma_{t0}) + \left(\varepsilon_{it1}^1 - \varepsilon_{it0}^0\right) \tag{5.25}$$

From this perspective, one might argue that there is a natural affinity between fixed effects regression models and the counterfactual approach to causality. Bias may still come from $(\gamma_{t1} - \gamma_{t0})$ and $(\varepsilon^1_{it1} - \varepsilon^0_{it0})$. But with more than two observations, period effects can easily be controlled by directly including them in the list of covariates. When there are more than two observations, the fixed effects model can be estimated by time-demeaning, i.e. by subtracting the between-model

$$\overline{Y}_i - \alpha + \beta\overline{D}_i + \varphi\overline{X}_i + \eta Z_i + u_i + \overline{\varepsilon}_{it} \tag{5.26}$$

from (5.17) leading to

$$(Y_{it1} - \overline{Y}_i) = \beta(D_{it} - \overline{D}_i) + \varphi(X_{it} - \overline{X}_i) + \gamma_t + (\varepsilon_{it} - \overline{\varepsilon}_i) \tag{5.27}$$

The subtraction equally rids the equation of $u_i$, eliminating this potential source of bias. Including period dummies in (5.27) will moreover effectively control for any for common aggregate effects. Of course, $\varepsilon_{it}$ remains as a potential source of bias. But there is no cure for this problem. We just have to assume that $Cov(D_{it}, \varepsilon_{it}) = 0$.

Instead of the fixed effects model, we could also estimate a so-called *random effects model* as specified in (5.17). More precisely, this is a random intercept model, because it adds a subject specific $u_i$ to the overall intercept $\alpha$. It assumes that $u_i$ is a random variable that follows a normal distribution with mean zero and a constant variance $u_i \sim N(0, \sigma^2)$. In a way we thus model unobserved characteristics with the parameter $u_i$. In the example from above this means that we allow for the fact that persons have different baseline levels of language skills. Compared to the fixed effects model, the random effect model can be more efficient, because it uses variation between and within subjects to estimate $\beta$. The fixed effects model, in contrast, only uses within subject variation to estimate $\beta$. One practical implication of using only within variation is that all observations that do not change in $D_{it}$ are discarded from the analysis. If we choose a non-linear version of the fixed effects model, mode, for instance, a conditional logistic regression model for binary outcomes (Allison 2009; Chamberlain 1980), the sample on which the estimation is based becomes even smaller, because not only are subjects excluded from the analysis that do not experience a change in $D_{it}$, but also all subjects are excluded that do not change in $Y_{it}$. In these situations, random effect models can be substantially more efficient (Neuhaus and Lesperance 1996, p. 445).

However, the gain in efficiency is based on the assumption of common between and within subject effects (Neuhaus and Kalbfleisch 1998, p. 644). Moreover, the assumption of zero correlation between observed variables and unobserved effect—$Cov(D_{it}, u_i) = 0$, $Cov(X_{it}, u_i) = 0$, and $Cov(Z_i, u_i) = 0$—is hard to justify as the above discussion shows. Often enough the random effect will not be random and we are dealing with latent (unobserved) classes, where unobserved and observed characteristics are correlated. And if this crucial assumption is violated, the estimates will again be biased. We certainly could try to include other covariates hoping to break the correlation. But at this point it should be clear that it is almost impossible

to find and measure all relevant confounders.[5] Consequently, the advantage of fixed effects regression models is invaluable, since we don't have to bother searching for time-invariant confounders any longer. Any fixed effects just cancel out. This great advantage, however, comes at a price. As the fixed unobserved characteristics cancel out from the model, so do the fixed observed characteristics. Therefore, we cannot estimate the effects of time-invariant factors. In our example, this means that we cannot include variables like ethnic origin and gender, because they do not change over time. As mentioned above, some authors argue that the social sciences should change their research focus, by concentrating solely on questions of *change causes change* (Allison 1994, p. 192). In many instances, however, the association between time-invariant characteristics and some property are of crucial interest, especially if we are interested in examining the possibility of systematic differences between groups.

Regarding this work's research questions, it would certainly be a huge drawback if we could not estimate the association between the different ethnic origins and transnational activities. Of course, any association between ethnic origin and transnational activities cannot be interpreted causally in a strict sense. But significant differences in ethnic origins can be understood as a measure of unobserved characteristics (processes) that are associated with the different ethnic origins. This is certainly interesting. One possible remedy to this drawback is the inclusion of interactions between time varying and time-invariant covariates in fixed effects models (Allison 2009, p. 37). If the model includes time, i.e. $t - 1$ period dummies, we can model interactions of time and ethnic origin. But these interactions do not estimate the effect of the time-invariant covariate. Instead, they estimate a possible change in its effect compared to a reference period. Therefore, this only models how the association of one ethnic background with transnational involvement changes over time. If our intention is to compare the 'effect' of different ethnic backgrounds, modeling interactions with time is, however, not what we are interested in.

### *5.4.1 Correlated Random Effects and Hybrid Models*

Another possibility is to estimate a *hybrid model* (Allison 2005, 2009; Schunck 2013) or a *correlated random effect model* (Schunck 2013; Wooldridge 2005, 2010, p. 286, 332, 615 ff.), first proposed by Mundlak (1978). These models are modified random effect models which differentiate within- and between-cluster effects (in the present case observations are clustered within persons) (Mundlak 1978; Neuhaus and

[5] A different reasoning for using fixed effects models is provided by Neuhaus and Kalbfleisch (1998, p. 644): "When between- and within-cluster covariate effects are different, models that assume that these effects are the same do not provide estimates of any substantive interest; the misspecified models measure neither between- nor within-cluster covariate effects." If we rely on fixed effects estimates, we can at least be sure that they correctly model intra-subject variation. See below for more details on within- and between-variation.

Kalbfleisch 1998; Neuhaus and McCulloch 2006). Thus, the models and simultaneously estimates the effects of within and between subject variation in explanatory variables. This is done by decomposing the variation of time-variant variables into between- ($\overline{X}_i$) and within-subject ($\overline{X}_i - X_{it}$) variation (Schunck 2013).[6] The hybrid models is given by

$$Y_{it} = \alpha + \beta_W(X_{it} - \overline{X}_i) + \beta_B\overline{X}_i + \eta_m Z_i + u_i + \varepsilon_{it} \tag{5.28}$$

$\beta_W$ is the within estimator, which, in the linear case, equals the fixed effects estimator and $\beta_B$ estimates the between effect (Maddala 1987; Mundlak 1978; Neuhaus and Kalbfleisch 1998). An alternative formulation to (5.28) is the correlated random effects model (also known as the Mundlak model), which takes the form

$$Y_{it} = \alpha + \beta_W X_{it} + \varphi\overline{X}_i + \eta_m Z_i + u_i + \varepsilon_{it} \tag{5.29}$$

Here, the mean ($\overline{X}_i$) picks up any correlation between the time-varying covariates and $u_i$, relaxing the assumption that $Cov(X_{it}, u_i) = 0$. $\beta_W$ from (5.29) also estimates the within effect, i.e. it is the fixed effects estimator (Mundlak 1978). Including the mean of a time-varying covariate in a random-effects model is therefore an alternative to cluster mean centering (Halaby 2003, p. 519). The difference between (5.28) and (5.29) lies in the between-effect. Rewriting (5.28) as

$$Y_{it} = \alpha + \beta_W X_{it} + (\beta_B - \beta_W)\overline{X}_i + \eta_m Z_i + u_i + \varepsilon_{it} \tag{5.30}$$

makes this obvious (Schunck 2013, p. 67). The hybrid model estimates the between effect ($\beta_B$) whereas the correlated random effect model estimates the *difference* of between and within effect ($\varphi = \beta_B - \beta_W$) (Mundlak 1978). Both models have similar properties, but since the interpretation of $\beta_B$—the between subject effect—is more straighforeward than $\phi$, I will use the hybrid model in the following.

We can further make use of a good feature of the hybrid model, namely testing for equality of within and between estimates, namely if $\beta_W = \beta_B$ (Allison 2009, p. 25). This test, which can be done easily though a Wald test, is also known as an augmented regression test (Jones et al. 2007, p. 217). It can be used as an alternative to the Hausman specification test (Baltagi 2008, p. 73; Hausman 1978). If between and within effects are the same, i.e. $\beta_W = \beta_B = \beta$, (5.29) and (5.30) will collapse into the standard random effects model.

In general, and if between and within estimates are not equal, between estimates can be seen as an approximation of the strength of the average association of dependent and independent variable between groups, that is i.e. including selection effects and unobserved heterogeneity. In other words, a comparison of between- and within-estimates can give us some idea of the strength of selection effects.

It is noteworthy that differentiating between- from within-estimates is not new and also applied in the multilevel literature, where this practice is referred to as

[6] To simplify notation I abstain from including the period effect $\gamma_t$ in the notation. Moreover, I do not distinguish any longer between $D_{it}$ and $X_{it}$, because both denote time varying covariates.

group-mean-centering (Raudenbush and Bryk 2002, p. 135 ff.; Kreft and Leeuw 1998, p. 105 ff.; Rabe-Hesketh and Skrondal 2005, p. 42; Snijders and Bosker 2004, pp. 52–56; Kaufman 1993; Kreft et al. 1995; Raudenbush 1989). For instance, Rabe-Hesketh and Skrondal (2005, p. 43) propose a similar method for comparing between and within effects of time-varying variables. Draper (2008, p. 108) suggests group-mean-centering to reduce positive autocorrelation of sampled draws.

### 5.4.2 Nonlinear Models

Random, fixed effects, and hybrid models can also be applied if the dependent variable is limited, i.e. it is categorical or binary. A practical example of a binary variable is whether or not an immigrant has visited her or his country of origin during the last year, a prominent example of a transnational activity. In the binary case, the dependent variable $y$ is constrained to take either the value 0 or 1. We cannot apply a linear probability model, since it would violate the assumption of homogeneity in variance (homoscedasticity) (Giesselmann and Windzio 2012, p. 130). Moreover, while probabilities are limited to take values between 0 and 1, the linear probability model if applied to the binary case does not have lower or upper bounds for its prediction. Thus, if we apply the linear probability model, we can get probabilities below 0 and above 1—which do not make sense. A model which avoids these problems is the logistic regression model (Long 1997). In the following, I will thus discuss the logistic regression with random and fixed effects. The standard (pooled) *binary logistic regression model* is given as (not differentiating between time-variant and invariant covariates for simplicity)

$$\log\left(\frac{p_{it}}{1-p_{it}}\right) = \beta X_{it} \tag{5.31}$$

with $p_{it}$ being the probability that the dependent variable takes the value 1, given the values of independent variables ($P(Y_{it} = 1 \big| X_{it})$). The above equation is the log odds formulation of the logistic regression model. Alternatively, it can be displayed directly regarding probabilities as

$$P(Y_{it} = 1 \big| X_{it}) = \frac{\exp(\beta X_{it})}{1+\exp(\beta X_{it})} = \frac{1}{1+\exp(-\beta X_{it})} \tag{5.32}$$

The logistic regression with random effects or fixed effects, respectively, consequentially is

$$P(Y_{it} = 1 \big| X_{it}, u_i) = \frac{1}{1+\exp(-(u_i + \beta X_{it}))} \tag{5.33}$$

As in the linear case, the random effect logistic regression model assumes that $u_i$ is a random variable following a normal distribution with a mean of zero and a constant variance ($u_i \sim N(0, \sigma^2)$). For the estimates to be consistent, the model likewise

requires the random effect to be uncorrelated with the (time-invariant) explanatory variables ($Cov(u_i, X_{it}) = 0$).[7] As we have seen above, the assumption that all regressors are strictly exogenous so that $Cov(u_i, X_{it}) = 0$ is rather unrealistic. It is quite likely that there are some characteristics influencing both the dependent and the independent variable on which we do not have any information. As in the linear case, the fixed effects model is, in this regard, more attractive, since it does neither require any assumption on the distribution of $u_i$ nor its correlation with other regressors. However, the computation of the fixed effect is complicated by the so-called 'incidental parameter problem' (Lancaster 2000; Neyman and Scott 1948). Unfortunately, in contrast to the linear case, the individual fixed effects ($u_i$) cannot be eliminated by a simple linear transformation, such as the first-differences of time-demeaning (Hsiao 2003, p. 194). In general, maximum likelihood (ML) estimates are desirable because of their large sample properties. It has been shown that with an increasing sample size, ML estimates are asymptotically consistent, efficient, and normally distributed (Long 1997, p. 33). But the ML estimates' consistency depends on the assumption that the number of parameters remains constant as the sample size increases (Allison 2005, p. 57). This is not the case with Eq. (5.33)—the number of $u_i$ increases with the sample size. Without going into detail ((for detailed discussions see Giesselmann and Windzio 2012, pp. 143–150; Wooldridge 2010, pp. 621–622)), the solution to the problem lies in applying conditional maximum likelihood as proposed by Chamberlain (1980). This approach *conditions* the likelihood function on the total number of events observed for each case. In the two period case, the conditional likelihood model takes the form

$$\log\left(\frac{P(Y_{i1}=0, Y_{i2}=1|Y_{i1}+Y_{i2}=1)}{1-P(Y_{i1}=0, Y_{i2}=1|Y_{i1}+Y_{i2}=1)}\right) = \beta(X_{i2}-X_{i1}) \tag{5.34}$$

The fixed effects approach in the binary case suffers from the same drawback as in the linear case: We cannot estimate the effect of time-invariant covariates. To remedy this shortcoming we can again rely on the hybrid approach, which combines the random and the fixed effects model and allows estimating the effect of time-invariant covariates (Allison 2009, p. 39; Neuhaus and Kalbfleisch 1998, p. 640; Wooldridge 2010)

$$P(y_{it}=1\big|x_{it}, u_i) = \frac{1}{1+\exp(-(u_i+\beta_W(X_{it}-\overline{X}_i)+\beta_B\overline{X}_i)} \tag{5.35}$$

But equality of within and fixed effects estimator is given in the linear case. In nonlinear cases, for instance for logit models, the differentiation into within and between effects in a random effect model approximates the fixed effects estimator (Allison 2009; Neuhaus and Kalbfleisch 1998; Neuhaus and McCulloch 2006; Wooldridge

[7] The parameters in standard logistic regressions are estimated via maximum likelihood (ML), an iterative method that produces estimates that make the observed data most likely. However, the parameters in the random effect logistic regression (Eq. 5.33) cannot be estimated by ML. Instead, quasi-likelihood approaches are applied (Hox 2002, p. 107 ff.) or, as some statistics programs do, numerical integration, such as the Gauss-Hermite quadrature (StataCorp LP 2007, p. 215 ff.).

2010, pp. 615–616, p. 620, 766). It has been shown that the estimates of coefficients and the standard errors of the deviation variables in the hybrid model come extremely close to those of the fixed effects model (Allison 2005, p. 67; 2009, p. 41; Neuhaus and Kalbfleisch 1998, p. 640 ff.). One reason for this may be trace back to fixed variance of the error in logit models, which is fixed at $(\pi^2/3) \approx 3.29$. This has peculiar implications for the estimation of $\beta$: if by inclusion of another predictor (e.g. $z_i$) the explanatory power of the model becomes higher (or the explained variance increases if we approach logistic regression with the idea of a latent, metric propensity $Y_i^*$, that predicts whether $Y_i = 0$ or $Y_i = 1$ (Long 1997, p. 41, 105)), the total variance of the dependent variable necessarily increases (see Mood 2010 for details). If the total variance of the dependent variable increases, its scale also increases and, as a consequence, the estimate of $\beta$ has to change. It now expresses the relation between $X_{it}$ and $Y_{it}$ in another metric. Hence, a model in which $(X_{it} - \overline{X}_i)$ is the sole predictor will provide us with a different estimate of $\beta$ than a model in which we include both $(X_{it} - \overline{X}_i)$ and $(\overline{X}_i)$ even though the $Cov(X_{it}, (X_{it} - \overline{X}_i)) = 0$ by construction. This is an important difference to linear regression models in which the error variance is unrestricted and estimates of $\beta$ only change if the predictors are correlated. This also complicates causal interpretation of effect estimates in logistic regression models. As is well known due to the nonlinearity of logistic regression models, the effect of a covariate depends on the values of other covariates. This unfortunately also holds for excluded covariates. Thus, effect estimates from logistic regression models can be interpreted causally with respect to their effect size only in a fully, i.e. perfectly, specified model (Kühnel and Krebs 2010, p. 885). If we were able to specify such a model, it would, of course, be unnecessary to deal with complex panel data models, as a cross-sectional model that perfectly predicts treatment would be sufficient. Of course, the whole discussion so far underscores that it is impossible to specify such a model.

Besides linear and binary logistic regression models, the statistical analyses presented in Chaps. 7 and 8 also encompass *multinomial logistic regression models* and *count models*. Both classes of models (Long 1997; Long and Freese 2006) are also specified as hybrid models, thus decomposing the effect of time-varying covariates into within and between effects (Allison 2009, pp. 44–45; Wooldridge 2010, p. 766). A fixed effects version of the multinomial logistic regression model is

$$\log\left(\frac{F_{ijt}}{1 - F_{ijt}}\right) = \mu_{tj} + \beta_j X_{it} + u_{ij}, \; j = 1, \ldots, J-1 \tag{5.36}$$

where $F_{ijt} = \sum_{m=j}^{J} p_{imt}$ is the 'cumulative' probability of being in category $j$ or higher (Allison 2005). $u_{ij}$ denotes the time-constant but potentially response-specific individual fixed effect, that is the time-constant, response-specific unobserved heterogeneity. $\mu_{tj}$ denotes the time and category-specific intercept. In principle, this model can be estimated equivalently to the binary case, by conditional maximum likelihood with conditioning on the frequency counts of the different responses (Allison 2009, p. 44). However, this is not yet implemented in any commercial software package. To estimate a multinomial logistic regression model with individual fixed effects, we have several possibilities at hand. We could compute a series

$(J-1)$ of binary comparisons (Begg and Gray 1984). But this would strip us of the possibility of overall tests for predictors and a comparison of the relative risks of one outcome vs. a specific other in a joint model. Therefore, Allison (2009, p. 45) suggests to run a standard multinomial logistic regression model including the mean as well as time-demeaning formulations of the time varying covariates and adjusting for dependence of observations with cluster robust standard errors. This approach will be followed in this study.[8]

Besides categorical variables with several response categories, the analysis will also deal with so-called count variables that indicate how often something happened. In principle, count variables are metric. They have a natural zero-point and the response categories are ordered and equally spaced. However, count processes can produce strongly skewed distributions. For instance, count processes often produce distributions with very long right tales. This may cause overdispersion, meaning that the variance is greater than the mean. Technically, this is presented as $Var(y|x) > E(y|x)$. However, the "small-mean property" (Cameron and Trivedi 2009, p. 553) can also be caused by the presence of many zeros, i.e. many zero counts. In some cases there can also be an "excess" of zeros. One key indicator of transnational involvement, sending remittances, is such a count variable. And this variable is characterized by both overdispersion and excess zeros. In our data only about 10 % of the immigrants actually send remittances (see Chap. 6, Table 6.5). Therefore, 90 % of the observations have a zero count. Moreover, the variance is much greater than the mean. If we use linear regression to investigate the effect of predictors on such a count variable, this may lead to inefficient and biased estimates (Long 1997, p. 217). But there is a specific class of non-linear regression models—count models—which are able to handle such outcomes. In our case, the *zero-inflated negative binomial regression model* appears best suited for analyses. Zero-inflated count models assume that there are two latent (i.e. unobserved) groups: an always zero group and a not always zero group (Long and Freese 2006, p. 394). Therefore, zero-inflated models assume that the counts are generated by a two stage processes. First, a distinction is made between two latent groups, in our case non-remitting immigrants ($A = 1$) and remitting immigrants ($A = 0$). In the first group the outcome is always zero. For the second group a count process produces the actual count, i.e. the amount remitted (Greene 2000). In the first step, the probability of being member of latent group $A$ is estimated by binary logistic regression:

$$P(A_{it} = 1 \big| X_{it}) = \pi_{it} = \frac{\exp(\beta S_{it})}{1 + \exp(\beta S_{it})} = \frac{1}{1 + \exp(-\beta S_{it})} \tag{5.37}$$

where $\pi_{it}$ is the predicted probability of falling into the latent group of 'non-remitters' and $S_{it}$ a vector of explanatory variables. The probability of remitting $k$ Euros is then computed by mixing the probability of not-remitting and the probability of having a

[8] It should be noted that the estimates from such a model are population averaged and will be generally a bit smaller subject-specific random effects estimates (Allison 2009, p. 47).

count $k$, conditional upon a specified vector of explanatory variables $X_{it}$:

$$\Pr(y_{it} = k \mid X_{it}, S_{it}) = (\pi_{it} \times 0) + \Big((1 - \pi_{it}) \times \Pr(y_{ti} = k \mid X_{it}, A_{it} = 0)\Big) \quad (5.38)$$

$$= (1 - \pi_{it}) \times \Pr(y_{it} = k \mid X_{it}, A_{it} = 0) \quad (5.39)$$

This is the probability of remitting $k$ Euros conditional of remitting, weighted by the probability of remitting $(1–\pi_i)$ with regard to the overall population. Unfortunately, just as for the multinomial logistic regression model, a panel model of the zero-inflated negative binomial regression model has not been implemented in commercial software yet. An alternative to the zero-inflated negative binomial regression would be a simple negative binomial regression—which can also be estimated as a panel model (with random or fixed effects). However, there are two reasons that speak against this model. First, the count process is not adequately described by a simply negative binomial distribution. Second, the fixed-effects estimator of the negative binomial regression model does not—contrary to other fixed-effects models—control for all time-constant unobserved heterogeneity (Allison and Waterman 2002, pp. 263–264). Because of this, I compute a zero-inflated negative binomial regression model and include the mean as well as time-demeaning formulations of the time varying covariates and adjust for dependence of observations with cluster robust standard errors.

## 5.5 Endogeneity Revisited

As we have seen, we can combine the virtues of the within estimator with the inclusion of time invariant explanatory variables in one model. But unobserved heterogeneity is not the only problem we encounter in data analysis. Measurement error is another major issue in statistical modeling, as mentioned at the beginning of this chapter. But how does measurement error influence estimation of fixed effects models? In simple linear regression models, measurement error in independent variables will lead to the so-called 'attenuation bias.' If the reliability of the measure is below 1, then the estimates will be downward biased by the factor $\sigma_*^2/(\sigma_*^2 + \sigma_\eta^2)$, where $\sigma_*^2$ is the variance of the true, unobserved variable and $\sigma_\eta^2$ the variance of the disturbance (Skrondal and Rabe-Hesketh 2004, p. 76). The greater the measurement error, the stronger will be the attenuation bias, since the fraction becomes smaller. The problem becomes more complicated in multivariate and non-linear models (see e.g. Bollen 1989, p. 159 ff.), although results from simulation studies suggest that we are also likely to face a downward bias (Schunck 2009). In the context of fixed effects models, it is generally assumed that reliability problems are magnified (Engel and Reinecke 1994, p. 19; Burr and Nesselroade 1990, pp. 9–10; Griliches and Hausman 1986) although some analyses suggest the opposite (see e.g. Bound and Krueger 1991). A related problem that fixed effects models face is dealing with the phenomenon of 'regression towards the mean.' In essence, this refers to the phenomenon that a variable that takes on an extreme value at its first measurement will tend to be

closer to the mean of the overall distribution at a later measurement. In face of this, fixed effects estimation may also produce biased results (Finkel 1995, p. 8). As a solution to both problems, the literature suggests dynamic models, sometimes also called level score models (Finkel 1995, p. 7 ff.; Burr and Nesselroade 1990, p. 9 ff.). These models include a lagged version of the dependent variable. A simple dynamic regression model takes the form

$$Y_{it} = \alpha + \beta X_{it} + \rho Y_{it-1} + u_i + \varepsilon_{it} \tag{5.40}$$

The inclusion of lagged versions of dependent variables allows us to control for the phenomenon of regression toward the mean, since we can estimate the impact of independent variable given the value of dependent variable at a previous time point. Moreover, the bias due to measurement error in $\beta$ obtained from (5.40) will be lower as compared to a fixed effects estimate (Rodgers 1989, p. 443; Kohler 2002, p. 238). Furthermore, it is sometimes argued that there are substantial reasons to assume that the value of the dependent variable at time $t - 1$ has a causal effect on its value at time $t$ (Finkel 1995, pp. 7–11). This is referred to as 'state dependency' as the state (i.e. value) of the dependent variable at previous time-points determines its present value. Taking up the example from above, this implies that an immigrant's language proficiency at time $t$ is causally influenced by her or his proficiency at $t - 1$. Empirically, we are likely to observe state dependency rather often. But all that we really observe is that individuals who have high (low) levels of $Y_{it-1}$ also have high (low) levels of $Y_{it}$. The problem is that there rarely is a sound theoretical justification for including the lagged dependent variable in the model (Liker et al. 1985, p. 86). We should keep in mind that there can be various reasons for a correlation between $y_{it-1}$ and $y_{it}$. True state dependency is given when there is a causal mechanism so that $y_{it-1}$ determines $y_{it}$. But a correlation between $Y_{it-1}$ and $Y_{it}$ can also be due to (unobserved) confounders. In this case, $Y_{it}$ does not have a causal effect on $Y_{it}$. Instead, additional omitted explanatory variables determine both $y_{it-1}$ and $y_{it}$, producing a spurious correlation. In many cases, an observed correlation between $Y_{it-1}$ and $Y_{it}$ is therefore not an indicator for a causal relationship, but for a misspecified model. If the latter can be ruled out and we have good (theoretical) reasons to assume that there is a causal effect of $Y_{it-1}$ on $Y_{it}$, then we indeed face a problem. Morgan and Winship (2007, p. 254 ff.) provide an interesting example for an indirect (causal) relation between $Y_{it-1}$ and $Y_{it}$ In their example, $Y_{it-1}$ does not directly determine the value $Y_{it}$, but it determines treatment selection (amongst other factors). This means, for instance, that language proficiency at $t - 1$ influences transnational activities at time $t$. This would be a case in point for using dynamic models. However, even in this situation fixed effects estimates appear to provide more accurate estimates of the true causal effect (Morgan and Winship 2007, p. 256).[9] Still, why not use dynamic models if

[9] However, the choice between a dynamic or a fixed effects model also depends on the (hypothetical) evolvement of $Y_{it}^0$ and $Y_{it}^1$ in the absence of treatment (for a thorough discussion, see Morgan and Winship (2007, p. 258 ff., 264)). The fixed effects model assumes that the values of $Y_{it}$ evolve parallel between treatment and control group while the dynamic model assumes that the values of $Y_{it}$ converge. Both assumptions might or might not hold. Neither model is, however, well suited when it comes to estimating causal effects in the presence of diverging, increasing differences between

they enable us to control for state dependency and even offer a partial remedy of measurement error and regression to the mean? The problem is that dynamic models will only provide unbiased estimates if (a) $Cov(X_{it}, \varepsilon_{it}) = 0$ and $Cov(X_{it}, u_i) = 0$ and (b) additionally $Cov(Y_{it-1}, \varepsilon_{it}) = 0$ and $Cov(Y_{it-1}, u_i) = 0$. Not only does the discussion so far suggest that the first three criteria are unlikely met, but the fourth criterion $Cov(Y_{it-1}, u_i) = 0$ is violated by definition (Wooldridge 2002, p. 256; Stewart 2007, pp. 515–516). If $Y_{it}$ is a function of $u_i$, there is necessarily a correlation between $Y_{it-1}$ and $u_i$ and $Cov(Y_{it-1}, u_i) = 0$ will be violated. This intuitively makes sense, as time-constant unobserved factors by definition exert the same influence on the level of the dependent variable at any occasion. The lagged dependent variable is thus necessarily correlated with the time-constant error. Consequently, both estimates of $\beta$ and $\rho$ will be biased. Yet, we cannot rule out measurement error and this can bias our estimates, too. Indeed, if measurement error is present, dynamic models provide more accurate estimates than fixed effects models. Thus, we have to decide which problem we think is more pressing. Simulation studies indicate that the bias from unobserved heterogeneity seems to outweigh the bias from measurement error (Rodgers 1989, p. 444 ff.). Moreover, bias from measurement error usually does not change the direction of the estimates, whereas the direction of bias from unobserved heterogeneity is unpredictable (Palta and Seplaki 2002, p. 188) and the advantages of within estimators become more pronounced with an increasing number of cases (Rodgers 1989, p. 449, 452).

Nevertheless, the reader should take note that it is possible to estimate dynamic fixed effects models if we find an instrument for $Y_{it-1}$. In principle, with a sufficient number of time points (e.g. four), this can be achieved by substituting $Y_{it-1}$ with, for instance, $(Y_{it-2} - Y_{it-3})$ (see e.g. Wooldridge 2002, p. 299 ff.; Arellano and Bond 1991).[10] In this study, with its unbalanced panel data (see Chap. 6 for details) and an average number of observations per person usually below three, such a specification would dramatically decrease the multivariate sample and therefore appears unsuitable.[11]

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$Y_{it}^0$ and $Y_{it}^1$ in absence of treatment. A prime example of such a situation is the famous Mathew-effect (Merton 1988, 1968) or mechanisms of cumulative advantages and disadvantages (DiPrete and Eirich 2006). Arguably, such mechanisms are rather common. A potential remedy could be the combination of the fixed effects approach with growth curve modeling, thus allowing individual trajectories—or trajectories between treatment and control group—to develop differentially over time. The implementation of such an approach is unfortunately beyond the scope of this work (as it appears more complex than the mere inclusion of nonlinear time effects (Brüderl 2010, p. 984)). Thus, as is pointed out at the end of this chapter, we have to treat statistical effect estimates with care, as they always rely on assumptions. Some of which we cannot test.

[10] Depending on the assumptions a researcher makes, two time points might be enough. Crucial in this regard is the assumption that the initial condition is exogenous: $Cov(Y_{it1}, u_i) = 0$. For an application, see e.g. Kogan (2011). If the process in question begins with the observation period, this assumption may be plausible. However, in most circumstances this assumption cannot be upheld (Stewart 2007, pp. 515–516).

[11] An important approach to causal modeling—the instrumental variable approach (see Angrist and Pischke (2008) for an encompassing discussion)—has not been discussed in this work. The reason is simple. The approach is elegant and consistently estimates causal effects if we have good instruments at hand. However, this is rarely the case. And for the work at hand, the data does not offer instruments.

## 5.6 Conclusion

The concrete strategy for this work's multivariate analyses should be clear. Whenever possible, I will estimate the within- and between-effect of the explanatory variables. The within-estimate has a natural affinity to the counterfactual understanding of causality and will provide us with less biased estimate of the true effect, since we can rule out all time-constant unobserved heterogeneity. The between-estimate moreover provides an approximation of the gross association between the dependent and the explanatory variable. Overall, this analysis strategy appears as an improvement to the standard choice between fixed- or random-effects models.

Still, how much can we trust the estimated effects? This chapter started by pointing to the most pressing problems in data analysis: Measurement error, unobserved heterogeneity, and simultaneity. Regarding unobserved heterogeneity and measurement error, I have argued that the former is the more pressing problem and thus proposed using methods which are geared toward dealing with it. Simultaneity, however, remains a problem even if we have longitudinal data. Why is this so? Simultaneity can obscure our analysis, because the (assumed) cause and effect are most often measured contemporaneously. Therefore, we cannot establish a strict temporal order between the measured concepts. If we believe that $D_{it}$ has a causal impact on the value of $Y_{it}$, we need to assure that $D_{it}$ forgoes $Y_{it}$. With most longitudinal data, we cannot assure this, because both $D_{it}$ and $Y_{it}$ are measured at the same point in time. And if we do not know when $D_{it}$ and $Y_{it}$ occurred exactly, all we can do is to assume that $Y_{it}$ follows $D_{it}$. In some cases, such an assumption can be plausibly justified. This is the case if $D_{it}$ follows a stochastic process completely external to the subjects (Singer and Willett 2003, p. 178). If this applies, we can rule out any influence of $Y_{it}$ on $D_{it}$. Many situations seem to satisfy this criterion at first glance, but at second glance it is often easy to come up with potential paths of reverse causation. Consider we are interested in investigating the effect of unemployment on health (behaviors) (Schunck and Rogge 2010, 2012). There are good reasons to believe that unemployment has a causal effect on health. But does job loss really follow an exogenous, stochastic process? And can we rule out reverse causation? If a person loses her or his job due to an economic crisis, then this reason is exogenous. But it is equally possible that people with worse health are selected into unemployment (e.g. Bockerman and Ilmakunnas 2009). Moreover, the worse a person's health, the harder it might be to find a new job. Therefore, we cannot rule out the possibility that there exists a simultaneous relationship between unemployment and health. What we can do, however, is using independent variables from $t-1$ to predict the outcome of $Y_{it}$. This does not guarantee the correct causal ordering, but it makes it more likely. The literature suggests that we have to rely on a strong theory justifying assumptions on the causal order of events. This is indeed good advice. It applies to data analysis in general, because statistics without theory does not allow us to distinguish between artifacts and facts (Freedman 1991; Hedström 2008, p. 40). However, as the relationship between unemployment and health shows, there are many situations in which reciprocal causation is theoretically possible and plausible. This also holds for the

research question at hand. As discussed in Chap. 4, we have to assume that an immigrant's degree of integration affects her or his propensity to engage in transnational activities and that transnational involvement again affects integration.

In any case, drawing causal inference from observational data is a difficult task and we have to apply ample caution in interpreting any observed relation as causal, since we can never rule out that measurement error, unobserved heterogeneity, or simultaneity biases what appears to be a causal relationship. In the analyses, I will thus abstain from interpreting the estimated effects as causal. Some may indeed be reflecting a causal relationship, others may not. The search for the "magic bullet estimator" (Smith and Todd 2005, p. 347) is futile. All estimators rely on assumptions that may or may not be correct.

## 5.7 Data and Operationalization

Now that the theoretical and methodological analysis strategy has been laid out, this section describes the data against which the hypotheses are evaluated. The primary data source for this work is the German Socio-Economic Panel (hereafter SOEP). The SOEP is a longitudinal household survey in Germany, carried out annually since 1984. What makes the SOEP especially suited for analyses on immigrant integration is the fact that it is made up of different subsamples, two of which have been explicitly designed to capture the immigrant population in Germany. This oversampling ensures a sufficiently large number of cases for multivariate analyses that a proportional sample cannot provide. For example, in 2000 the SOEP successfully interviewed around 3,181 first generation and 1,200 second generation immigrants, in 2009 around 1,519 and 1,143, respectively.[12] Moreover, as the SOEP has deliberately targeted immigrants, it also includes a wide range of items on immigrant integration and even a few on transnational activities. Table 5.2 gives an overview of the SOEP's different subsamples.

When analyzing SOEP data, there are some important aspects that we have to bear in mind. First, it is very important to take into account that the different subsamples have been gathered via different sampling schemes. Second, when using longitudinal data, we have to consider panel attrition. And third, we have to reflect on how sampling and panel attrition might leave us with a specific sample and how this might impair the possibility to generalize our findings to the greater population.

With respect to the first aspect, sampling design, we have to account for the fact that the SOEP subsamples are not simple random samples of the German population. As subsamples B, D, and F provide the most respondents with a migratory background, I will focus the discussion on these samples. Detailed information on the sampling design for the other subsamples can be found in Haisken-DeNew and Frick (2003). Of

[12] Depending on how one defines the samples, the figures can vary slightly.

**Table 5.2** SOEP Subsamples (Source: own computations, Kroh 2011, and Schupp and Wagner 1995)

| Sample | Starting year | Description | Initial number of households |
|---|---|---|---|
| A/1 | 1984 | German households in the FRG ("Germans-West") | 4,528 |
| B/2 | 1984 | Foreign households in the FRG ("Foreigners-West") | 1,393 |
| C/3 | 1990 | Households of the GDR ("SOEP-East") | 2,179 |
| D/4 | 1994/1995 | Immigrant households in Germany ("Migrants") | 236 (D1)/304 (D2)[a] |
| E/5 | 1998 | Households in Germany ("Refreshment") | 1,056 |
| F/6 | 2000 | Households in Germany ("Innovation") | 6,052 |
| G/7 | 2002 | High income households in Germany ("High Income") | 1,224 |
| H/8 | 2006 | Households in Germany ("Refreshment") | 1,506 |
| I/9 | 2009 | Households in Germany ("Incentive") | 1,531 |

[a]In 1995, 522 immigrant households were successfully interviewed. This number comprises 304 households that were first interviewed in 1995 (D2) and 218 households that were re-interviewed in 1995 coming from D1

course, other subsamples also include immigrants, but not through special sampling schemes.[13]

### *5.7.1 The SOEP Subsamples B, D, and F*

Sample B (foreign households in FRG) covers persons in private households whose household head was either Greek, Italian, Spanish, Turkish, or Yugoslavian in 1984. It targeted the so-called 'Guestworkers' and their descendants (see Chap. 6 for a short overview of Germany's immigration experience since 1945). Subsample B itself consists of separate subsamples for each of the five nationalities. First, a random selection from counties and metropolitan areas ('Kreise und kreisfreie Städte') was drawn. These counties and metropolitan areas were the sampling units (PSU). 80 PSU were drawn for Turkish nationals and 40 for each of the other nationalities. Second, within the PSU, respondents were selected by probability sampling—i.e. systematic sampling—from official registration records (Haisken-DeNew and Frick

[13] All samples except for the high income sample (sample G/7) are used in the analyses. The latter is excluded because it makes for a very special population which is bound to differ substantially from the rest of the German population. Respondents from this sample are hardly comparable to other respondents. And since I will not use weights in the multivariate analyses, excluding this sample seems the only feasible strategy.

2003, p. 155). Overall, 1,393 and 3,169 individual respondents were interviewed successfully in the first wave.

The sampling scheme for subsample D is rather different. Subsample B was intended to cover Germany's foreign population. Due to the availability of official registration records on foreign population in Germany, addresses of eligible respondents are in principle straightforward to obtain. Sample D, however, intended to cover (naturalized) immigrants. As official registry data for naturalized immigrants is unavailable, the SOEP had to implement a different sampling strategy to cover this part of the population. Subsample D comprises yet again two subsamples, subsample D1 (1994) and subsample D2 (1995). Subsample D1 combines a random with a non-random (single level referral a.k.a. snowball) sample. The random sample includes households identified in 1992 through an address screening in the context of representative population surveys. Successfully contacted and interviewed households then provided additional addresses of other immigrants (Schupp and Wagner 1995). Of all 236 households in D1 that were successfully interviewed in 1994, 98 (41 %) were contacted via referrals from the originally identified households. Schupp and Wagner (1995, p. 18) argue that this enlargement of the sample is immune to the standard critique brought forth against snowball samples (see also Chap. 3), as the starting points for the snowball sample are not arbitrary. Instead, the snowball sample starts with randomly drawn addresses from population surveys. Moreover, it is only a single level snowball addition so that in principle the sampling process is not arbitrary and one could even estimate sampling probabilities for the referral sample. While this is true, the referral sample might still create biases in the overall subsample. Any survey on immigrants is likely to oversample assimilated immigrants (Schupp and Wagner 1995, p. 18). If we then ask those respondents to provide information on their network (i.e. collect addresses), we are likely to increase this (assimilation-) bias. Thus, with regard to integration into the receiving society, subsample D1 is likely to be a positive selection. What is more, a referral sampling creates clusters in which respondents are more similar than between clusters. Rendtel et al. (1997) thus maintain that D2 better represents the immigrant households in 1995. Subsample D2 relies on a random sampling scheme like the one in D1 but does not include a non-random part. Eligible respondents were identified through a screening procedure in a large population survey in 1994 and interviewed for the SOEP in 1995. Overall, 304 households were successfully interviewed for D2 in 1995 (see Table 5.2).

Starting in 2000, the SOEP has been enlarged considerably by including the new subsample F (see Table 5.2). Subsample F ("Innovation") covers 6,052 households (Haisken-DeNew and Frick 2003, p. 155). It was designed to include a share of foreign nationals that matches its share in the overall population. The design consists of a two stage scheme; in the first stage PSU were drawn and within these PSU, respondents were contacted via a random-route method. To correct for the usual underrepresentation of immigrants in population surveys, the inclusion probability for foreign nationals in the second stage was doubled (for details see Rosenbladt 2002). This made it possible to include 445 households with non-German members in subsample F, which makes for 7.5 % of the overall subsample. Thus, the goal of including a share of foreign nationals in the subsample that matches the share in

the population—around 8.8 % in 2000 (Statistisches Bundesamt 2010)—was almost achieved.

The differences in sampling designs are often disregarded in analyses with SOEP data, although respondents from the different subsamples may be hard to compare. This holds in particular if we are interested in descriptive analyses across different groups (and subsamples). Obviously, D1 may present a major problem in this regard. One solution to this problem might lie in an appropriate weighting scheme that accounts for these design features.

### *5.7.2 Cross-sectional Weighting*

To meet this end, the SOEP provides cross-sectional weights for households and individuals to compensate for differences in sampling design. A detailed description on the construction of the cross-sectional weights for each wave can be found in Kroh (2009). The weights combine aspects of design-weighting, staying probabilities (see next section for more information on the staying probability), as well as post-stratification weighting. Design-weighting is necessary, as respondents in different subsamples have different inclusion probabilities. For instance, the inclusion probability for respondents in subsample A was 0.0002, whereas the inclusion probability for respondents in subsample B was four times as high (0.0008) (Haisken-DeNew and Frick 2003, p. 19). Post-stratification weights adjust the 'raw' cross-sectional weights to a set of characteristics of the underlying population in the specific years. On the household level, this encompasses information on the number of households per federal state ('Bundesland'), the district magnitude, the household size, as well as home ownership status (Kroh 2009, p. 4). On the individual level, the adjustment is achieved with respect to the marginal distributions of age, gender, and number of non-German nationals in the household. The adjustments are based on the German Microcensus, which is an annual 1 % survey of the German population.

Cross-sectional weighting may appear intuitively plausible and the decision to apply weights may appear equally straightforward. However, with longitudinal data and, in particular, with the SOEP things are more complicated. First and foremost, implementing an appropriate cross-sectional weighting scheme for the SOEP so that the waves properly represent Germany's population structure in the specific years is far from obvious and the assumptions on which the construction is based are debatable (for details see Diehl and Schnell 2006, p. 798). Weights may correct for (sampling- and attrition-) bias if they are adequately constructed. But they can also intensify bias if they are not correct. The more complex the weighting scheme, the more pitfalls there are. Second, with regard to subsample D1, it is hardly possible to compute design weights for the snowball sample (Rendtel et al. 1997, pp. 275–276; Spieß 2004, p. 10) and thus cross-sectional weights for D1 are unavailable.[14] At this

[14] Respondents from this subsample get the value zero as a weighting factor. It would be possible to compute sampling weights if respondents' personal network size and information about the recruitment process were known (Salganik and Heckathorn 2004).

point, there are two possible strategies to deal with this problem. On the one hand, we could use the available weights, assume that they are correct, and exclude sample D1. On the other hand, we could treat all waves of the SOEP as independent, unweighted samples as Diehl and Schnell (2006, p. 798) suggest. Both strategies are not optimal. If we do not weight, we ignore design aspects and (potentially systematic) non-response, which can bias our sample. But weighting may also aggravate problems if the weights are incorrect. What is more, weighting will reduce the number of respondents, as D1 will be excluded, which, in the multivariate analyses, poses a problem as the number of cases with non-missing information on all relevant variables is not very high.

Table 5.3 may provide some guidance. It presents the immigrants' and the autochthonous population's estimated age distribution based on the Microcensus and the SOEP for 2008. On average, the immigrant population is significantly younger than the autochthonous population, as the Microcensus data clearly shows. The autochthonous population's median age lies between 45 and 54 years, while that of the immigrants lies between 25 and 35 years. This may be due to the immigrants' higher fertility rate (but see Milewski 2010). Table 5.3 also shows that the SOEP's age distribution is close to that of the Microcensus, which serves as a benchmark. They do not match perfectly, as the percentage point differences indicate. Interestingly, applying the cross-sectional weights to the SOEP reduces the difference in the age distribution for the autochthonous population ($9.9 - 4.5$), measured as the sum of the absolute differences in percentage points, but it increases the difference for immigrants, albeit only slightly ($10.5 - 12.2$).

As mentioned before, Diehl and Schnell (2006, p. 798) point out that a plausible weighting scheme for the SOEP, especially for immigrants, has yet to be developed. This might explain that applying the cross-sectional weights results in better estimates for non-immigrants in the sample and slightly poorer estimates for immigrants.

In the following, this work will pursue a two-fold strategy. In the descriptive analyses, when immigrants are compared to the autochthonous population with regard to their integration into the German society, cross-sectional weights will be applied. Even if non-response adjustment by post-stratification is far from perfect, we have to control for the differences in inclusion probabilities. For the multivariate analyses, I will abstain from applying any weights. Some classes of models (logistic regressions) estimate unbiased coefficients, even if the sample is stratified on endogenous variables (Kalter 2006, p. 149; Hosmer and Lemeshow 1989, p. 177). Still, longitudinal data forces us not only to take into account the sampling process, but also the attrition process which refers to the loss of observations in the course of the survey.

### *5.7.3 Panel Attrition and Longitudinal Weighting*

Not all households and respondents interviewed in wave $t$ can be re-interviewed in wave $t + 1$. This process is called panel attrition. It can occur at two levels (Kohler 2002, p. 124). On the household level, the complete household may refuse to be

**Table 5.3** Comparison of unweighted and weighted SOEP age distributions with the Microcensus for 2008. (Source: Microcensus 2008 (Statistisches Bundesamt 2009), SOEP 2008 ($N = 25{,}173$), own computations)

| Age groups from . . . up to . . . | Microcensus 2008 | | SOEP 2008 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Without migration background | With migration background | Without migration background | | With migration background | | Without migration background | | With migration background | |
| | | | Unweighted | | | | Weighted | | | |
| | % | % | % | Difference (pp) | % | Difference (pp) | % | Difference (pp) | % | Difference (pp) |
| 00–05 | 3.3 | 7.4 | 2.7 | 0.6 | 8.6 | −1.2 | 2.3 | 1.0 | 7.7 | −0.3 |
| 05–10 | 3.8 | 7.4 | 4.6 | −0.8 | 6.8 | 0.5 | 4.1 | −0.3 | 6.6 | 0.7 |
| 10–15 | 4.1 | 7.1 | 5.3 | −1.1 | 7.2 | −0.1 | 4.2 | 0.0 | 6.1 | 1.0 |
| 15–20 | 5.2 | 7.5 | 6.0 | −0.7 | 7.0 | 0.4 | 5.0 | 0.2 | 6.5 | 1.0 |
| 20–25 | 5.6 | 7.2 | 5.7 | 0.0 | 7.5 | −0.3 | 5.3 | 0.4 | 7.4 | −0.1 |
| 25–35 | 10.7 | 16.2 | 9.8 | 0.9 | 13.8 | 2.4 | 10.8 | −0.1 | 15.4 | 0.8 |
| 35–45 | 15.9 | 15.9 | 15.1 | 0.8 | 15.7 | 0.2 | 15.9 | −0.1 | 14.7 | 1.1 |
| 45–55 | 15.6 | 12.8 | 16.9 | −1.2 | 11.1 | 1.7 | 16.5 | −0.9 | 11.3 | 1.5 |
| 55–65 | 12.5 | 9.3 | 13.4 | −0.9 | 9.8 | −0.5 | 12.5 | 0.0 | 10.4 | −1.1 |
| 65–75 | 13.5 | 6.0 | 13.8 | −0.3 | 7.8 | −1.8 | 14.3 | −0.9 | 8.5 | −2.5 |
| 75–85 | 7.3 | 2.6 | 5.6 | 1.7 | 3.6 | −0.9 | 7.0 | 0.4 | 4.2 | −1.5 |
| 85–95 | 2.2 | 0.5 | 1.3 | 0.9 | 0.9 | −0.4 | 2.0 | 0.2 | 1.1 | −0.6 |
| 95 and older | 0.2 | 0.0 | 0.0 | 0.1 | 0.1 | −0.1 | 0.1 | 0.1 | 0.0 | 0.0 |
| Total[a] | 100.0 | 100.0 | 100.0 | 9.9 | 100.0 | 10.5 | 100.0 | 4.5 | 100.0 | 12.2 |

Weighting implemented by the cross-sectional weights provided by the SOEP-group (Kroh 2009)

[a] The total is calculated as the sum of the absolute differences

re-interviewed, or may move to an unknown destination or abroad. Similarly, on the individual level, a respondent may refuse to be re-interviewed, may move abroad or to an unknown destination, or may die. Even though panel maintenance schemes can have strong impact on the amount of dropouts, panel attrition is inevitable. In the course of the survey, subsample B, for instance, decreases from 1,393 households in 1984 to 500 in 2009. Although it is undesirable because it decreases the sample size, it remains rather unproblematic for the analysis if the attrition is at random. This would require that the dropouts are a random subsample of the original sample. Panel attrition becomes problematic, however, if it is non-random. An example would be that unemployed respondents are more likely to drop out of the panel than employed respondents. This could have various reasons. For instance, a new job might require previously unemployed respondents to move and thus they drop out of the survey. Or unemployment by itself might decrease a respondent's willingness to participate in the survey and thus cause the dropout. In this case, the probability to drop out of the sample is related to relevant characteristics and we are left with a selective sample from which it becomes more difficult to generalize to the population. If panel attrition is following a systematic pattern, we can try to control for this process by weighting the observations with longitudinal weights, giving more weight to those respondents who are less likely to remain in the sample. This, of course, requires us to understand and model the attrition process, e.g. to identify the relevant factors which are driving attrition. The SOEP provides longitudinal weights, which are the product of the inverse of the staying probabilities. These staying probabilities are estimated via logit models, predicting successful follow ups and interviews at $t + 1$ with covariates from $t$ (for details, see Kroh (2011) and Haisken-DeNew and Frick (2003)).

As for cross-sectional weights, longitudinal weights can improve our estimates if the weights are constructed correctly. If not, they, too, will increase bias. As Brüderl (2010, p. 993) points out, weighting might not even be necessary to correct for systematic panel attrition if attrition is driven by observables. Controlling these observed variables in the analyses (i.e. in the regression models) can correct for the attrition process. In addition, fixed effects estimates are also robust to attrition that is driven by time-constant unobserved variables. Moreover, in the context of random and fixed effects models, implementing the longitudinal weights is not straightforward. By construction, these weights differ for each wave. Standard fixed effects estimations, however, require that these weights are constant across individual observations (Bjerk 2009, p. 409). As a consequence, I will abstain from longitudinal weighting. We do not know whether more complicated modeling approaches really improve our estimates, but they certainly increase potential sources of error (Brüderl 2010, p. 993).

From the above discussion it follows that I use an *unbalanced* panel design when estimating the statistical models. Unbalanced means that the number of observations may differ between respondents, as some are longer in the SOEP than others. A *balanced* panel design would require each respondent being observed at *every* time point. Obviously, panel attrition is one source of unbalanced observation across respondents. But in the SOEP this is also due to the fact that it combines different

subsamples that have been included in different years. Since a balanced panel design would drastically reduce the number of cases, its implementation does not appear sensible (see Wooldridge 2002, p. 577 ff. for a discussion). It may appear obvious to assign more weight to those respondents with fewer observations, but I refrain from doing so for the reasons enumerated above.

### *5.7.4 Operationalization*

In the following, I will discuss the variables used in this study. In order not to prolong this chapter unnecessarily, I will abstain from a detailed description of all variables in the study and instead concentrate on the most important. A detailed list of all variables used can be found in table A.1 in the appendix.

Immigrants in the SOEP are identified via country of origin and nationality. This allows us to identify second generation immigrants who have acquired the German nationality. This work differentiates between first generation immigrants and second (and later) generation immigrants. The former are those who have migrated themselves, whereas the latter are direct descendants of immigrants. However, the second generation also includes those who have migrated themselves but arrived in Germany before the age of 6. This common procedure (e.g. Kalter 2006) is motivated by the fact that these immigrants are likely to pass through the German schooling system. Part of their secondary socialization will thus take place in the receiving country and its core educational institutions. Among the first generation, this work differentiates between immigrants from Greece, Italy, Poland, Spain and Portugal, Turkey, former Yugoslavia, other Eastern European Countries, other Western European Countries, other countries, and no answer.[15] Among the second generation, it is unfortunately not possible to unambiguously identify the parents' country of origin. In part, this is possible if the parents are interviewed in the SOEP, too (this is the case if the respondents live in one household). Unfortunately, this is not the case for many respondents. Consequently, the second generation has Germany as its country of origin. For the later analysis, this implies that one cannot compute joint models for first and second generation in which both generational status and country of origin are controlled for. Similarly to the country of origin, the respondents can also be distinguished by their nationalities, i.e. German, Greek, Italian, Polish, Spanish and Portuguese, Turkish, former Yugoslavian, nationalities from other Eastern European Countries, from other Western European Countries, and from other countries.

The analyses in general will put more emphasis on the first generation. This has a number of reasons. For one, the number of cases for the second generation is considerably lower and a detailed analysis of the second generation's transnational

[15] The latter is included as a separate category for most variables if the number of cases is high enough to justify a separate category. This is done also for other variables, e.g. CASMIN, to efficiently use the SOEP cases. The alternative would be listwise exclusion, which would considerably lower the number of cases in the multivariate analysis.

involvement is, in some instances, hard to realize. Moreover, the sample of second generation immigrants is rather heterogeneous regarding their inclusion into the SOEP. Some have been included directly through the sampling, while some grew up in (first generation immigrant) households and became part of the SOEP when reaching the 17th birthday (Wagner et al. 2007). As such, the sample of the second generation immigrants may not be fully representative of the second generation living in Germany.

The most important theoretical and empirical constructs of this work are certainly those capturing immigrants' transnational activities. Fortunately, the SOEP collects information on a set of important transnational activities: first, on remittances sent (abroad) to relatives and friends (Kivisto and Faist 2010, p. 140, 150 ff.; Haller and Landolt 2005; Waldinger 2008) and, second, on regular visits to the country of origin (O'Flaherty et al. 2007; Waldinger 2008; Haller and Landolt 2005). Remittances are typically considered to be an important aspect of transnational involvement. Remittance-arrangements are most likely within the context of families or extended kinship networks, as part of a household strategy to reduce risks (Massey 1990; Stark 1991; Stark and Bloom 1985; Landolt 2001). But they can also extend beyond close-kinship networks (Kivisto and Faist 2010, p. 141), being motivated by other than those quasi contractual arrangements of household risk diversification (Vanwey 2004), and may indicate emotional attachment to those left behind. Visiting the country of origin is a very tangible aspect of border-crossing involvement which, and as such, can be seen as a particularly important aspect of being transnationally active. As O'Flaherty et al. (2007, p. 820) put it, being in the country of origin in person is phenomenologically quite different from other forms of (electronically) mediated interaction. Hence, interacting with significant others in the country of origin is bound to be very important in evaluating investment decisions. Of course, these two dimensions of border-crossing involvement and the relating indicators cannot compete with the information on border-crossing involvement provided by a study like the CIEP (e.g. Portes 2001), for instance. But they very well match indicators used in other studies on transnational involvement, as discussed in Chap. 3 (Haller and Landolt 2005; O'Flaherty et al. 2007; Waldinger 2008).

An issue to consider with longitudinal data is that not every item is included annually. Some questions are asked biennially. The questions on a respondent's self-assessed language proficiency are, for example, included in the SOEP (after 1993) only in the years 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, and 2009. One could limit the analysis to the years in which the relevant information was collected. This, however, severely limits the analysis, because it drastically reduces the sample and, more importantly, rules out analyses on characteristics that are included in the survey alternately. Alternatively, we can make a virtue out of necessity and can use leads and lags of the respective variables in the analyses, which offers some protection against simultaneity. For instance, a set of items on visits to the country of origin within the last two years prior to the interview has been included in the SOEP starting 1996. Since then, it has been part of the SOEP questionnaire every two years, i.e. 1996, 1998, . . . , 2006, 2008. Information on language proficiency is included biennially but in odd years. Thus, we have information on language proficiency for

the years 1995, 1997, . . . , 2007, 2009. If we are interested in estimating the effect of visits to the country of origin on German language proficiency, then we will estimate the effect of visits to the country of origin from $t-1$ (e.g. 2004) on German language proficiency at $t$ (e.g. 2005). If, conversely, we are interested in estimating the effect of German language proficiency on the probability to visit the country of origin, then we estimate the effect of language proficiency at time $t$ (e.g. 2005) on visits to the country of origin at $t+3$ (e.g. 2008)–recall that the items on visits refer to the last two years before the interview.[16] This strategy is chosen for all variables that are collected biennially.

The time lag between the independent and the dependent variables might appear long. In this example, the longest possible lag between the two variables is just under 3 years. However, this structure is necessary to ensure the correct temporal order between independent and dependent variables. How can such a lag influence the analyses? If there is a lag between exposure and effect, we have to rely on the assumption that effect will be observable after the lag. In some contexts such an assumption can be problematic. In the context of this work, however, it appears unproblematic. The theoretical perspective laid out above (Chap. 4) is compatible with the assumption of delayed responses. Investment decisions over the life course are surely shaped by more than the immediate experiences and opportunity structure prior to the decision. Quite the opposite: deciding to invest into a specific form of capital surely depends on previously accumulated capitals and previous experiences, as they also shape the expectations regarding gains and realization probabilities. Thus, it is a sound assumption to say that transnational activities in the last 2 years influence present immigrant integration (and vice versa). Besides, most variables are measured annually so that this problem only presents itself with a few indicators.

A related and potentially more severe problem presents itself for three other (sets of) variables (ethnic composition of one's network, the location of relatives, and neighborhood characteristics). Information on these items is only collected every few years (see Table A.1 in the appendix). Either we limit the analyses to the respective years or we have to fill in the missing values. The first option is out of question, as this would limit the analyses to at most three time points with considerable lags between them. With respect to the second option, if we perceive this as a missing data problem, we could try to impute the missing data from the available information (e.g. Allison 2000). The implementation of an elaborate imputation scheme, especially for longitudinal data, however, goes beyond the scope of this work. Thus, an alternative way of filling in the missing values is chosen: they are replaced by the values of the last available measurement. This procedure is admittedly not the best choice, although it appears to be commonly used (see e.g. Kalter 2006, p. 150). However, this is only done when these variables are used as predictors. And, in the case of neighborhood characteristics, additional information on moves is used to ensure that respondents are still living in the neighborhood their answers referred to. What are

[16] This example indicates that we are actually facing an endogenous causal structure, which is at odds with the assumption of certain panel models (such as fixed effects models). See Chap. 9 for a discussion.

the consequences of this procedure for the analysis? This is actually a measurement problem. By using last year's information as a proxy for the current year, we increase measurement error. Measurement error may bias our estimates. But measurement error is likely to create a 'conservative,' i.e. downward, bias, which is in any case preferable to an undefined bias due to unobserved heterogeneity. Thus, although this procedure is unlikely to obscure the estimates—and in the case of neighborhoods even seems well justified as most neighborhoods in Germany do not change completely within 4–5 years—we have to keep this in mind when conducting the analysis.

## 5.8 Theoretical and Empirical Implications of the Data

Besides the methodological issues discussed above, we should also reflect on how the data we have matches the theory we use and whether the data captures the population of interest. The group of immigrants which is most likely to be in a survey like the SOEP is at least partially permanent immigrants. Sojourners and pendular labor migrants are less likely to be part of such a survey. Thus, the immigrant sample in the data used is selective in the sense that the longer the residence in Germany, the higher the probability of being in the sample (Rendtel et al. 1997, p. 189). Some scholars might argue that precisely the group which has been excluded from the study is most relevant with respect to transnational involvement. This might well be the case. Still, it is very informative to investigate transnational activities among a population in which they are by default less likely, i.e. more permanent immigrants. Of course, the same line of criticism regarding the sample selection applies when investigating the relationship between transnational involvement and immigrant integration. One might say that it is uninformative to look at those immigrants who intend to settle permanently in the receiving country, because they are more likely to follow conventional paths of immigrant integration. Thus, inference regarding the overall validity and explanatory scope of the theoretical frame can be hard to justify. This is a valid critique, which has to be carefully addressed by studies on transnational involvement and immigrant integration. But a strength of the proposed theoretical model in Chap. 4 is its universality. Reconstructing the integration process as investment decisions that bounded rational actors make, facing a specific opportunity structure, can be easily extended to forms of temporary migration. Moreover, the theoretical model's core has been applied numerous times to explain the actual migration process (Esser 1980; Kley 2010; De Jong et al. 1983; De Jong and Gardner 1981; Huinink and Kley 2008) and even circular migration from Poland to Germany (Kalter 2011).

There are, nonetheless, important empirical and theoretical aspects to consider. First, the Comparative Immigrant Entrepreneurship Project (CIEP), which does not restrict its sample to (semi)permanent immigrants, has shown that transnational modes of making a living are uncommon among immigrants (see e.g. Portes et al. 2002). Second, although other forms of transnational involvement, be they political or socio-cultural, are more common among immigrants than assumed by critiques of

the concept, this is not limited to pendular migrants. Instead, permanent and semi-permanent immigrants do engage in these activities (see e.g. O'Flaherty et al. 2007; Portes 2003). But with respect to immigrant integration, one can as well argue that those immigrants who (intend) to stay for longer periods of time in a receiving country make up the population of interest. When it comes to issues of integration, this group is at the center of interest in the debates in science, politics, and media. Moreover, because a huge part of the non-autochthonous population living in immigration countries are permanent or semi-permanent migrants, it seems indeed reasonable to investigate transnational involvement among them.

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# Chapter 6
# Transnational Activities and Immigrant Integration in Germany

**Abstract** This chapter contextualizes the German case, gives a brief history of the German immigration experience in the second half of the twentieth century, and provides a descriptive account on the extent to which immigrants in Germany engage in transnational activities.

The descriptive analyses reveal that the majority of first generation immigrants maintains ties with its country of origin, but the extent depends on the type of activity considered. Regular visits to the country of origin are common, most of them, however, do not exceed periods of 1–3 months and there is no intergenerational decline in visiting. Second generation immigrants visit their (parents') country of origin as often as first generation immigrants do. Sending remittances, on the other hand, is much less common among first generation immigrants in Germany and is rare among the second generation.

Further descriptive analyses show substantial differences with regard to immigrants' countries of origins. Those groups which appear most disadvantaged, e.g. immigrants of Turkish descent, are also transnationally most active.

**Keywords** Immigration · Integration · Assimilation · Incorporation · Transnational activities · Germany

This chapter presents a short overview of Germany's immigration history of the past 50 years. It is followed by a descriptive portrayal of the scope of transnational involvement among the immigrants in Germany as well as their integration into the German society.

The results of the analyses show that immigrants in Germany regularly engage in border-crossing activities. Short and medium long visits to the (parents') country of origin are common among first and second generation immigrants. Sending remittances, however, seems largely restricted to first generation immigrants and even among them it is not very frequent.

## 6.1 The German Case

In 2009, about 19.2 % of all people living in Germany had a direct or indirect migration background, which amounts to about 15.7 million people (Table 6.1). This group comprises people who were born abroad and immigrated to Germany—typically

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**Table 6.1** German population in thousands. (Source: own computations based on Microcensus 2005–2009 from Federal Statistical Office (2006, 2007, 2008, 2009, 2010))

| | Total | Autochthon | Immigrants | | | | |
|---|---|---|---|---|---|---|---|
| | | | Overall | German citizenship | | Foreign citizenship | |
| | | | | 1st generation | 2nd/3rd generation | 1st generation | 2nd/3rd generation |
| 2009 | 81,904 | 65,856 | 15,703 | 5,007 | 3,472 | 5,594 | 1,630 |
| 2008 | 82,135 | 66,569 | 15,566 | 5,014 | 3,283 | 5,609 | 1,661 |
| 2007 | 82,257 | 66,846 | 15,411 | 4,942 | 3,189 | 5,592 | 1,688 |
| 2006 | 82,369 | 67,225 | 15,143 | 4,847 | 2,997 | 5,584 | 1,716 |
| 2005 | 82,465 | 67,132 | 15,057 | 4,828 | 2,908 | 5,571 | 1,749 |

Figures for 2005 and 2009 do not add up to the overall population size, because people who are not unambiguously identifiable as having a migration background have been excluded

referred to as first generation immigrants—and their direct descendants—referred to as second or third generation. Immigrants can be further differentiated by their citizenship. In 2009, only about 8.8 % of the German population was of foreign nationality, indicating that more than half (54.0 %) of the people with a migration background have acquired the German citizenship. Regarding the country of birth, the first generation makes up about 67.5 % of all immigrants, corresponding to a share of 12.4 % of the overall population in Germany. If we compare these numbers to the US[1], which in 2012 reported that 13 % of their overall population were foreign born people, it is apparent that Germany is one of the major receiving countries among the Western developed countries (see also OECD 2008).

Despite this, Germany was for long unwilling to accept that it had become an immigration country. Symptomatic of this is the fact that until 2005 detailed information on the share of immigrants in Germany was unavailable, because the German official statistics only collected information on citizenship and not on country of origin. It is obvious that identifying immigrants on the basis of citizenship provides us with a faulty impression, as the total share of immigrants, including naturalized persons, differs greatly from the share of people with a foreign nationality (see Table 6.1).

Post-war immigration to Germany can be characterized by two large streams of immigration (see Fig. 6.1, which displays immigration and emigration from and to Germany). In the reconstruction period following World War II, Germany recruited foreign workers to meet its industries' growing demand for labor. This took place between the late 1950s and the late 1960s. Following the economic downturn in the late 1960s and early 1970s, Germany officially halted the recruitment in 1973. The late 1970s and the 1980s were characterized by relatively low immigration, mostly in form of family reunions and on humanitarian grounds. Immigration to Germany increased again with the collapse of the Soviet Union and the Warsaw Pact. In the late 1980s and in the 1990s, Germany experienced considerable immigration from Eastern Europe, the former Soviet Union, and the Balkan states (see Fig. 6.1).

[1] Source: http://factfinder2.census.gov (09.26.2013).

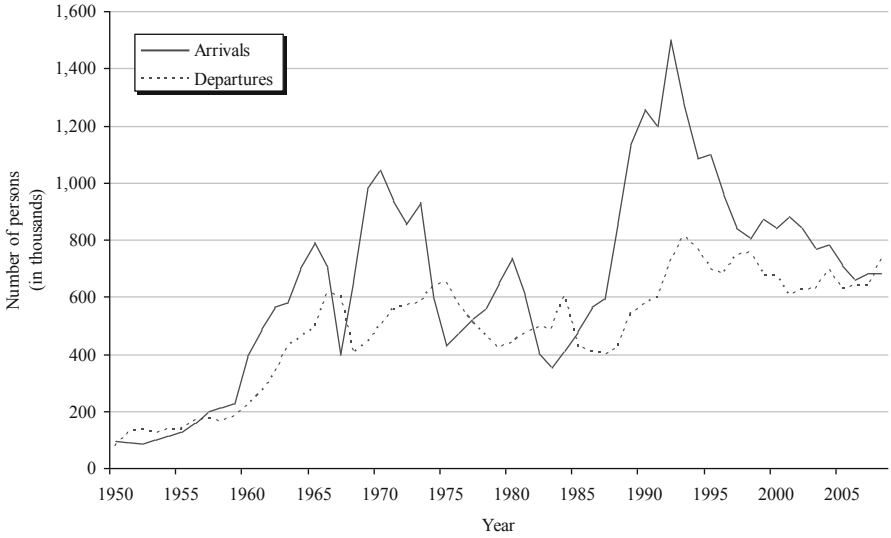


**Fig. 6.1** Immigration and emigration to and from Germany from 1950 to 2008. (Source: own computations based on data from the Federal Statistical Office (www.destatis.de) and the Migrationsbericht (2010); note: Until 1990 numbers include only the FRG; for a detailed description, see BAMF (2010, p. 13). Figures include both German and non-German citizens)

Much of the scientific and public debate on immigration in Germany focuses on the German immigration experience of the second half of the twentieth century. However, Germany has experienced large waves of emigration as well as immigration already in the nineteenth century. After the mass emigration of Germans to the United States in the nineteenth century, there was a considerable labor shortage during the economic boom of the so-called 'founding epoch' ('Gründerzeit') of the German Reich. Similar to the economic boom of the reconstruction after the Second World War, this shortage was met by recruiting foreign workers. Most of them came from Poland, worked in the industry of the Ruhr region or agriculture in the Eastern parts of the German Reich, and eventually stayed permanently. Ethnic boundaries between their descendants and the autochthonous German population have long since disappeared. Only surnames in the Ruhr area remind us of the fact that quite of few people living in this area are descendants of former immigrants (Herbert 2003, p. 74).

The post-war period of the 1950s was characterized by the so-called 'economic miracle' ('Wirtschaftswunder'), an unprecedented economic boom. This development created a large demand for labor, which the German population by itself could not supply (Wenning 1996, p. 165). Therefore, the German government started recruiting so-called 'guestworkers' ('Gastarbeiter') to supply the economy with sufficient labor. These immigrants were mostly recruited through bilateral agreements with other countries. The first agreement was conducted with Italy in 1955, followed by Spain and Greece in 1960, Turkey in 1961, Morocco in 1963, Portugal in 1964, Tunisia in 1965, and former Yugoslavia in 1968 (Herbert 2003, p. 203, 208; Kivisto

2002, p. 161). The recruitment of foreign workers intensified considerably after the construction of the Berlin Wall in 1961, because it became impossible for East Germans to commute to West Germany and work there. Since most of the jobs to be filled required little education, the majority of the immigrants coming to Germany were of low socio-economic background. The name the German government had chosen for the immigrants (guestworkers) indicates that it was not intended for them to stay permanently. Instead, their stay was supposed to be temporary with them returning to their countries of origin after having worked in Germany for a few years. A rotation system should have ensured this, but it proved to be infeasible. It would have required the German employers to constantly train new workers while sending well trained employees back to their countries of origin (Schönwälder 2003, p. 127). As we know today, these labor migrants remained in Germany much longer than initially planned or expected, many of them permanently.

After the oil crisis and the economic downturn in the early 1970s, Germany faced rising unemployment rates. As a consequence, the German government officially stopped its recruitment of foreign workers in 1973. This development is mirrored by the steep decline of new arrivals to Germany beginning with 1970 (see Fig. 6.1). In the following period of the 1970s and 1980s, German governments tried to increase remigration by implementing strict immigration control and labor market policies and by offering immigrants financial incentives to return to their country of origin (Herbert 2003, p. 244, 255 ff.). If at all, these attempts were only partially successful. Net migration (arrivals minus departures) became negative for a short time only in the late 1970s and the mid-1980s. What is more, the policies even proved to be counterproductive. The new barriers to cross-national movement—unemployed foreign workers could, for instance, not re-enter Germany after visiting their country of origin—led many immigrants to stay in Germany permanently. Instead of visiting their countries of origin, they had their families join them in Germany. The increase in family-reunifications starting in the 1970s was thus partly owed to Germany's attempt to stop immigration and increase re-migration (Meier-Braun 2002, p. 42). Today, the former guestworkers and their descendants make up the largest part of the immigrant population in Germany (see Fig. 6.2).

After the collapse of the Eastern Block, large numbers of immigrants came to Germany from former communist countries, since it became much easier to leave these countries.[2] A noteworthy group among the immigrants from Eastern Europe were ethnic German repatriates ('Aussiedler' or 'Spätaussiedler'), i.e. persons of German origin born abroad. In contrast to other immigrants, this group was entitled to settlement and full legal rights in Germany, including quick acquisition of the German citizenship.[3] Between 1988 and 1992, approximately 2.2 million persons immigrated from (formerly) East-European communist countries to Germany (Herbert 2003, p.

[2] We should note that the stream of immigrants from Eastern Europe and the former USSR increased already in the 1980s (for a detailed discussion, see Herbert (2003)).

[3] Until the year 2000, Germany's citizenship law was jus sanguinis and Germany based its understanding of citizenship on an ethnic rather than a civic conception (Kivisto and Faist 2010, p. 68; Brubaker 1992).

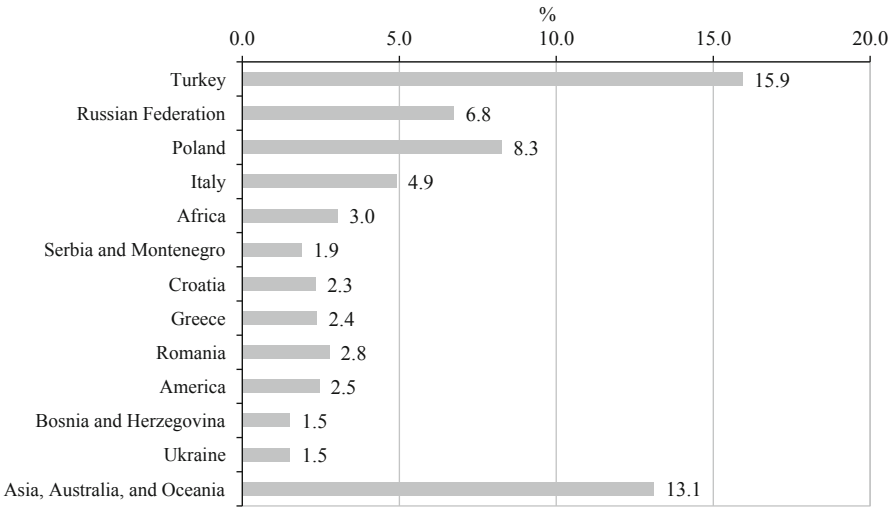


**Fig. 6.2** Immigrants' origin countries in 2009. (Source: own computations based on Microcensus 2009 from Federal Statistical Office (2010); note: figures do not add up to 100 % because this graph reports only the most important origin countries; category 'other country of origin': 17.1 % and category 'without valid information': 15.9 %)

276). In the mid- and late 1990s, immigration changed, as the conflicts that followed the collapse of the Eastern block brought new immigrants to Germany and Europe. Many refugees came from former Yugoslavia, fleeing the violent ethnic conflicts. At the time, Germany was also the destination for many Kurdish refugees who were trying to escape the ethnic conflict in Turkey. Immigration decreased in the mid-1990s not only because the conflicts ebbed away, but also because Germany implemented stricter asylum laws in 1993 (Kivisto and Faist 2010, p. 68). We should note, however, that the public and scientific discourse at the time very narrowly focused on refugees and asylum-seekers and overestimated the impact and share of refugees among the overall immigration; even at the high point of refugee streams in the mid-1990s, more people were coming to Germany via family reunifications and intra-European immigration (Herbert 2003, p. 288).

Immigration today is mostly intra-European labor migration. Of all arrivals in 2008, more than two thirds (65.7 %) came from Europe (BAMF 2010, p. 19, 21). The main sending country in 2008 was Poland (19.2 %)—as in the years before. This already impacts the composition of the immigrant population. In 2009, Polish immigrants were the second largest group (Fig. 6.2). But much of this migration is temporary and thus the share of Polish citizens among the departures is equally high (17.9 %). On the whole, in- and out-migration has almost balanced in the last years and even became negative in 2008 (Fig. 6.1.).[4]

[4] This is due to the increasing number of German emigrants. Net migration for non-German citizens is still slightly positive in 2008 (10,685) (BAMF 2010, p. 13).

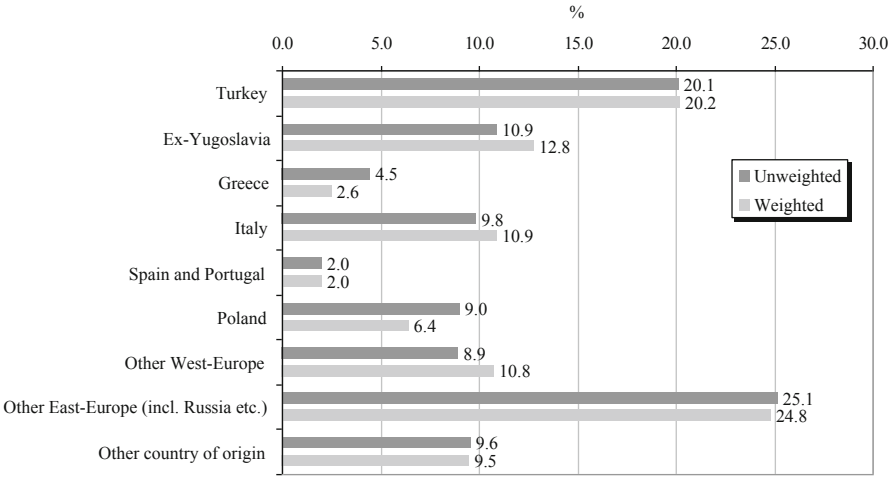


**Fig. 6.3** Immigrants' origin countries in 2009 in the SOEP. (Source: own computations based on SOEP 2010; $N = 2{,}399$)

## 6.2 State of Integration and Scope of Transnational Activities

If we compare the distributions of immigrants' origins surveyed in the SOEP with those of the Microcensus (see Figs. 6.2 and 6.3), we can observe some differences. Owed to the sampling strategies (see Chap. 5 for a detailed discussion), the SOEP's focus is on the former guestworkers, their descendants, as well as immigrants from Eastern Europe. As such, the sample might not be perfectly representative of the immigrant population in Germany today, in particular with regard to immigrants that arrived in Germany in the last few years. However, since the groups the SOEP oversampled are at the heart of the scientific and public debate on immigrant integration, this is not necessarily a shortcoming.

### *6.2.1 Visits to the Country of Origin*

The first area of border-crossing involvement this study inspects is visits to the country of origin. As described in Chap. 5, information on visits to the country of origin is collected biennially in the SOEP since 1996. Figure 6.4 shows the cross-sectional distributions of visits and their respective durations since 1996. It is apparent that the majority of immigrants frequently visits their country of origin. On average, only an estimated 31 % report not having undertaken a trip to the country of origin in the last 2 years. The greater part of trips are either short (up to 3 weeks, on average 28 %) or moderately long (1–3 months, on average 34 %). Very long stays in the country of origin with durations of 4–6 months or even more are uncommon. Together they make for an average of estimated 7.3 % of the visits.

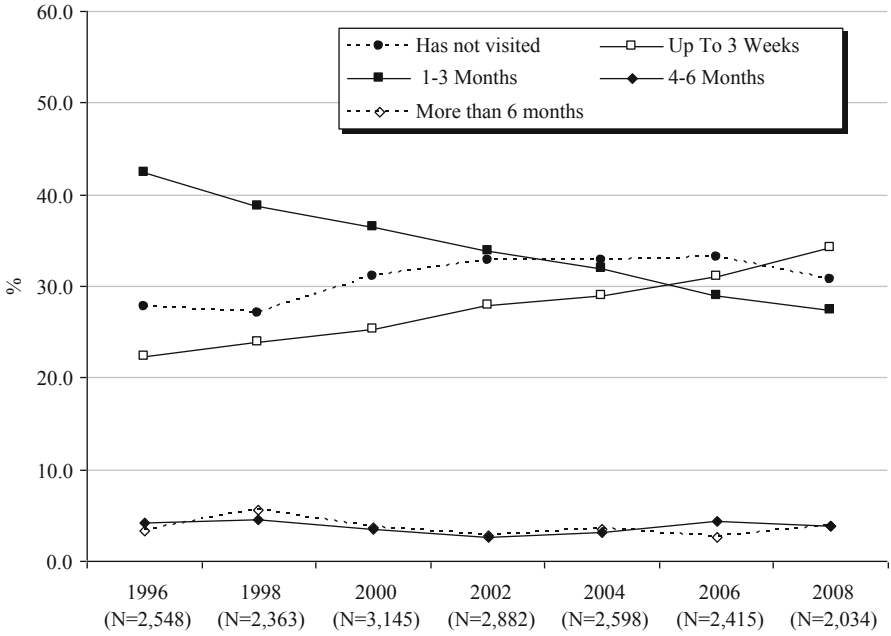


**Fig. 6.4** Visits to the country of origin between 1996 and 2008. (Source: own computations (weighted) based on SOEP 2010)

A popular argument in studies on transnationalism is that technological innovations may have resulted in an increase in border-crossing activities (see Chap. 3). At least for the data at hand, there is no evidence for this. While the relative frequency of short trips has increased, moderately long trips (1–3 months) have become less frequent.[5] The number of respondents who undertake long trips to their country of origin is fairly stable between 1996 and 2008. This is a very interesting part of the sample, as spending more than four consecutive months in the country of origin may be an indicator for a transnational mode of living that is often evoked in the (early) work on immigrants' border-crossing involvement. While it is hard to compare this data to the data used by previous studies (see Chap. 3 and Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002; Portes 2003; Snel et al. 2006; Waldinger 2008; O'Flaherty et al. 2007), it appears that immigrants in Germany are no less transnationally active than in other receiving countries—at least when it comes to visiting the country of origin. Guarnizo et al. (2003, p. 1226) report that 19 % of immigrants in the cross-sectional CIEP data visit their country of origin annually. Using cross-sectional data, Waldinger (Waldinger 2008, p. 26), for instance, reports

[5] But the data may not be well suited to examine this particular question, as the respondents are asked if they have been to their country of origin in the last 2 years and, if so, for how long. This might result in an underestimation of the incidence of visits, because if several trips have been undertaken only the longest is reported.

that 34 % of Latin-American immigrants in the US have not visited their country of origin at least once. Cross-sectionally, this links up with the German data, as the percentage of immigrants in the SOEP who report not having visited their country of origin is relatively stable at 31 %. Certainly, such a similarity does not allow for any substantial inferences taking into account all the differences between the two receiving countries.

As laid out in Chap. 4, we can expect the first and second immigrant generations to differ in their border-crossing involvement. But, as Table 6.2 clearly shows, the difference in visits to the (parents') country of origin is small. While there are also virtually no gender differences when it comes to visits to the country of origin, there are substantial differences between immigrant groups. We see that the labor migrants—i.e. the groups that made up the former guestworkers—visit their country of origin very frequently (see Table 6.2). On average, only an estimated 11.9 % (immigrants from Greece) to 25.6 % (immigrants from former Yugoslavia) have not visited their country of origin. In this respect, immigrants in the categories "other Eastern-European countries" as well as "other countries" clearly stand out. The majority of these immigrants does not visit their country of origin regularly (65.7 and 52.7 %). Most immigrants from Eastern European countries are likely to be above mentioned ethnic German repatriates, coming to Germany with the clear intention to settle permanently. This stands in contrast to the situation of many labor migrants, who initially planned to return to their country of origin (see Table 6.4: an estimated 89.8 % of immigrants coming from Eastern European countries report that they want to stay in Germany permanently, compared to lower figures for other countries of origin). The differences between these groups are therefore all but implausible.

### *6.2.2 Remittances*

As Fig. 6.5 shows, remitting behavior appears to be even more constant across the years 1996 to 2009. Sending remittances is rather uncommon among immigrants in Germany. A relatively stable 90 % does not send and only 10 % report having sent money to the country of origin in the last year. Other studies found varying figures ranging from 74 % (Itzigsohn and Giorguli-Saucedo 2002, p. 776) to 47 % (Waldinger 2008, p. 26) in the US to 28 % in the Netherlands (Snel et al. 2006, p. 292). However, while the proportion of immigrants who remit remains rather stable from 1996 to 2009, there is a sizeable decrease in the mean amount remitted. The mean amount is at 448.7 € in 1997 and it reduces relatively steadily to 117.4 € in 2009. Whereas visits to the country of origin do not seem to differ across generations, clear differences exist with regard to remitting behavior. Table 6.2 shows that while on average 13.6 % of first generation immigrants in Germany send money back to the country of origin, only about 3.3 % of the second generation do so. This drop is theoretically very plausible, as migration is often motivated by the attempt to improve not only the immigrant's but also the immigrant's family's material situation. The new economic theory of migration (Stark 1991; Stark and Bloom 1985; Massey 1990), for instance,

**Table 6.2** Transnational activities among immigrants in Germany. (Source: own computations (weighted) based on SOEP 2010)

| | Visits to the country of origin in the last 2 years (%) | | | | | Sent remittances in the last year | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Has not visited | Up to 3 weeks | 1–3 months | 4–6 months | More than 6 months | No (%) | Yes (%) | Mean (€) | SD (€) |
| Overall | 31.0 | 28.1 | 33.7 | 3.7 | 3.6 | 90.1 | 9.9 | 253.6 | 1488.6 |
| 1st generation | 29.4 | 25.8 | 36.0 | 4.8 | 4.0 | 86.9 | 13.1 | 343.0 | 1725.9 |
| 2nd generation | 27.1 | 28.9 | 37.9 | 2.4 | 3.6 | 96.8 | 3.3 | 62.4 | 741.3 |
| Male | 30.6 | 28.3 | 33.8 | 3.7 | 3.6 | 89.2 | 10.8 | 314.9 | 1776.8 |
| Female | 31.3 | 27.9 | 33.6 | 3.7 | 3.5 | 90.9 | 9.2 | 195.3 | 1146.0 |
| Italy | 12.7 | 34.9 | 46.0 | 3.8 | 2.6 | 96.9 | 3.2 | 86.1 | 1101.8 |
| Turkey | 16.7 | 20.9 | 50.0 | 6.3 | 6.1 | 88.6 | 11.4 | 316.6 | 1838.6 |
| Ex-Yugoslavia | 25.6 | 31.8 | 34.7 | 4.8 | 3.1 | 78.6 | 21.4 | 741.0 | 2478.1 |
| Greece | 11.9 | 23.5 | 50.5 | 8.9 | 5.3 | 91.5 | 8.5 | 378.4 | 2007.7 |
| Spain/Portugal | 10.4 | 23.8 | 54.4 | 3.2 | 8.2 | 92.9 | 7.2 | 215.3 | 1187.9 |
| Poland | 24.0 | 52.7 | 21.3 | 1.1 | 0.9 | 87.4 | 12.6 | 221.2 | 1117.1 |
| Other Western-Europe | 23.7 | 43.0 | 28.1 | 2.1 | 3.2 | 95.5 | 4.5 | 156.3 | 1499.4 |
| Other Eastern-Europe | 65.7 | 22.1 | 9.8 | 1.1 | 1.4 | 90.2 | 9.8 | 135.9 | 735.8 |
| Other | 52.7 | 16.2 | 26.3 | 2.5 | 2.2 | 86.0 | 14.0 | 280.5 | 1228.1 |
| Has not visited | | | | | | 92.4 | 7.6 | 117.2 | 785.8 |
| Up to 3 weeks | | | | | | 88.4 | 11.6 | 245.1 | 1116.1 |
| 1–3 months | | | | | | 83.5 | 16.5 | 472.6 | 1909.3 |
| 4–6 months | | | | | | 86.6 | 13.4 | 642.6 | 3187.7 |
| More than 6 months | | | | | | 92.5 | 7.5 | 297.8 | 3061.2 |

Percentages are averages across 1996–2009, number of cases (*N*) varies across groups and items

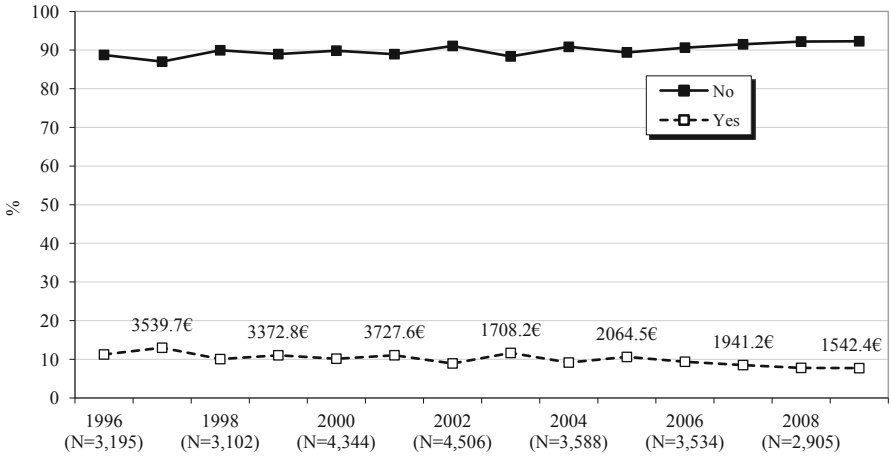


**Fig. 6.5** Remittances from 1996 to 2009. (Source: own computations (weighted) based on SOEP 2010; Note: Numbers in € indicate mean amount remitted in respective year for those who remit)

suggests that migration is a strategy to diversify income sources for a household and hence immigrants are bound to contribute financially to the welfare of those that stay behind (see also Levitt (2001) and Landolt (2001) for a rich description of remittance behavior from a transnational perspective). It is not surprising that these obligations do not appear to extend across generational boundaries. Still, this is much lower compared to US data, where Haller and Landolt (2005, p. 1193), for instance, report that 24 % of second generation immigrants send remittances to their (parents') country of origin. Overall, this study's data therefore suggests that financial ties and obligations linking immigrants to their country of origin are less strong than in the US context.

The generational difference in remittance behavior is also found in the amount remitted. On average, among those who remit the first generation sends 2703 € per year, whilst the second generation sends considerably less—only about 2050 €. The difference between first and second generation therefore really lies in the proportion of immigrants who remit and not so much in the amount. As regards the development of the amount remitted, both first and second generation immigrants remit substantially less over the course of the survey period.

As Table 6.2 also shows, the temporal stability of the share of immigrants who remit is met by substantial differences between the immigrant groups. While more than every fifth immigrant from former Yugoslavia (21.4 %) sends money to her or his country of origin, only few Italian immigrants do so (3.2 %). Sending remittances also appears comparatively common among Polish (12.6 %) and Turkish immigrants (11.4 %) and immigrants from other, not differentiable countries of origin (14.0 %).

While male and female immigrants do not seem to differ when it comes to visiting their country of origin, this does not hold for remitting. Although the percentages of female and male immigrants who report having remitted in the previous year differ

only by 1.6 percentage-points, the mean amount is significantly ($p < 0.001$) smaller for women. It is rather well documented that, especially among the former labor migrants, female labor force participation is considerably lower than male labor force participation (Tucci 2008). It is therefore plausible to assume that decisions of financial transactions are influenced by gender (de la Briere et al. 2002; Vanwey 2004). One question that may arise is whether or not visits to the country of origin are related to sending remittances. This seems to be the case. Immigrants who visit their country of origin and stay longer appear to remit more (often), although the conditional distribution displays a curvilinear relation (see Table 6.2).

Overall, the data at hand provides strong evidence that immigrants in Germany are transnationally active. The first and second generation regularly undertake visits to their country of origin and the percentage is at comparable levels to immigrants in other receiving countries. Monetary transfers to the country of origin are, however, less frequent, not only in comparison to visits but also to other receiving countries (see Chap. 3 and Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002; Portes 2003; Snel et al. 2006; Waldinger 2008; O′Flaherty et al. 2007). Yet, those immigrants who do remit seem to send considerable amounts. The descriptive analyses also revealed that immigrants differ in their transnational involvement depending on their country of origin. Previous research, foremost from the US (see e.g. Itzigsohn and Giorguli-Saucedo 2002; Portes 2003; Guarnizo et al. 2003), has argued that immigrants not only differ in their origin context but that they also face dissimilar conditions in the receiving country and that this may influence their transnational involvement. It is well documented that immigrants in Germany are quite heterogeneous, in particular regarding their integration into the German society (e.g. Kalter and Granato 2002; Diehl and Schnell 2006). The following section will describe these differences and (descriptively) assess the immigrant groups' state of integration by comparing them to the autochthonous German population.

### *6.2.3 State of Integration*

Tables 6.3 and 6.4 present descriptive statistics on integration within the different dimensions. Whereas Table 6.3 differentiates between the autochthonous population and first and second generation, Table 6.4 differentiates between different countries of origin. As argued in Chaps. 1 and 3, a concrete, i.e. an empirical, assessment of immigrant integration is best achieved by a comparison to a reference group. In most cases this is the autochthonous population. If we compare first and second generation immigrants to the autochthonous population, the estimated means and percentages replicate well known results. On the *structural dimension*, we observe distinct differences between the autochthonous population and immigrants. On average, immigrants have less human capital, earn less and command less financial capital, are more often unemployed, and work in less prestigious occupations (Table 6.3). The difference is particularly evident between first generation immigrants and the autochthonous population. Disparities in human capital, financial capital, as well

**Table 6.3** Immigrant integration 2009 (compared to German population). (Source: own computations (weighted) based on SOEP 2010, averaged across 2005–2009 to ensure a sufficient number of cases)

| | | Autochthonous German | 1st generation | 2nd generation |
|---|---|---|---|---|
| | Age | 44.54 | 49.17 | 27.46 |
| | | (22.20) | (16.31) | (20.13) |
| | Gender (Female = 1) | 50.8 % | 52.6 % | 50.8 % |
| | Years of residence | | 23.24 | |
| | | | (12.41) | |
| | Age at migration | | 25.74 | |
| | | | (13.09) | |
| Emotional | Intention to stay permanently | | 73.0 % | 77.9 % |
| | German citizenship | | 42.3 % | 66.2 % |
| Cultural | Language proficiency (RC): very good/good (oral) | 61.8 % | 96.6 % | |
| | Language proficiency (RC): very good/good (written) | 42.2 % | 90.2 % | |
| | Language proficiency (SC): very good/good (oral) | 91.8 % | 70.2 % | |
| | Language proficiency (SC): very good/good (written) | 81.7 % | 50.7 % | |
| Structural | Years of education | 12.04 | 10.84 | 11.55 |
| | | (2.55) | (2.49) | (2.46) |
| | Monthly labor income (gross) | 2,414.35 | 1,959.60 | 2,040.39 |
| | | (2,096.58) | (1,541.05) | (1,649.73) |
| | OECD equivalized annual net household income | 20,932.72 | 16,865.45 | 17,417.86 |
| | | (20,074.91) | (43,783.53) | (10,318.18) |
| | Working | 55.2 % | 50.7 % | 56.0 % |
| | Unemployed | 8.0 % | 16.2 % | 11.6 % |
| | ISEI | 45.90 | 36.37 | 43.44 |
| | | (16.36) | (15.24) | (15.64) |
| Social | Mean percentage of friends with own ethnic background | | 51.00 | 21.26 |
| | | | (44.47) | (37.40) |
| | Mean percentage of German friends | 98.13 | 44.44 | 72.80 |
| | | (10.59) | (44.46) | (39.87) |

Number of cases differs across items; Mean percentage of German and co-ethnic friends do not add up to 100, as there is also the possibility of having non-German, non-co-ethnics as friends, standard deviations in parentheses

**Table 6.4** Immigrant integration differentiated according to country of origin. (Source: own computations (weighted) based on SOEP 2010, averaged across 2005–2009 to ensure a sufficient number of cases)

| | | Turkey | Ex-Yugoslavia | Greece | Italy | Spain/Portugal | Poland | Other W-Europe | Other E-Europe | Other |
|---|---|---|---|---|---|---|---|---|---|---|
| | Age | 32.49 | 41.39 | 42.01 | 39.56 | 38.82 | 38.72 | 42.71 | 40.27 | 34.42 |
| | | (18.83) | (19.97) | (19.26) | (20.15) | (18.27) | (18.84) | (20.74) | (21.09) | (17.64) |
| | Gender (Female = 1) | 47.3 % | 53.9 % | 46.2 % | 49.6 % | 37.1 % | 52.2 % | 50.4 % | 54.1 % | 53.6 % |
| | Years of residence | 22.32 | 25.23 | 29.97 | 28.99 | 28.27 | 19.22 | 28.83 | 16.17 | 19.73 |
| | | (10.91) | (12.40) | (11.45) | (12.37) | (13.43) | (8.65) | (14.37) | (10.56) | (11.87) |
| | Age at migration | 10.10 | 15.81 | 11.76 | 10.25 | 10.63 | 18.67 | 13.26 | 23.29 | 14.83 |
| | | (12.14) | (14.54) | (13.99) | (12.80) | (12.20) | (15.82) | (14.96) | (19.00) | (14.63) |
| Emotional | Intention to stay permanently | 61.4 % | 75.3 % | 63.9 % | 68.0 % | 51.0 % | 90.6 % | 74.9 % | 89.8 % | 71.6 % |
| | German citizenship | 17.7 % | 21.0 % | 22.3 % | 15.5 % | 10.2 % | 87.8 % | 28.6 % | 82.3 % | 58.6 % |
| Cultural | Language proficiency (RC): very good/good (oral) | 60.0 % | 74.6 % | 72.0 % | 71.1 % | 79.7 % | 85.3 % | 93.4 % | 69.8 % | 64.8 % |
| | Language proficiency (RC): very good/good (written) | 47.3 % | 52.8 % | 60.6 % | 45.7 % | 51.7 % | 74.9 % | 83.9 % | 55.9 % | 49.6 % |
| | Language proficiency (SC): very good/good (oral) | 88.3 % | 88.0 % | 90.5 % | 84.7 % | 84.7 % | 83.4 % | 78.4 % | 88.6 % | 86.0 % |
| | Language proficiency (SC): very good/good (written) | 72.6 % | 76.3 % | 79.0 % | 68.0 % | 67.1 % | 74.3 % | 76.3 % | 76.4 % | 76.6 % |

**Table 6.4** (continued)

| | | Turkey | Ex-Yugoslavia | Greece | Italy | Spain/Portugal | Poland | Other W-Europe | Other E-Europe | Other |
|---|---|---|---|---|---|---|---|---|---|---|
| Structural | Years of education | 9.72 (2.15) | 10.55 (2.15) | 10.81 (3.03) | 10.39 (2.07) | 10.69 (2.99) | 11.79 (2.26) | 11.97 (2.42) | 11.48 (2.54) | 12.01 (2.53) |
| | Labor income (gross) | 1,850.37 (1,288.90) | 1,800.18 (1,178.98) | 2,502.67 (1,463.33) | 1,962.56 (1,345.38) | 2,857.34 (1,749.81) | 1,968.45 (1,352.14) | 2,649.65 (2,528.03) | 1,810.76 (1,329.08) | 1,593.60 (1,663.00) |
| | OECD equivalized annual net household income | 13,628.16 (6,848.34) | 15,927.69 (7,632.83) | 21,503.89 (13,546.65) | 17,249.67 (11,115.65) | 21,664.24 (12,290.50) | 17,135.81 (7,781.80) | 23,973.66 (10,1195.07) | 15,572.86 (8,127.43) | 18,029.97 (30,553.13) |
| | Working | 44.1 % | 57.3 % | 62.5 % | 62.0 % | 68.6 % | 64.0 % | 55.2 % | 51.2 % | 56.5 % |
| | Unemployed | 22.2 % | 10.2 % | 13.5 % | 8.8 % | 16.4 % | 7.9 % | 10.4 % | 17.4 % | 17.3 % |
| | ISEI | 35.89 (12.82) | 34.20 (13.24) | 40.11 (15.44) | 36.39 (13.47) | 40.58 (17.52) | 39.88 (17.04) | 46.62 (16.45) | 37.59 (16.05) | 40.66 (17.33) |
| Social | Mean percentage of friends with own ethnic background | 71.37 (40.30) | 50.93 (42.93 | 53.28 (42.58) | 53.43 (43.62) | 30.75 (41.92) | 34.97 (41.87) | 21.53 (32.31) | 38.63 (45.37) | 33.61 (41.47) |
| | Mean percentage of German friends | 25.16 (37.93) | 41.61 (42.50) | 41.57 (40.92) | 41.13 (42.53) | 63.15 (41.88) | 61.04 (42.63) | 69.08 (37.37) | 57.88 (46.64) | 58.49 (43.80) |

Number of cases differs across items, standard deviations in parentheses

as occupational prestige are all substantial and significant ($p < 0.001$). This links up with previous research on immigrant integration in Germany (e.g. Kalter and Granato 2002; Seibert and Solga 2005; Kogan 2011a, b). In line with the arguments laid out in Chap. 4, we find notably less inequality between the second generation and the autochthonous population as compared to the first generation. While there are still discrepancies in human capital, financial capital, and occupational prestige, the gap becomes smaller. In general, the second generation appears much better integrated on the structural dimension, although complete structural assimilation has not been achieved.

Turning our attention to the *cultural dimension* of integration, we also find clear boundaries between the generations: the vast majority of first generation immigrants assesses their skills in the country of origin's language to be either good or very good. This holds for both oral and written skills (91.8 and 81.7 %). While almost two thirds of the first generation (61.8 %) also deem to be proficient in spoken German, less than half (42.2 %) is convinced that their written skills in German are good or very good. This is reversed for the second generation. Almost all respondents consider their German to be good or very good, regardless if this assessment refers to spoken (96.6 %) or written language skills (90.2 %). At the same time, while more than two thirds of the second generation (70.2 %) still speak their parents' mother tongue well or very well, only half (50.7 %) considers their written skills as being equally good.

Regarding the *emotional dimension* of integration, we see that both first and second generation immigrants in the survey intend to stay permanently in Germany.[6] But it is rather interesting to note that estimated one fifth (22.1 %) of the second generation does not plan to remain in Germany. With respect to citizenship, the data shows that an estimated 42.3 % of the first generation has acquired the German citizenship, while more than two thirds of the second generation is German (66.3 %). These figures are approximately equivalent to the proportions as based on the federal statistics (see also Table 6.1: first generation 47.2 %, second generation 68.1 % in 2009).

Generational differences can also be found in the *social dimension* of integration. A first generation immigrant's friendship network mostly comprises co-ethnics. Still, the data does not suggest strong ethnic homophily, or segmentation respectively, as the estimated mean percentage of co-ethnic friends is about 51.0 %. The second generation's network comprises mostly Germans (72.8 %). However, as the large standard deviations indicate, there is considerable variation on this dimension. If we look at Table 6.4, it becomes evident that much of the visible inequality between immigrants and autochthonous population can also be traced back to differences between immigrant groups. Taking up the last dimension—the social—we can observe large differences between the countries of origin: more than two thirds (71.4 %) of Turkish immigrants have ethnically homogenous networks, whereas the networks of immigrants coming from "Other Western-European" countries are mostly German (69.1 %). Arguably, ethnic composition of one's network still relates to horizontal

[6] One might argue that the intention to stay in Germany might be conflated with other aspects than those regarding belonging and emotional attachment. Although this is certainly a valid critique, I would argue that potentially vague return intentions indeed say a lot about feelings of belonging.

aspects of inequality—regardless of the fact that many studies have underscored the importance of one's social capital for one's position in society (see e.g. Drever and Hoffmeister 2008; Granovetter 1973; Kalter 2005). But ethnic inequality is also visible on the vertical, i.e. structural, dimension. There is, for instance, considerable variation in unemployment rates and occupational prestige between immigrant groups (Table 6.4). In general, immigrants coming from countries that partook in the guestworker program have higher unemployment rates and work in jobs with less occupational prestige (compared to autochthonous Germans). With the exception of Polish immigrants, whose estimated unemployment rate does not differ from that of the Germans, unemployment is higher among all immigrant groups. Ethnic disadvantages are particularly marked for Turkish immigrants: not only are an estimated 22.2 % unemployed; if they are employed, their occupational prestige and their income is considerably lower (mean ISEI = 35.89, mean gross labor income = 1,850.4 €)—compared to autochthonous Germans or other immigrants. To some extent, the disadvantageous position of the Turkish immigrants lies in their lack of human capital. They commonly have lower levels of schooling (9.7 years of education) than the autochthonous German population or other immigrant groups. Regarding these other groups, the situation appears more heterogeneous. Some of them also have relatively high unemployment rates, e.g. Greek and Spanish/Portuguese immigrants, but appear to be financially even better off than the average German, as indicated by estimated gross labor incomes of 2,502.7 € and 2,857.3 € respectively. Immigrants from Italy, former Yugoslavia, and 'Other East-European Countries' can also be characterized by a particularly disadvantaged position in the German society. These groups have higher average unemployment rates, lower average incomes, and work in less prestigious jobs.

Table 6.4 moreover illustrates the link between human capital and cultural capital: for all immigrant groups (except for those coming from 'Other West-European Countries'), there is a positive and significant relation (test statistics not reported here) between years of schooling and receiving country language proficiency (see also Esser 2006). Descriptively, the link extends to other dimensions of integration as well. As discussed above, there is considerable variation between the ethnic groups on the social dimension of integration; some groups can be best characterized by segmentation (e.g. Turkish immigrants), others seem to show multiple inclusion (immigrants from former Yugoslavia, Greece, and Italy), whereas yet others seem to be on the road to assimilation (e.g. 'Other West-European Countries'). Bivariate analyses (not reported here) unmistakably show the well-known association (Kalter 2006) between the social and the cultural dimension. The same holds for the emotional dimension.

Certainly, the focus of this work is not on the relation between the different dimensions of integration but on the relation between transnational involvement and integration. And descriptively these two aspects of migration indeed appear related (see Table 6.5). But the relation is not as linear as the theoretical considerations in Chap. 4 suggest. Looking at the first four categories of the variable 'visits to the country of origin' (1. has not visited, . . . , 4. 4–6 months and longer), we can observe an almost linear relationship between visiting and emotional and cultural

**Table 6.5** Immigrant integration and transnational activities. (Source: own computations (weighted) based on SOEP 2010, averaged across 2005–2009 to ensure a sufficient number of cases)

| | | Visits to the country of origin in the last 2 years | | | | | Sent remittances in the last year | |
|---|---|---|---|---|---|---|---|---|
| | | Has not visited | Up to 3 weeks | 1–3 months | 4–6 months | More than 6 months | No | Yes |
| | Age | 45.31 (18.05) | 44.03 (15.54) | 44.41 (15.68) | 53.43 (14.57) | 53.16 (17.54) | 45.11 (18.27) | 46.49 (13.25) |
| | Gender (Female = 1) | 54.37 % | 50.69 % | 51.45 % | 53.64 % | 47.45 % | 53.09 % | 52.58 % |
| | Years of residence | 24.39 (16.00) | 26.40 (13.18) | 26.67 (11.71) | 29.58 (12.05) | 32.80 (12.67) | 29.14 (16.76) | 22.82 (14.16) |
| | Age at migration | 20.59 (17.60) | 17.52 (14.22) | 17.52 (13.55) | 23.89 (11.60) | 19.92 (13.65) | 15.57 (16.16) | 23.69 (13.24) |
| Emotional | Intention to stay permanently | 88.5 % | 75.1 % | 61.2 % | 49.3 % | 69.5 % | 74.5 % | 72.6 % |
| | German citizenship | 57.8 % | 30.9 % | 17.2 % | 6.2 % | 28.0 % | 52.3 % | 40.4 % |
| Cultural | Language proficiency (RC): very good/good (oral) | 74.0 % | 77.8 % | 68.0 % | 40.9 % | 65.7 % | 71.9 % | 69.5 % |
| | Language proficiency (RC): very good/good (written) | 59.1 % | 60.9 % | 51.8 % | 24.7 % | 48.2 % | 56.8 % | 47.4 % |
| | Language proficiency (SC): very good/good (oral) | 80.2 % | 87.0 % | 94.0 % | 98.2 % | 91.2 % | 84.6 % | 93.2 % |
| | Language proficiency (SC): very good/good (written) | 67.7 % | 74.2 % | 82.2 % | 78.6 % | 72.5 % | 71.1 % | 87.0 % |

**Table 6.5** (continued)

| | | Visits to the country of origin in the last 2 years | | | | | Sent remittances in the last year | |
|---|---|---|---|---|---|---|---|---|
| | | Has not visited | Up to 3 weeks | 1–3 months | 4–6 months | More than 6 months | No | Yes |
| Structural | Years of education | 11.01 (2.27) | 11.14 (2.37) | 10.93 (2.66) | 9.73 (2.34) | 10.36 (2.76) | 11.06 (2.49) | 11.58 (2.57) |
| | Labor income (gross) | 1,819.32 (1,360.88) | 2,082.77 (1,521.24) | 2,169.74 (1,906.84) | 1,753.60 (1,050.44) | 1,775.24 (1,025.01) | 1,976.86 (1,599.41) | 2,107.67 (1,499.92) |
| | OECD equivalized annual net household income | 15,211.30 (8,529.53) | 17,435.14 (9,687.99) | 18,646.48 (13,387.11) | 21,844.21 (175,308.25) | 20,084.60 (97,894.32) | 17,135.65 (28,427.51) | 20,530.67 (78,873.73) |
| | Working | 47.8 % | 61.5 % | 57.1 % | 30.0 % | 41.4 % | 51.3 % | 73.5 % |
| | Unemployed | 20.1 % | 13.7 % | 11.3 % | 25.0 % | 11.8 % | 15.4 % | 6.7 % |
| | ISEI | 36.92 (14.95) | 37.90 (14.81) | 38.52 (15.94) | 35.42 (13.78) | 39.50 (13.31) | 39.47 (15.69) | 36.82 (16.34) |
| Social | Mean percentage of friends with own ethnic background | 41.14 (44.69) | 52.94 (43.30) | 64.92 (40.43) | 72.97 (36.93) | 44.68 (43.35) | 39.19 (44.43) | 53.94 (42.15) |
| | Mean percentage of German friends | 53.88 (45.50) | 41.84 (43.32) | 28.44 (37.67) | 24.02 (35.18) | 54.86 (43.05) | 55.90 (44.97) | 38.93 (42.22) |

Number of cases differs across items, standard deviations in parentheses

aspects of integration: longer visits go hand in hand with lower receiving country cultural capital (language), a higher probability of planning to return, and a lower probability of having the German citizenship. This extends to the social dimension as well, as indicated by the estimated mean share of German or co-ethnic friends in one's network. On the structural dimension, this seems to hold only regarding human capital and occupational prestige.

But as already indicated the relation is not linear. The category '6 months and longer' in the country of origin clearly stands out: regarding their cultural capital, they appear more similar to those immigrants whose visits are moderately long (1–3 months). The same is true for the human capital, their unemployment rate, as well as their occupational prestige. With regard to the social dimension of integration, longer visits to the country of origin seem to be associated with a higher probability of segmentation. Again, however, the last category stands out: on average, they appear to have more German friends (54.8 %) than co-ethnic friends (44.7 %) and as such appear to be multiply included. This is arguably a very interesting finding, which also influences the following multivariate analyses strategy (see below).

Before advancing to the multivariate analyses in the next chapter, a look at sending remittances shows the expected associations. Overall, there seems to be a negative association between integration into the German society and remitting. On average, immigrants who do not remit have higher receiving country social and cultural capital, as indicated by network composition and language skills. At the same time, immigrants who remit seem more proficient in the mother tongue and seem to have more co-ethnic friends. Yet, this does not extend to the structural dimension, at least to characteristics associated with labor force participation. But, as argued in the theoretical chapter, this is what we would expect: as sending remittances is likely to be strongly determined by available financial resources, it should not come as a surprise to find a positive relation between income and being employed and this particular type of border-crossing activity.

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# Chapter 7
# Determinants of Transnational Involvement

**Abstract** This chapter examines the determinants of transnational activities by testing the hypotheses derived in Chap. 4 by means of multivariate data analysis.

For all indicators of transnational involvement, that are duration of visits to the country of origin, number of visits to the country of origin, sending remittances, and the amount of remittances sent, this chapter scrutinizes the hypotheses derived in Chap. 4. First, the analyses confirm the descriptive results in that there are no significant differences between first and second generation immigrants in Germany when it comes to visiting the country of origin. Second, the analyses show that there are a few uniform effects across the different forms of transnational involvement. Sending remittances appears to be structured by family obligations in the country of origin, while visiting this country is more strongly structured by the conditions in the receiving country. Third, time-related aspects are important in determining transnational involvement: There is a clear negative association between time spent in the receiving country and transnational involvement.

**Keywords** Immigration · Integration · Assimilation · Incorporation · Transnational activities · Germany · Longitudinal analyses

The previous chapter provided some insight on the scope of transnational activities among immigrants in Germany. But looking at univariate or bivariate distributions tells us little about the underlying processes. To better understand how transnational activities relate to immigrant integration, the following two chapters examine this relationship with multivariate statistics, applying the models discussed in Chap. 5. This chapter discusses the results of the analyses of the determinants of transnational activities. In particular, it will be examined how transnational involvement in the different areas—traveling to and staying in the country of origin, sending remittances—is related to immigrant integration.

The multivariate analyses show that there is no intergenerational decline in visits to the (parents') country of origin, while remitting seems to be restricted to the first generation. Moreover, there are few uniform effects for the different indicators of transnational involvement, underscoring the fact that we are dealing with different types of activities. Overall, with increasing integration into the receiving society, ties with the country of origin seem to decrease, as there is a negative relation between border-crossing activities and years of residence. Yet, different trajectories of integration are associated with different degrees of transnational involvement.

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Coefficients from some of the models, e.g. logistic regression models, are notoriously hard to interpret (see Chap. 5 and Mood (2010) for details). This includes the seemingly intuitive odds ratios, as they are ratios of ratios. Thus, when discussing the results of the models, I will concentrate on the direction and the siginifcance of the estimates.[1]

For all aspects of transnational involvement, the analysis strategy is structured in the same way: first, results for the first generation are discussed. Second, first and second generations are compared. Third, results for the second generation are discussed. The analyses generally put more emphasis on the first generation, which is primarily owed to data restrictions (see Chap. 5 for details).

## 7.1 Visits to the Country of Origin

The first example of transnational activities is visits to the country of origin. This is investigated via two indicators, one addressing the duration of visits and one summing up the accumulated visits in the observation period. With these two variables it is possible to capture the frequency and the intensity of this very basal form of border-crossing involvement.

### *7.1.1 Duration of Visits*

Duration of visits is measured by a categorical variable, which was described above in the descriptive analyses (see also Chap. 6). The descriptive analyses already indicate a rather non-linear relation between the categories of this variable and measures of integration. Therefore, an appropriate model to investigate this relation is

[1] If possible, standard regression diagnostics were run for all models. This includes the examination of potential multicollinearity among independent variables and the examination of influential cases. Multicollinearity is assessed by inspecting the covariates' variance inflation factor (vif) and condition number. Besides checking for multicollinearity, multivariate models should also be checked for influential cases. This is usually done by computing statistical measures like Cook's distance (Long and Freese 2006, p. 151; Pregibon 1981). However, since standard diagnostic statistics are unavailable for some models in this work's analyses, influential statistics were computed based on simpler versions of the models if possible. This would, for instance, mean that a simple logit model is used to detect influential cases if detection of influential cases is impossible for logit models with random effects. Since it is hard to determine a numerical cut-off point at which we can consider a case to be influential, a relative measure was chosen. If an observation's influential statistic exceeds the mean value of the statistic plus seven standard deviations, this case is considered as being influential. If nothing is mentioned, then no influential cases have been detected. Still, all models reported here include influential observations, as we must not exclude observations just because they are influential. However, this problem is small in the following analyses. To make the tables easier to read, estimated coefficients from the control variables (such as age, gender, year dummies, etc.) are excluded.

the multinomial logistic model (Allison 2007; Long and Freese 2006).[2] Following Allison's (2009, p. 44) proposition, I specified a multinomial logistic regression model and estimated within-effects for time-varying covariates by including means and deviations from the mean for the respective variables. The base outcome, i.e. the outcome against which the other responses of the dependent variable are compared, is not having visited the country of origin in the last 2 years. Since the dependent variable has five categories, the multinomial logistic regression model computes coefficients for four contrasts: (1) 1–3 weeks vs. no visit, (2) 1–3 months vs. no visit, (3) 4–6 months vs. no visit, and (4) 6 months and longer vs. no visit. Coefficients presented here are relative risk ratios (RRR $= e^{\beta}$) which represent the change in the estimated odds, or, to be more precise, the relative risk of being in the particular category of the dependent versus the base category associated with a unit change in the independent variable.

Unfortunately, the problem of incomparability of effect estimates also extends to the multinomial logistic regression model. This holds even for comparisons across contrasts. This means that—contrary to popular practice—estimated coefficients across the different response categories are hardly comparable, as their scale depends on the amount of unobserved heterogeneity and this may differ across the different response categories. Therefore, the discussion will concentrate on directions and significances of the effect estimates and not on their size. Still, a significant effect in one contrast does not automatically imply that the explanatory variable has an overall significant effect on the outcome variable across all contrasts. To test this, additional tests can be conducted that test the null hypothesis that all coefficients associated with one variable are simultaneously zero (Long and Freese 2006, p. 237). Thus, we are testing $H_0 : \beta_{1vsB} = \ldots = \beta_{J-1vsB} = 0$ with $J$ outcome categories. Wald tests are used to assess the null hypothesis in the following. A significant chi-square statistic indicates that the null hypothesis has to be rejected and that the predictor variable has a significant effect on the outcome.[3]

The models include between- and within-estimates of the coefficients associated with the explanatory variables. If the between-effects are correlated with time-constant unobserved heterogeneity, it may not be sensible to interpret them substantively. However, they can give an impression of the gross correlation between the dependent and the explanatory variable, net of the other variables in the model. What is more, in the absence of correlation between predictor variables and time-constant unobserved heterogeneity, between- and within-estimates are not significantly different from one another. Any observable differences are then

[2] An alternative would be an ordered logit. However, as additional analyses showed (not reported here), only a generalized ordered logit would be viable, since the proportional odds assumption is violated. As there is no information available on how a generalized ordered logit behaves with respect to computing within- and between coefficients in one model, I decided to use the multinomial model.

[3] Long and Freese (2006, p. 237) suggest that a likelihood ratio test may be superior to a Wald test. However, the likelihood of models which control for clustering of observations through computing cluster robust standard errors is a pseudo-likelihood and thus the likelihood-ratio test cannot be used (Sribney 2005).

prone to come from the lower efficiency of the within-estimate. Because of this, I additionally test whether between- and within-estimates are significantly different from one another (Allison 2007, pp. 25, 45; Schunck 2013). This is also done with a Wald test which tests the null hypothesis $H_0 : \beta_W = \beta_B = 0$, where the subscript $W$ denotes within and $B$ between. Again, a significant chi-square statistic indicates that the null hypothesis has to be rejected and that between- and within-estimates of the respective association indeed differ significantly.

**The First Generation** Model 1 in Table 7.1 shows that we have 5,501 observations from 1,972 persons with valid information on all variables to investigate trips to the country of origin. On average, there are three observations per person.[4]

As Table 7.1 shows, there are significant differences between the different countries of origin, which in general conform to the bivariate results in Table 6.2. If we look at the first contrast, i.e. no visits vs. short visits (1–3 weeks), we see that compared to Italian immigrants—the reference category—immigrants from Turkey, Greece, other Eastern European countries, and immigrants from other countries (heterogeneous rest-category) are less likely to pay short visits to the country of origin. However, this does not mean that these immigrant groups are transnationally less active. Turkish immigrants, for instance, have higher relative risks of undertaking long trips ($\text{RRR}_{4\text{vs}1} = 2.221,\ \text{z} = 2.305/\text{RRR}_{5\text{vs}1} = 2.682,\ \text{z} = 2.928$). Immigrants from Spain or Portugal, from former Yugoslavia, other Western European countries, and from Poland do not differ in their transnational involvement from Italian immigrants when it comes to visits to the country of origin (see Table 7.1). Similarly, we see that immigrants from other Eastern European countries and other countries generally have a lower probability of paying visits to the country of origin, which becomes especially obvious if we change the base outcome (not reported here). Regardless of the base outcome, immigrants from these countries of origin always have significantly lower relative chances of engaging in this form of border-crossing activity.[5]

[4] Respondents with missing values on any of the study variables were excluded from any of the multivariate analyses. Although this is inefficient, multiple imputation for panel data is not yet implemented in commercial software packages and thus there does not seem to be an alternative to listwise deletion. Negative or insignificant $X^2$ values from Hausman tests (Long and Freese 2006, pp. 244–245) indicate that the assumption on independence of irrelevant alternative (IIA) is not violated. Analysis of multicollinearity among the independent variables shows acceptable values. The mean vif is 3.6, high vif values can be found for age (51–60 years, 60 years and older), years of residence, and age at migration. This was to be expected if we consider the SOEP's sampling and the German post-war immigration experience (see above and Chap. 6), as older immigrants naturally have higher years of residence and are more likely to have entered Germany via the guestworker program while being in the middle of their life-course. An inspection of condition numbers indicates some multicollinearity for the period effect of the year 2006 (condition number = 20.7). However, condition numbers are generally far from 30, which is considered as a rule of thumb to be the cutoff point at which multicollinearity has to be regarded as a serious concern (Benson and Walker 1988, p. 298).

[5] Wald tests that jointly examine the effects of a variable on the outcome across all contrasts show that coming from Turkey, Greece, "other Eastern-European countries" and "other countries" is significantly related to visits to the country of origin (Turkey: $X^2 = 33.62, df = 4, p < 0.001$/Greece: $X^2 = 15.67,\ df = 4,\ p < 0.01$/Eastern Europe: $X^2 = 49.89,\ df = 4,\ \text{p} < 0.001$/"Other" countries: $X^2 = 37.89, df = 4, p < 0.001$).

**Table 7.1** Multinomial logistic regression model on determinants of visits to the country of origin, within- and between-estimates, 1st generation

| | Up to 3 weeks vs. no visit ($n = 1{,}404$) | | 1–3 months vs. no visit ($n = 2{,}329$) | | 4–6 months vs. no visit ($n = 364$) | | More than 6 months vs. no visit ($n = 262$) | |
|---|---|---|---|---|---|---|---|---|
| | RRR | z | RRR | z | RRR | z | RRR | z |
| Italy | ref. | | ref. | | ref. | | ref. | |
| Turkey | 0.633* | − 2.081 | 1.212 | 0.864 | 2.221* | 2.305 | 2.682** | 2.928 |
| Greece | 0.505* | − 2.133 | 0.851 | − 0.546 | 1.826 | 1.440 | 1.206 | 0.436 |
| Spain/Portugal | 0.563 | − 1.680 | 0.577 | − 1.564 | 0.679 | − 0.769 | 0.697 | − 0.648 |
| Former Yugoslavia | 0.709 | − 1.426 | 0.746 | − 1.156 | 1.053 | 0.137 | 0.970 | − 0.081 |
| Other Western Europe | 0.754 | − 0.698 | 0.632 | − 1.103 | 0.898 | − 0.165 | 0.622 | − 0.675 |
| Poland | 1.539 | 1.208 | 0.673 | − 0.992 | 3.218 | 1.407 | 1.167 | 0.232 |
| Other Eastern Europe (incl. Russia) | 0.145*** | − 5.908 | 0.094*** | − 6.609 | 0.236* | − 2.107 | 0.347* | − 2.054 |
| Other country of origin | 0.123*** | − 5.471 | 0.188*** | − 4.147 | 0.546 | − 0.974 | 0.601 | − 0.857 |
| Age at migration | 0.982 | − 0.585 | 0.964 | − 1.046 | 0.944 | − 1.283 | 0.929 | − 1.820 |
| W: Years of residence | 1.002 | 0.047 | 1.015 | 0.370 | 1.047 | 0.748 | 1.250*** | 3.708 |
| B: Years of residence | 0.981 | − 0.639 | 0.972 | − 0.815 | 0.965 | − 0.776 | 0.969 | − 0.769 |
| W: German citizenship | 2.986* | 2.553 | 1.629 | 1.444 | 0.792 | − 0.485 | 3.567 | 1.264 |
| B: German citizenship | 0.532** | − 3.066 | 0.262*** | − 5.655 | 0.159*** | − 3.467 | 0.946 | − 0.171 |
| W: Intention to stay permanently | 0.967 | − 0.196 | 0.915 | − 0.587 | 1.283 | 1.042 | 0.685 | − 1.561 |
| B: Intention to stay permanently | 0.709 | − 1.867 | 0.376*** | − 5.320 | 0.184*** | − 6.537 | 0.332*** | − 4.164 |
| W: German (writing): (very) good | 1.304 | 1.504 | 1.055 | 0.326 | 0.666 | − 1.125 | 0.832 | − 0.471 |
| B: German (writing): (very) good | 1.371 | 1.694 | 0.778 | − 1.207 | 0.676 | − 1.131 | 1.793 | 1.580 |
| W: German (speaking): (very) good | 1.156 | 0.772 | 1.027 | 0.157 | 1.179 | 0.639 | 1.099 | 0.297 |
| B: German (speaking): (very) good | 1.009 | 0.053 | 1.419 | 1.843 | 1.143 | 0.448 | 0.862 | − 0.444 |
| W: Language of country of origin (writing): (very) good | 0.992 | − 0.036 | 0.882 | − 0.696 | 1.083 | 0.277 | 0.888 | − 0.317 |
| B: Language of country of origin (writing): (very) good | 1.052 | 0.206 | 0.638 | − 1.822 | 0.441* | − 2.537 | 0.968 | − 0.095 |
| W: Language of country of origin (speaking): (very) good | 0.844 | − 0.642 | 0.888 | − 0.547 | 0.967 | − 0.088 | 1.775 | 1.436 |
| B: Language of country of origin (speaking): (very) good | 1.433 | 1.087 | 4.553*** | 4.228 | 3.292* | 2.187 | 4.188* | 2.152 |
| Education in years | 1.038 | 1.298 | 1.040 | 1.188 | 1.027 | 0.510 | 0.931 | − 1.331 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 0.996 | − 0.257 | 0.992 | − 0.553 | 1.023 | 1.240 | 0.981 | − 0.607 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 1.040** | 3.133 | 1.063*** | 4.684 | 1.058** | 2.835 | 1.011 | 0.494 |

**Table 7.1** (continued)

| | Up to 3 weeks vs. no visit ($n = 1{,}404$) | | 1–3 months vs. no visit ($n = 2{,}329$) | | 4–6 months vs. no visit ($n = 364$) | | More than 6 months vs. no visit ($n = 262$) | |
|---|---|---|---|---|---|---|---|---|
| | RRR | z | RRR | z | RRR | z | RRR | z |
| W/B: Working | ref. | | ref. | | ref. | | ref. | |
| W: Unemployed | 0.888 | − 0.478 | 0.867 | − 0.585 | 0.947 | − 0.131 | 1.274 | 0.593 |
| B: Unemployed | 0.943 | − 0.266 | 0.659 | − 1.584 | 1.652 | 1.411 | 1.298 | 0.673 |
| W: Retired | 0.505 | − 1.751 | 0.630 | − 1.402 | 1.120 | 0.255 | 1.055 | 0.100 |
| B: Retired | 0.518 | − 1.232 | 0.907 | − 0.170 | 2.173 | 1.129 | 2.737 | 1.556 |
| W: Non-working | 0.608 | − 1.927 | 0.608* | − 2.080 | 1.265 | 0.652 | 1.549 | 1.168 |
| B: Non-working | 0.698 | − 1.662 | 1.151 | 0.644 | 3.703*** | 4.303 | 1.707 | 1.659 |
| W: Other | 0.647 | − 1.266 | 0.807 | − 0.797 | 2.170 | 1.639 | 1.262 | 0.388 |
| B: Other | 1.023 | 0.068 | 0.981 | − 0.046 | 2.040 | 1.089 | 1.017 | 0.024 |
| Friends: proportion coethnics | 0.913 | − 0.678 | 1.062 | 0.411 | 0.866 | − 0.620 | 0.668 | − 1.653 |
| At least one parent living abroad | 1.601*** | 3.752 | 1.583*** | 3.474 | 1.524* | 2.078 | 1.554* | 2.184 |
| At least one child living abroad | 0.820 | − 0.864 | 0.938 | − 0.271 | 1.110 | 0.375 | 1.250 | 0.681 |
| W: Sent remittances in the last year | 0.663* | − 2.288 | 0.835 | − 0.982 | 0.896 | − 0.384 | 2.557** | 2.768 |
| B: Sent remittances in the last year | 2.064*** | 3.409 | 2.361*** | 3.694 | 2.500** | 2.610 | 0.960 | − 0.102 |
| W: Felt discriminated | 0.832 | − 1.372 | 0.931 | − 0.588 | 0.683* | − 1.998 | 0.922 | − 0.354 |
| B: Felt discriminated | 1.039 | 0.260 | 1.171 | 0.964 | 1.222 | 0.786 | 0.835 | − 0.695 |
| Immigrants in the neighborhood: none/a few | ref. | | ref. | | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 1.288* | 2.308 | 1.316* | 2.451 | 1.519* | 2.417 | 1.121 | 0.602 |
| Immigrants in the neighborhood: don't know | 1.135 | 0.500 | 1.335 | 0.892 | 2.314 | 1.782 | 2.777* | 2.558 |
| Constant | 0.597 | − 0.433 | 0.795 | − 0.160 | 0.107 | − 1.201 | 0.151 | − 1.051 |
| Observations | 5,510 | | | | | | | |
| Persons | 1,972 | | | | | | | |
| Log pseudo likelihood (empty model) | − 7,514.65 | | | | | | | |
| Log pseudo likelihood | − 6,018.89 | | | | | | | |
| $Chi^2$ (Wald) | 1,847.50 | | | | | | | |

SOEP 2010, own computations, base category: 1—no visits ($n = 1{,}151$), Estimation based on cluster robust standard errors
Hausman tests indicate that the IIA assumption is not violated
Model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

**Table 7.2** Multinomial logistic regression model on determinants of visits to the country of origin, within- and between-estimates, 1st and 2nd generation

| | Up to 3 weeks vs. no visit ($n = 1{,}934$) | | 1–3 months vs. no visit ($n = 3{,}024$) | | 4–6 months vs. no visit ($n = 410$) | | More than 6 months vs. no visit ($n = 326$) | |
|---|---|---|---|---|---|---|---|---|
| | RRR | z | RRR | z | RRR | z | RRR | z |
| Second generation | 1.019 | 0.126 | 0.904 | − 0.630 | 0.778 | − 0.825 | 1.492 | 1.261 |
| Nationality: Italian | ref. | | ref. | | ref. | | ref. | |
| Nationality: Turkish | 0.662* | − 2.480 | 1.242 | 1.253 | 2.035* | 2.479 | 2.197** | 2.915 |
| Nationality: Greek | 0.597* | − 2.186 | 1.112 | 0.462 | 2.399* | 2.535 | 1.392 | 0.943 |
| Nationality: Spanish or Portuguese | 0.637 | − 1.732 | 0.616 | − 1.777 | 0.615 | − 1.120 | 0.675 | − 0.843 |
| Nationality: Ex-Yugoslavian | 0.827 | − 1.052 | 0.907 | − 0.502 | 1.090 | 0.273 | 0.939 | − 0.213 |
| Nationality: Other West-European | 0.804 | − 0.721 | 0.606 | − 1.601 | 0.524 | − 1.142 | 0.442 | − 1.295 |
| Nationality: Polish | 0.818 | − 0.403 | 0.325* | − 2.083 | 1.850 | 0.655 | 0.000*** | − 25.049 |
| Nationality: Other East-European (incl. Russia etc.) | 0.152*** | − 6.806 | 0.096*** | − 6.324 | 0.117** | − 2.821 | 0.078* | − 2.404 |
| Nationality: Other Nationality | 0.139*** | − 6.261 | 0.190*** | − 5.164 | 0.259* | − 2.327 | 0.880 | − 0.258 |
| W: German citizenship | 0.779 | − 0.781 | 0.952 | − 0.152 | 0.833 | − 0.376 | 1.444 | 0.389 |
| B: German citizenship | 0.192*** | − 9.600 | 0.062*** | − 14.068 | 0.056*** | − 6.148 | 0.238*** | − 4.538 |
| W: Intention to stay permanently | 0.896 | − 0.776 | 0.822 | − 1.538 | 1.169 | 0.723 | 0.713 | − 1.586 |
| B: Intention to stay permanently | 0.724* | − 2.194 | 0.390*** | − 6.153 | 0.189*** | − 7.288 | 0.407*** | − 4.042 |
| W: German (writing): (very) good | 1.233 | 1.491 | 0.954 | − 0.345 | 0.609 | − 1.509 | 0.931 | − 0.212 |
| B: German (writing): (very) good | 1.178 | 0.987 | 0.704 | − 1.860 | 0.643 | − 1.394 | 1.425 | 1.082 |
| W: German (speaking): (very) good | 1.127 | 0.727 | 0.990 | − 0.067 | 1.099 | 0.385 | 1.000 | 0.001 |
| B: German (speaking): (very) good | 1.087 | 0.524 | 1.572** | 2.595 | 1.211 | 0.698 | 1.038 | 0.121 |
| W: Language of country of origin (writing): (very) good | 1.244 | 1.312 | 1.059 | 0.404 | 1.054 | 0.197 | 0.890 | − 0.388 |
| B: Language of country of origin (writing): (very) good | 1.120 | 0.615 | 0.608** | − 2.645 | 0.476** | − 2.738 | 0.666 | − 1.465 |
| W: Language of country of origin (speaking): (very) good | 0.843 | − 0.867 | 0.846 | − 1.013 | 1.250 | 0.656 | 2.776** | 2.577 |
| B: Language of country of origin (speaking): (very) good | 2.043** | 3.042 | 3.384*** | 4.766 | 3.157* | 2.562 | 4.669*** | 3.500 |
| Years of education | 1.037 | 1.582 | 1.038 | 1.444 | 1.053 | 1.199 | 0.921 | − 1.828 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 1.004 | 0.321 | 0.996 | − 0.347 | 1.017 | 0.945 | 0.976 | − 0.877 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 1.037*** | 3.434 | 1.060*** | 5.406 | 1.056** | 3.171 | 0.996 | − 0.214 |
| W/B: Working | ref. | | ref. | | ref. | | ref. | |
| W: Unemployed | 0.886 | − 0.631 | 0.823 | − 1.028 | 0.876 | − 0.360 | 1.168 | 0.478 |

**Table 7.2** (continued)

| | Up to 3 weeks vs. no visit ($n = 1{,}934$) | | 1–3 months vs. no visit ($n = 3{,}024$) | | 4–6 months vs. no visit ($n = 410$) | | More than 6 months vs. no visit ($n = 326$) | |
|---|---|---|---|---|---|---|---|---|
| | RRR | z | RRR | z | RRR | z | RRR | z |
| B: Unemployed | 0.817 | − 1.011 | 0.522** | − 2.816 | 1.259 | 0.706 | 1.080 | 0.223 |
| W: Retired | 0.510 | − 1.932 | 0.583 | − 1.900 | 1.081 | 0.191 | 1.391 | 0.724 |
| B: Retired | 0.557 | − 1.518 | 0.893 | − 0.275 | 1.759 | 1.117 | 1.926 | 1.363 |
| W: Non-working | 0.566** | − 2.658 | 0.603** | − 2.661 | 1.244 | 0.668 | 1.373 | 1.031 |
| B: Non-working | 0.644* | − 2.433 | 0.992 | − 0.045 | 3.468*** | 4.517 | 1.349 | 1.054 |
| W: Other | 0.586* | − 2.239 | 0.653* | − 2.017 | 1.519 | 1.089 | 1.036 | 0.076 |
| B: Other | 1.191 | 0.797 | 1.367 | 1.168 | 4.044** | 3.206 | 1.379 | 0.690 |
| Friends: percentage coethnics | 0.866 | − 1.268 | 1.112 | 0.858 | 0.873 | − 0.657 | 0.626* | − 2.193 |
| At least one parent living abroad | 1.809*** | 5.171 | 1.896*** | 5.216 | 1.721** | 2.837 | 1.853** | 3.113 |
| W: Sent remittances in the last year | 0.652** | − 2.686 | 0.803 | − 1.341 | 0.776 | − 0.937 | 1.850 | 1.946 |
| B: Sent remittances in the last year | 2.051*** | 3.724 | 2.440*** | 4.222 | 2.931*** | 3.307 | 1.103 | 0.277 |
| W: Felt discriminated | 0.869 | − 1.227 | 0.928 | − 0.719 | 0.730 | − 1.802 | 0.851 | − 0.764 |
| B: Felt discriminated | 1.118 | 0.892 | 1.286 | 1.836 | 1.430 | 1.594 | 0.979 | − 0.095 |
| Immigrants in the neighborhood: none/a few | ref. | | ref. | | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 1.420*** | 3.827 | 1.563*** | 4.753 | 1.772*** | 3.700 | 1.323 | 1.676 |
| Immigrants in the neighborhood: don't know | 0.965 | − 0.158 | 1.269 | 0.936 | 2.203 | 1.938 | 2.450* | 2.479 |
| Constant | 0.315* | − 2.200 | 0.372 | − 1.723 | 0.028*** | − 3.800 | 0.074** | − 2.868 |
| Observations | 7,187 | | | | | | | |
| Persons | 2,640 | | | | | | | |
| Log pseudo likelihood (empty model) | − 9,685.36 | | | | | | | |
| Log pseudo likelihood | − 8,110.87 | | | | | | | |
| $Chi^2$ (Wald) | 4,648.2455 | | | | | | | |

SOEP 2010, own computations, base category: 1—no visits ($n = 1{,}493$), estimation based on cluster robust standard errors
Hausman tests indicate that the IIA assumption is not violated
Model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Nonetheless, we cannot interpret these effects substantively, as they capture everything that differentiates these groups with respect to sending, receiving, and individual factors that are not controlled for in the model. Picking up the discussion in Chap. 5, we have to assume that one's country of origin is correlated with unobserved characteristics that are, in turn, correlated with the outcome.

When it comes to individual factors, we do not find support for the first hypothesis (the hypotheses are discussed at length in Chap. 4, Table 7.8 in this chapter lists the expected and observed effects). TN1 assumes that the higher the age at migration, the stronger the ties with the country of origin and thus the stronger the transnational involvement. However, for trips to the country of origin, age at migration is not significantly associated with the relative risk of undertaking trips to the country of origin.[6] There is also no support for the third hypothesis (TN3). Opposing to the theoretical considerations, higher years of residence do not decrease the relative risk of visiting one's country of origin. On the contrary, as Table 7.1 shows, an increase in the years of residence is even associated with higher relative risks of a very long visit ($RRR_{W5vs1} = 1.250$, $z = 3.708$).[7] It is important to note that this effect is net of potential confounding life-course/cycle-, age- or cohort-effects, since these variables are either directly controlled for or irrelevant to the estimation of the within-effect as they are time-constant.

Hypothesis TN4 postulates that the intention to stay permanently in the receiving country will reduce transnational involvement. Significant negative between-effects suggest that groups which migrate permanently are indeed less likely to visit their country of origin in all contrasts except for the first, in which the RRR estimate is marginally insignificant (see Table 7.1). But net of all time-constant unobserved heterogeneity, the effects are insignificant, albeit still pointing in the assumed direction. Differences in the estimated between- and within-effects can, of course, also stem from the less efficient estimation of the within-effects. A Wald test confirms this for the first contrast: the difference between within- and between-estimate is in fact insignificant.[8] This is an indication that the differences in the intention to stay permanently is similar across and within individuals for this outcome and that apparent differences in estimated coefficients are likely to result from the inefficiency of the within-estimator. This does not hold, however, for the remaining three contrasts. The differences between the respective estimates are significant, at least at the five percent value. Therefore, except for very short visits, it is not the intention to stay permanently that itself causes a decrease in the probability to visit the country of

[6] Rerunning the models without the age groups as predictors shows that age at migration is by trend positively associated with the relative risks of visiting the country of origin (not reported here). But we cannot exclude age, because it is an important set of controls that can influence both integration and transnational involvement (Schunck 2011). Moreover, it is not really possible to compare the coefficients even across nested models (see above).

[7] An overall Wald test rejects the null hypothesis that all coefficients associated with this variable are jointly zero: $X^2 = 17.68$ $df = 4$, $p < 0.001$. Moreover, this relationship appears to be linear, as other (curvilinear or logistic) functions of years of residence did not turn out to be significant (results not reported here).

[8] Wald test: $X^2 = 1.52$, $df = 1$, $p = 0.22$.

origin. Instead, there are substantial unobserved differences between permanent and non-permanent immigrants that systematically covary with their border-crossing involvement.[9] An issue related to the intention to stay permanently in the receiving country is the acquisition of this country's citizenship. TN5 postulates that the acquisition of the German citizenship will result in lower transnational involvement if it is a manifestation of identification with the receiving country, and will result in higher transnational involvement if it is acquired because of its instrumental value. Although there is no direct way to separate these two potentially opposing motives with the data at hand, there is indirect evidence for the two-sided effect of German citizenship-acquisition. In the first contrast, getting the German citizenship seems to increase the relative risk of visiting the country of origin ($RRR_{W2vs1} = 2.986$, $z = 2.553$). At the same time, the between-estimates are significant and smaller than zero (see Table 7.1), at least for the first three contrasts.[10] We can interpret this finding as similar to the above: those immigrant groups with the German citizenship are on average less likely to visit their country of origin, but this is due to unobserved group differences and selection effects that covary with citizenship acquisition. Yet, when it comes to very short visits, becoming a German citizen seems to be positively associated with the relative risk of visiting, potentially through reducing transaction costs.

As argued in Chap. 4, an important aspect that might determine border-crossing activities is an immigrant's language proficiency, regarding both language of the country of origin and receiving country language. Accordingly, as laid out in hypotheses TN6 and TN7, we can assume that the better a person's origin country language proficiency, the more transnationally active she or he will be, and, vice versa, the better her or his skills in the language of the receiving country, the less active she or he will be. The multinomial logistic regression model only partly supports these hypotheses. Being or becoming proficient in spoken or written German is not significantly associated with the relative risks of paying visits to the country of origin (Table 7.1).[11] Consequently, the analysis regarding this aspect of border-crossing involvement does not support TN6. At first glance there also seems to be no evidence for TN7, i.e. better origin country language skills are not associated with higher relative risks of trips to the country of origin. However, the between-estimates for oral skills are above one and reach statistical significance in contrasts two, three, and four. Wald tests for equality of coefficients suggest that there are statistically significant differences between within- and between-estimates only in contrast two.[12] In contrasts one, three, and four the differences in between- and within-estimates

[9] This is also supported by a Wald test that suggests that all within-coefficients associated with the intention to stay are jointly zero ($X^2 = 5.36$, $df = 4$, $p = 0.25$).

[10] Wald test for equality of coefficients: $X^2 = 12.94$, $df = 1$, $p < 0.001$/$X^2 = 20.00$, $df = 1$, $p < 0.001$/$X^2 = 5.54$, $df = 1$, $p < 0.05$/$X^2 = 1.61$, $df = 1$, $p = 0.20$.

[11] This finding is supported by Wald tests that jointly examine whether the effect of all coefficients associated with German language proficiency is zero (writing: $X^2 = 1.12$, $df = 4$, $p = 0.89$/speaking: $X^2 = 6.07$, $df = 4$, $p = 0.19$), according to which we cannot reject the selfsame null-hypotheses.

[12] Wald test: $X^2 = 15.81$, $df = 1$, $p < 0.001$.

are insignificant. This leads to the conclusion that the positive association between being able to speak the origin country's language well and the relative risks of long and very long visits to the country of origin extends beyond an association driven by mere (time-constant) unobserved heterogeneity. Written language skills, on the other hand, do not appear as a significant predictor for this type of border-crossing involvement, although we should note a negative and significant between-effect in contrast three (4–6 months vs. no visit). Language proficiency arguably lies at the intersection of cultural and human capital. The latter, human capital is probably among the most important individual characteristics determining one's well-being in Germany. Therefore, it is assumed that the higher an immigrant's human capital, the lower will be her or his transnational involvement, as investments in receiving country capitals will appear more profitable (TN8). But the estimated effects of human capital on an immigrant's relative risks of visiting her or his country of origin are, however, far from significant in any of the contrasts. Therefore, for the first generation, we do not find support for TN8.[13]

Interestingly, while financial capital was postulated to influence only transnational involvement in form of remittances (TN9), there seems to be a positive relation between the available financial resources and the probability to visit one's country of origin. Although the within-estimates are not significant in any contrast (Table 7.1), the between-estimates are in the first three contrasts. Yet, Wald tests suggest that between- and within-effects are significantly different in contrast one and two.[14] In view of this, the positive association between the available financial resources is likely caused by (time-constant) unobserved heterogeneity, as intra-individual increases in income are not associated with increased relative risks of undertaking trips to the country of origin. This is also supported by Wald tests that examine if financial resources have an overall effect on visits to the country of origin across all comparisons—only the between effect is significantly different from zero simultaneously in all contrasts.[15] Another important aspect of the structural dimension of integration, labor market participation, is assumed to structure one's (temporal) opportunities for transnational involvement. Hypothesis TN10 therefore postulates that regular employment will decrease transnational involvement and that not being in regular employment will increase involvement. The analysis, however, neither supports these hypotheses nor does it reveal a telling pattern (see Table 7.1).

With regard to an immigrant's social capital, TN11 posits that a co-ethnically homogenous network will increase transnational involvement. Inspecting the estimated effect of a co-ethnically homogenous network, we see that there is no support

[13] Other coding schemes, as, for instance, the SOEP's version of the ISCED produce similar results.

[14] Wald tests: $X^2 = 5.07$, $df = 1$, $p < 0.05$/$X^2 = 14.25$, $df = 1$, $p < 0.001$.

[15] Wald tests: within: $X^2 = 4.75$, $df = 1$, $p = 0.31$/between: $X^2 = 31.86$, $df = 4$, $p < 0.001$. However, regarding available financial resources we have to assume that measurement error is higher than for other variables, in particular if respondents have to recall several sources of income. As such, a variable which captures intra-individual change in income is likely to contain more measurement error than a variable which captures inter-individual differences in income. Even though the effect of measurement error in non-linear models is not clearly established, simulation studies I have conducted suggest that measurement error also leads to a severe attenuation bias in logit models.

for TN11 (see Table 7.1). Recall that an ethnically homogenous friendship network is measured by the proportion of friends coming from the same country of origin. This covariate does not prove to be a significant predictor for visits to the country of origin.[16] But social capital is not limited to the bounds of the receiving country. Most first generation immigrants have relatives in their country of origin. Theoretically, as argued in Chap. 4, this should make transnational involvement more likely (TN12). This definitely seems to be the case if immigrants' parents live in the country of origin. In all four contrasts, there are significant, positive effects on the relative risks of visiting the country of origin (see Table 7.1) and a Wald test clearly rejects the hypothesis that all coefficients associated with this variable are simultaneously equal to zero.[17] Yet, this does not extend to the case in which children live abroad—this indicator is not a significant predictor for this type of border-crossing involvement. Of course, among the immigrants in the sample, only about ten percent have children living abroad, while more than 40 % report that they still have parents living in the country of origin. Sending remittances to relatives and friends abroad has a significant overall effect on visits to the country of origin.[18] It increases the relative risk of very long visits ($RRR_{W5vs1} = 2.557$, $z = 2.768$) to the country of origin, but decreases the relative risk of very short visits ($RRR_{W2vs1} = 0.663$, $z = -2.288$). Although we additionally observe positive and significant between-estimates in contrast two and in contrast three, the within-estimates are negative, do not reach statistical significance, and they are significantly different from the between-estimates.[19]

This is an interesting finding. First, we see that physical border-crossing seems to coincide with monetary transfers across borders. Second, this association is partly due to unobserved heterogeneity. Third, significant effects net of time-constant unobserved heterogeneity can only be found when looking at very short visits vs. no visit and very long visits vs. no visit—with different effect directions. Remittances decrease the relative risk of short visits but increase the relative risk of very long visits. One potential explanation for this may be that (several) short trips are more expensive than one long trip and thus, while sending remittances strengthens the ties to the country of origin, it limits the availability of resources needed for visits.

The theoretical considerations in Chap. 4 suggested that unfavorable conditions of reception will increase a (re)orientation to the country of origin and thus increase transitional involvement. If we turn to contextual aspects by inspecting the estimated effect of the indicator for social distance—perceived discrimination—we see that there is no support for hypothesis TN13. Contrary to the theoretical assumptions, feeling discriminated is not a significant predictor for visits to the country of origin

[16] Wald test: $X^2 = 5.26$, $df = 4$, $p = 0.26$. Because of the way information is collected on the friendship network, I cannot simultaneously assess the effect of having German friends (see Chap. 5 for details), as these two variables are almost perfectly collinear.

[17] Wald test for coefficients of "at least one parent abroad": $X^2 = 16.07$, $df = 4$, $p < 0.01$. Wald test for coefficients of "at least one child abroad": $X^2 = 3.20$, $df = 4$, $p = 0.53$.

[18] Wald test jointly examining if all coefficients associated with this variable are zero: $X^2 = 20.03$, $df = 4$, $p < 0.001$.

[19] Wald tests: $X^2 = 20.00$, $df = 1$, $p < 0.001$/$X^2 = 18.33$, $df = 1$, $p < 0.001$.

(Table 7.1).[20] Regarding residential embeddedness into an immigrant neighborhood, there is support for TN14. In all four contrasts, living in a neighborhood which is perceived as having a lot of immigrants as co-residents appears to increase the relative risk of visiting the country of origin ($RRR_{2vs1} = 1.288$, $z = 2.308$/$RRR_{3vs1} = 1.316$, $z = 2.451$/$RRR_{4vs1} = 1.519$, $z = 2.2417$/$RRR_{5vs1} = 1.21$, $z = 0.602$) compared to living in a neighborhood that comprises mostly Germans (reference category).[21] Interestingly, in the fourth contrast (6 months and more vs. no visit), if a respondent does not know if her or his neighborhood comprises mostly immigrants or Germans, this is actually positively associated with the relative risk of undertaking a long trip to the country of origin compared to living in a mostly German neighborhood. A potential interpretation is that a lack of embeddedness into a (ethnic) community is substituted by an increased transnational involvement. As argued above, an ethnic community can circumvent the devaluation of ethnic capitals. Therefore, transnational involvement may also be seen as one way to prevent one's origin country capitals to become devaluated. However, similar to one's network composition and parents' and children's whereabouts, it is impossible to estimate within-effects on this variable, because it is not measured often enough (see Chap. 5 for details). Accordingly, the observed association between perceived neighborhood characteristics and border-crossing activities has to be interpreted with caution, as we cannot rule out that the effects are biased by time-constant unobserved heterogeneity. Moreover, the relation might as well run the other way: A person who spends a long time outside of Germany and his or her neighborhood might simply not know a lot about its composition.[22]

Hypotheses TN15 and TN16 posit that high levels of integration on the structural dimension paired with segmentation—inclusion into the ethnic group and exclusion from the receiving country—will be positively related to transnational involvement, because immigrants for whom this condition is met have the resources and the motive. However, additional models (not reported here) which include interactions between income (as an indicator for structural integration and the availability of the necessary resources) and measures of integration on the other dimensions (e.g. citizenship acquisition, intention to stay, perceived discrimination, and language proficiency) do confirm these hypotheses. The interactions do not turn out to be significant predictors for the relative risks of visiting the country of origin.

**Summary** Transnational involvement in form of visits to one's country of origin seems to be a rather normal part of the first generation's immigration experience. This has already been revealed by the descriptive analyses in Chap. 6. What is more, the results link up with previous research that documents similar prevalence of transnational involvement among first generation immigrants in other receiving countries

[20] Wald test that all coefficients associated with this variable are zero: $X^2 = 5.37$, $df = 4$, $p = 0.25$.

[21] A Wald test examining the hypothesis that all coefficients associated with this variable are zero rejects the null hypothesis ($X^2 = 9.02$, $df = 4$, $p = 0.06$).

[22] Moreover, a Wald test which examines the hypothesis that all coefficients associated with this variable are zero cannot be rejected at standard levels of significance ($X^2 = 7.09$, $df = 4$, $p = 0.14$).

(see Chap. 3 and O'Flaherty et al. 2007; Waldinger 2008; Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002; Portes 2003). As such, it is plausible that the theory's predictions—which generally assume that increased integration into the receiving society will coincide with decreased transnational involvement—are not supported unequivocally. The theoretical predictions are very much focused on the situation the immigrant faces in the receiving country. This is, of course, largely driven by data-restrictions and not by theoretical consideration. Still, it has to be noted that out of the 16 hypotheses derived for the first generation, only five are supported by the analysis (see also Table 7.8). Nevertheless, the analysis suggests that contextual factors—such as the proportion of immigrants in one's neighborhood—along with factors regarding the country of origin, especially transnational social capital, play an important role in shaping the first generation's probability to visit and the length of visit to the country of origin. Unfortunately, with the data at hand, these are also the variables that do not allow to compute within- and between-estimates separately, because there is too little within-variation (see Chap. 5 for details). Thus, we have to treat the estimated associations with care, as they are not free of time-constant unobserved heterogeneity.

Nevertheless, one can still observe a pattern that suggests that an increased orientation toward Germany coincides with decreased transnational involvement. This is particularly obvious when looking at factors such as the intention to stay or the acquisition of the German citizenship. Yet, the relation between these factors and the duration of visits to the country of origin is not causal. While there are significant differences between immigrants, no significant differences can be found once we direct our attention to intra-individual comparisons.

**The Second Generation** The above analysis only focuses on the first generation. Yet, one of the most interesting questions on transnational involvement is whether it extends across generations. The theoretical model presented in Chap. 4 generally posits that transnational involvement will be lower among second generation immigrants (TN2). With respect to visits to the country of origin, this hypothesis is clearly not supported. The descriptive results reported above are backed by the multivariate analyses: Table 7.2 shows that, regardless of the outcome category, there is no significant difference between the first and second generation when it comes to visiting the (parents') country of origin. This is also supported by a Wald test—the null hypothesis that generational status does not have an impact on visits to the parents' country of origin cannot be rejected.[23] The estimates presented in Table 7.2 are based on joint models for both first and second generation. Compared to the first generation only sample, the multivariate sample now comprises 7,187 observations from 2,640 respondents.[24]

[23] Wald test that all coefficients associated with this variable are zero: $X^2 = 3.37$, $df = 4$, $p = 0.50$.

[24] Insignificant $X^2$ values in a Hausman test again indicate that the assumption of independence of irrelevant alternative is not violated. Analysis of multicollinearity among the independent variables shows acceptable values. The mean vif is 1.76. An inspection of condition numbers indicates some multicollinearity for the period effect of the year 2006 (condition number = 6.4). But again, condition numbers are generally far from the cutoff point (30).

If we include the second generation, it is impossible to control for country of origin, as this information is missing for most second generation immigrants. As a proxy for the identification of the immigrant group, the model presented in Table 7.2 includes the respondents' nationalities. To be sure, nationality can be a time-varying covariate, at least for those immigrants who take on a different nationality in the course of the survey. However, most variation is between respondents. For instance, all respondents in the sample that report being of Turkish nationality at one time point or another also report being of Turkish nationality in about 96 % of all of their observations. Because of this, foreign nationalities are included as time-constant covariates. Only the variable indicating German citizenship is included with its mean and time-demeaning form. Looking at the estimated relation between transnational involvement and the different immigrant groups—now identified through citizenship—we see that the pattern in Table 7.2 resembles the one in Table 7.1. Turkish immigrants have higher relative risks of visiting the country of origin compared to immigrants with an Italian citizenship. Immigrants with citizenships from "other Eastern European countries" and "other countries" have lower relative risks—again compared to immigrants who are Italian nationals. There is no effect of becoming a German citizen, as the within-estimates are insignificant in all four contrasts.[25] Nevertheless, the estimated between-effect is below one and highly significant in all contrasts and thus definitely associated with visits to the country of origin. Considering the low within-variation, one is inclined to believe that the within-estimates may be insignificant, because they are much less efficient than the between-estimates. But Wald tests for equality of within- and between-estimates reject the null-hypothesis of equality.[26] We are obviously dealing with selection effects and unobserved heterogeneity in the association between nationality and visits to the country of origin. A second thought that may come to mind is that the effect of belonging to the second generation is distorted by nationality. This is, however, not the case. An interaction between generational status and German citizenship acquisition does not turn out significant (not reported here). Apparently, at least for visits to the (parents') country of origin, we have to consider TN2 as being falsified.

The following discussion briefly examines the hypotheses derived in Chap. 4 with regard to the second generation separately. The sample size is considerably lower; we now have 1,440 observations from 582 respondents. The number of explanatory variables also has to be reduced to avoid the danger of not having enough observations in individual cells—a problem that is aggravated in multinomial logistic regression models, as we have to ensure sufficient cases in the multivariate distribution of the explanatory variables for each outcome. This is done by collapsing categories

[25] Furthermore, a Wald test cannot reject the null hypothesis that becoming German has no impact on the probability to visit one's/the parent's country of origin ($X^2 = 1.08$, $df = 4$, $p = 0.90$).

[26] An overall Wald test suggests that the variable capturing between person variation is significantly associated with the outcome across all contrasts ($X^2 = 204.83$, $df = 4$, $p < 0.001$). Wald tests that test equality of within- and between-estimates reject the null hypotheses in all three cases (up to 3 weeks vs. no visit: $X^2 = 20.95$, $df = 1$, $p < 0.001$/1–3 months vs. no visit: $X^2 = 76.48$, $df = 1$, $p < 0.001$/4–6 months vs. no visit: $X^2 = 23.15$, $df = 1$, $p < 0.001$/6 months and longer vs. no visit: $X^2 = 3.83$, $df = 1$, $p < 0.05$).

(e.g. more encompassing "other" category for labor force status) and by dropping variables that have too little variation for the sample at hand (e.g. sending remittances, parents/children living in the country of origin). Also, outcomes four (visits that last 4–6 months) and five (6 months and longer) have been collapsed into one category to ensure that there are enough observations in this outcome category.

Table 7.3 presents the results of the analysis.[27] We see that notable differences between the immigrant groups extend in the second generation. Second generation immigrants with a Turkish or a Greek passport have higher relative risks of long visits (4 months and more) to their parents' country of origin compared to immigrants with an Italian passport (see Table 7.3). Other nationals, on the other hand, have lower relative risks of visiting in all contrasts ($RRR_{2vs1} = 0.292$, $z = -2.112$/$RRR_{3vs1} = 0.259$, $z = -2.178$/$RRR_{4\&5vs1} = 0.236$, $z = -1.336$).[28] When it comes to getting the German passport, the results are rather similar to results for the first generation. Significant between-estimates ($RRR_{B2vs1} = 0.354$, $z = -2.742$/$RRR_{B3vs1} = 0.163$, $z = -4.220$/$RRR_{B4\&5vs1} = 0.132$, $z = -2.215$) indicate a negative correlation between the relative risks of visiting the country of origin and having a German passport. Insignificant within-estimates (see Table 7.3) suggest that this association is driven by (time-constant) unobserved heterogeneity. Still, Wald tests for equality of within- and between-estimates show that we can reject the null hypothesis (between- and within-estimates are equal) only in contrast two.[29] Apparently, the observed negative association between having the German passport and trips to the parents' country of origin is substantial, extending beyond unobserved heterogeneity. For the second generation, therefore, the hypothesis that German citizenship acquisition is not associated with transnational involvement because of its ambiguous nature (instrumental value vs. identification, TN5) does not hold. Here, becoming German seems to decrease the probability to visit the parents' country of origin and is therefore likely an indicator of identification with the receiving country. This relates to one's intention to stay permanently in the receiving country (TN4). Although one might assume that the second generation has no plan of returning to its ancestral home, around one fifth in the multivariate sample does not intend to stay in Germany. Regarding the estimated effect of the intention to stay in Germany permanently, we find support for TN4. First, a Wald test shows that the intention to stay permanently has an effect on visits to this country—regardless of the specific outcome.[30] Second, the within-estimates are below one in all contrasts, indicating

[27] Insignificant $X^2$ values in a Hausman tests again indicate that the assumption of independence of irrelevant alternative is not violated. Analysis of multicollinearity among the independent variables shows acceptable values. The mean vif is 1.71 and the highest estimated condition number is 6.02 for the year period effect of 2006.

[28] Nonetheless, overall Wald tests do not reject the null hypothesis that nationalities have no impact on the second generation's visits to their parent's country of origin.

[29] Contrast one: $X^2 = 0.41$, $df = 1$, $p = 0.52$/contrast two: $X^2 = 5.16$, $df = 1$, $p < 0.05$/contrast three: $X^2 = 0.28$, $df = 1$, $p = 0.60$.

[30] Within-estimates: $X^2 = 7.10$, $df = 1$, $p = 0.07$/between-estimates: $X^2 = 13.64$, $df = 1$, $p < 0.01$.

**Table 7.3** Multinomial logistic regression on model determinants of visits to the country of origin, within- and between-estimates, 2nd generation

| | Up to 3 weeks vs. no visit ($n = 456$) | | 1–3 months vs. no visit ($n = 597$) | | More than 4 months vs. no visit ($n = 92$) | |
|---|---|---|---|---|---|---|
| | RRR | z | RRR | z | RRR | z |
| Nationality: Italian | ref. | | ref. | | ref. | |
| Nationality: Turkish | 0.927 | − 0.282 | 1.223 | 0.710 | 2.092 | 1.931 |
| Nationality: Greek | 0.864 | − 0.421 | 1.491 | 1.107 | 2.675* | 2.217 |
| Nationality: Spanish or Portuguese | 3.079 | 1.652 | 3.677 | 1.804 | 2.961 | 0.973 |
| Nationality: Other Nationality | 0.292* | − 2.112 | 0.259* | − 2.178 | 0.236 | − 1.685 |
| W: German citizenship | 0.518 | − 1.357 | 0.726 | − 0.566 | 0.239 | − 1.336 |
| B: German citizenship | 0.354** | − 2.742 | 0.163*** | − 4.220 | 0.132* | − 2.215 |
| W: Intention to stay permanently | 0.661 | − 1.525 | 0.506* | − 2.460 | 0.945 | − 0.112 |
| B: Intention to stay permanently | 0.503* | − 2.308 | 0.354** | − 3.187 | 0.256** | − 3.212 |
| W: German (writing): (very) good | 1.258 | 0.613 | 0.744 | − 0.809 | 1.160 | 0.199 |
| B: German (writing): (very) good | 1.343 | 0.552 | 1.921 | 1.122 | 1.116 | 0.149 |
| W: German (speaking): (very) good | 1.425 | 0.573 | 0.888 | − 0.214 | 0.418 | − 1.183 |
| B: German (speaking): (very) good | 0.895 | − 0.155 | 0.349 | − 1.397 | 0.580 | − 0.586 |
| W: Language of country of origin (writing): (very) good | 1.669 | 1.660 | 1.484 | 1.322 | 0.875 | − 0.246 |
| B: Language of country of origin (writing): (very) good | 0.970 | − 0.093 | 0.432* | − 2.303 | 0.407 | − 1.949 |
| W: Language of country of origin (speaking): (very) good | 0.886 | − 0.352 | 0.765 | − 0.860 | 4.364* | 2.291 |
| B: Language of country of origin (speaking): (very) good | 3.695*** | 3.382 | 4.534*** | 3.620 | 7.164*** | 3.349 |
| Years of education | 1.094 | 1.789 | 1.113 | 1.958 | 1.025 | 0.339 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 1.025 | 0.803 | 0.990 | − 0.379 | 0.919 | − 1.819 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 1.043* | 2.417 | 1.068*** | 3.505 | 0.994 | − 0.172 |
| W/B: Working | ref. | | ref. | | ref. | |
| W: Unemployed | 1.013 | 0.036 | 0.591 | − 1.345 | 0.868 | − 0.304 |
| B: Unemployed | 0.684 | − 0.710 | 0.260* | − 2.393 | 1.121 | 0.157 |
| W: LFS other | 0.505* | − 2.294 | 0.435** | − 2.779 | 0.830 | − 0.343 |
| B: LFS other | 0.987 | − 0.049 | 1.100 | 0.293 | 2.392* | 2.152 |
| Friends: proportion coethnics | 1.151 | 0.525 | 1.955* | 2.408 | 0.709 | − 0.762 |
| W: Felt discriminated | 0.841 | − 0.621 | 0.778 | − 0.995 | 0.635 | − 0.910 |

**Table 7.3** (continued)

| | Up to 3 weeks vs. no visit ($n = 456$) | | 1–3 months vs. no visit ($n = 597$) | | More than 4 months vs. no visit ($n = 92$) | |
|---|---|---|---|---|---|---|
| | RRR | z | RRR | z | RRR | z |
| B: Felt discriminated | 1.468 | 1.254 | 2.179* | 2.516 | 1.242 | 0.539 |
| Immigrants in the neighborhood: none/a few/don't know | ref. | | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 1.389 | 1.662 | 1.792** | 3.033 | 1.996* | 2.307 |
| Constant | 0.280 | − 1.185 | 0.483 | − 0.596 | 0.350 | − 0.601 |
| Observations | 1,440 | | | | | |
| Persons | 582 | | | | | |
| Log pseudo likelihood (empty model) | − 1,770.76 | | | | | |
| Log pseudo likelihood | − 1,545.39 | | | | | |
| $Chi^2$ (Wald) | 447.87 | | | | | |

SOEP 2010, own computations, base category: 1—no visits ($n = 295$), estimation based on cluster robust standard errors
Hausman tests indicate that the IIA assumption is not violated
Model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

a negative relation with the dependent variable, although they only reach statistical significance in contrast two ($RRR_{W2vs1} = 0.661$, $z = -1.525$/$RRR_{W3vs1} = 0.506$, $z = -2.460$/$RRR_{W4\&5vs1} = 0.945$, $z = -0.112$). Third, the between-estimates are significant and below one in all three contrasts (see Table 7.3) and do not differ significantly from the within-estimates in contrasts one and two.[31] Thus, with the exception of the third contrast, there is evidence that intending to stay in Germany forever reduces the second generation's transnational involvement.

With respect to the second generation's human and cultural capital, the analysis does not support TN8—higher human capital does not decrease transnational involvement. But there seems to be support for TN6—being proficient in the country of origin's language increases transnational involvement. A Wald test shows that there is an overall influence on visits to the parents' country of origin and being able to speak its language well.[32] Regarding spoken skills, the within-estimate is significant only in the third contrast ($RRR_{W4\&5vs1} = 4.364$, $z = 2.291$), but the between-estimates are significant in all contrasts (see Table 7.3). However, differences in between- and within- estimates in the first two contrasts are significant.[33] Thus, the positive association between spoken country of origin language skills and transnational involvement is only partly causal, tracing back to (time-constant) unobserved differences between groups which have those language skills and those who do not. Although this does not extend to written skills, we can conclude that the analysis partially supports TN6. But again, contrary to the theoretical expectations (TN7), German language skills are irrelevant when it comes to this type of border-crossing involvement.

TN10 posits that regular employment will decrease border-crossing involvement by increasing the opportunity costs for such activities. Just as for the first generation, this cannot be confirmed for the second generation. At this point, we therefore have to conclude that the data do not lend support to TN10. The relation between available financial resources and visits to the parents' country of origin is complex. First, the between-estimates are significant and positive in the first two contrasts (see Table 7.3), suggesting that availability of financial capital coincides with higher relative risks of short and medium visits to the parents' country of origin, and negative, albeit insignificantly, in the third contrast. But this association appears spurious, as the insignificant within-estimates show. Second, however, between- and within-estimates are only significantly different from one another in the second contrast.[34] Apparently, the association between financial resources and moderately long trips to the ancestral home extends beyond mere unobserved heterogeneity. Third, on the other hand, if we look at very long visits (4 months and more), the

[31] Contrast one: $X^2 = 0.48$, $df = 1$, $p = 0.49$/contrast two: $X^2 = 0.75$, $df = 1$, $p = 0.39$/contrast three: $X^2 = 3.89$, $df = 1$, $p < 0.05$.

[32] Writing: $X^2 = 5.11$, $df = 3$, $p = 0.16$/speaking: $X^2 = 10.05$, $df = 3$, $p < 0.05$.

[33] Contrast one: $X^2 = 7.56$, $df = 1$, $p < 0.01$/contrast two: $X^2 = 10.81$, $df = 1$, $p < 0.001$/contrast three: $X^2 = 0.33$, $df = 1$, $p = 0.57$.

[34] Contrast one: $X^2 = 0.23$, $df = 1$, $p = 0.63$/contrast two: $X^2 = 5.04$, $df = 1$, $p < 0.05$/contrast three: $X^2 = 1.82$, $df = 1$, $p = 0.18$.

within-estimate suggests a negative relation between financial resources and the relative risk of visiting, although it is not significant at standard levels ($RRR_{W4\&5vs1} = 0.919$, $z = -1.819$). Considering the low number of cases in this contrast ($n = 92$), we should not dismiss this too quickly. What is more, if a squared income term is added to the equation, the within-estimate in the last contrast becomes significant at the 5 %-level (not reported here) even if the squared term is far from statistical significance itself. Fourth, Wald tests that jointly examine if all estimates are zero in all contrasts clearly reject the null hypothesis for the between- and within-estimates.[35] Accordingly, the data suggests the following interpretation: Financial resources exert no influence on the relative risks of very short visits, increase the relative risk of moderately long visits to the parents' country of origin, but decrease the relative risk of long visits.

Ethnic social capital is assumed to increase transnational involvement (TN11). While there was no evidence for this in the first generation, the analysis supports this hypothesis for the second generation. Although the relative risk ratio reaches statistical significance only in contrast 2 (see Table 7.3), the proportion of coethnics in one's network has an overall impact on the chance of visiting the parents' country of origin.[36] But evidently this has to be interpreted with care, since it is not possible to compute within-estimates for this variable. Therefore, we cannot rule out that the positive association between an immigrant's proportion of coethnics in her or his friendship network and moderately long trips is caused by unobserved heterogeneity. The assumed positive relation between living in an ethnic neighborhood and border-crossing activities (TN14) is supported by the analysis. There is indeed a positive relation between the relative risks of visiting the parents' country of origin and the perceived proportion of immigrants in the respondent's neighborhood compared to the reference category ($RRR_{2vs1} = 1.389$, $z = 1.662$/$RRR_{3vs1} = 1.792$, $z = 3.033$/$RRR_{4\&5vs1} = 1.996$, $z = 2.307$).[37] A Wald test furthermore rejects the null hypothesis that all coefficients associated with this variable are zero.[38] We can therefore conclude that there is support for hypothesis TN14—but, similar to ethnic social capital, the measure used cannot be decomposed into within- and between variation and as such is not necessarily unbiased by time-constant unobserved heterogeneity. Social distance (TN13)—measured by perceived discrimination—seems to be associated with the outcome only through unobserved time-constant factors as overall Wald tests show.[39] Hypotheses TN15 and TN16 do not find support when looking at the second generation's visit duration.

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[35] Overall Wald tests that examine whether all estimated coefficients for the between- and within-effect reject the null hypothesis that all coefficients are jointly zero (within-estimates: $X^2 = 8.06$, $df = 3$, $p < 0.05$/between-estimates: $X^2 = 14.10$, $df = 3$, $p < 0.01$).

[36] Overall Wald test: $X^2 = 14.11$, $df = 3$, $p < 0.01$.

[37] The reference category is now more heterogeneous comprising those respondents who live in neighborhoods with very few or no immigrants and those who cannot asses the proportion of immigrants in their neighborhood. It was necessary to collapse this category, since only 3 % of the sample could not provide an assessment.

[38] Overall Wald test: $X^2 = 10.62$, $df = 3$, $p < 0.01$.

[39] Overall Wald tests: within-estimate: $X^2 = 1.32$, $df = 3$, $p = 0.72$/between-estimate: $X^2 = 7.51$, $df = 3$, $p = 0.06$.

**Summary** The most striking result of the analysis surely is the fact that generational status does not turn out to be a significant predictor when looking at the duration of visits to the (parents') country of origin. Thus, what was apparent from the descriptive analyses in Chap. 6 is also confirmed multivariately.

Similar to the results of the analysis for the first generation, the above results suggest that indicators of structural integration either play a minor role or the revealed pattern does not conform to the theoretical considerations. The same holds for the test of the interaction-effects that should have captured the possibility of differential effects. Yet, there are also notable differences: The first generation's visiting behavior seems largely structured by factors relating to the country of origin. This is evident if we look at how sending remittances or having parents living in the country of origin relates to visiting this country. For the second generation, however, although visiting is still common, transnational involvement appears more strongly structured by the conditions in the receiving country (e.g. neighborhood characteristics, social capital) and their orientation toward it (e.g. intention to stay, citizenship). Certainly, this result is not surprising considering that the second generation lacks socialization experiences in the country of origin. Furthermore, the results indicate that segmentation—i.e. integration into the ethnic group but not into the receiving society—is positively associated with transnational involvement for the second generation if we look at the duration of visits to the (parents') country of origin. Yet this assessment is only partially based on intra-personal comparisons that are free of time-constant unobserved heterogeneity. Some of the reported associations (e.g. between the neighborhood characteristics and visits to the country of origin) rely heavily on between-person variance and should thus be treated with care.

### *7.1.2 Number of Visits*

Looking at the duration of visits to the country of origin is only one aspect of border-crossing activities. Equally important is the frequency of visits to this country in the course of the survey. The observation period lasts from 1996 to 2009 and the information on visits to the country of origin is collected biennially (Chap. 5). Thus, a respondent can report having visited the country of origin at most seven times—provided that she or he was successfully interviewed in every wave. This section is structured as before. The hypotheses are first examined for the first generation. This is followed by an examination for the second generation. The current multivariate sample is the same as above. Overall, there are 5,510 observations from 1,972 first generation immigrants.[40] Less than 10 % (8.31 %) have a zero count and the mean number of visits is 3.2, which motivates the model choice: linear regression models

[40] Analysis of multicollinearity among the independent variables again shows acceptable values. The mean vif is 4.87, high vif values can be found for years of residence and years of residence squared—which should not come as a surprise. An inspection of condition numbers indicate some multicollinearity for the period dummy 2006 (condition number = 24.1). But again, condition numbers are generally far from 30, which is considered as a rule of thumb to be the cutoff point at

with random intercepts.[41] Table 7.4 presents the hypotheses on the determinants of transnational involvement now regarding the number of visits.

There is one important aspect that needs to be discussed before proceeding to the interpretation of the results. The number of accumulated visits will increase with the number of times an immigrant takes part in the SOEP. Even if the probability to pay a visit to the country of origin declines with the time spent in Germany, the accumulated probability increases, because the "time at risk" increases. If we do not control for this process, the analysis will produce severely biased results for all measures associated with time. Fortunately, we can control for this in a straightforward manner by including a variable that counts the number of times an immigrant appears in the multivariate sample. While this will correct the estimates of the other predictors, it will also result in high $R^2$ values, because modeling this process via such a variable appears to 'explain' a lot of variance. To be sure, this variance is not explained in substantive terms but only 'by design'.

**The First Generation** If we start the interpretation of the results by looking at the different country of origins, we see that immigrants from Turkey, Greece, Spain and Portugal do not differ significantly from the reference group—Italian immigrants (see Table 7.4). Except for immigrants from Poland, who tend to visit their country of origin more often than immigrants from Italy, the remaining groups visit less often, although significant differences to Italian immigrants can be found only for immigrants from former Yugoslavia, other Eastern European countries, and other countries (see Table 7.4).

Contrary to the theoretical expectations formulated in hypothesis TN1, age at migration is not positively associated with the number of visits to the country of origin. Years of residence, however, clearly decrease the number of visits ($\hat{\beta}_W = -0.067, z = -2.480$), which conforms to the formulated hypothesis (TN3). Nevertheless, the relation between number of visits and years of residence is curvilinear, as a positive and significant squared term indicates ($\hat{\beta}_W = 0.001$, $z = 3.865$). The combined effect is displayed in Fig. 7.1. Overall, years of residence

which multicollinearity has to be regarded as serious concern (Benson and Walker 1988, p. 298). Diagnostic statistics identified nine influential observations. Excluding them from the analysis did not result in substantial differences to the estimated effects as presented in Table 7.4.

[41] The number of visits to the country of origin is actually a count variable. Such a dependent variable is typically best investigated with count regression models (see Long and Freese (2001, 2006) for details and the following analysis of the amount remitted), although linear regression models may also provide reasonable results (Long and Freese 2006, p. 348). Still, a linear regression model is used in the following analyses. This is motivated by several reasons. First, one of the foremost reasons for the application of count models is that count processes often create strongly skewed distributions with excess zeros and overdispersion (variance is greater than the mean), which can create serious problems for linear regression models—as it is, for instance, the case when investigating the amount remitted. This is not the case for the accumulated number of visits. Second, linear regressions with random and fixed effects are much easier to compute and understand. Third, the current models appear to be too complex to be handled adequately with standard or panel count models, as these models did not converge. However, it was possible to specify the current model with the generalized linear models framework within Stata (glm) as a negative binomial regression model (not reported here). If the count model's estimated effects diverge notably from the linear regression model's effect estimates this is discussed (in footnotes).

**Table 7.4** Linear regression model with random intercept on determinants of number of visits to the country of origin, within- and between estimates, 1st Generation

| | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
|---|---|---|---|---|---|---|---|---|
| | β | z | β | z | β | z | β | z |
| Italy | ref. | | ref. | | ref. | | ref. | |
| Turkey | 0.041 | 0.504 | 0.054 | 0.668 | 0.058 | 0.710 | 0.045 | 0.552 |
| Greece | −0.082 | −0.837 | −0.081 | −0.825 | −0.085 | −0.867 | −0.064 | −0.657 |
| Spain/Portugal | −0.096 | −0.817 | −0.080 | −0.665 | −0.108 | −0.910 | −0.096 | −0.815 |
| Former Yugoslavia | −0.359*** | −3.894 | −0.352*** | −3.822 | −0.354*** | −3.837 | −0.349*** | −3.796 |
| Other Western Europe | −0.132 | −0.863 | −0.072 | −0.457 | −0.162 | −1.042 | −0.117 | −0.755 |
| Poland | 0.478** | 3.036 | 0.499** | 3.157 | 0.476** | 3.033 | 0.477** | 3.040 |
| Other Eastern Europe (incl. Russia) | −1.285*** | −8.398 | −1.263*** | −8.222 | −1.286*** | −8.400 | −1.279*** | −8.366 |
| Other country of origin | −1.183*** | −6.554 | −1.153*** | −6.377 | −1.177*** | −6.536 | −1.163*** | −6.452 |
| Age at migration | −0.015 | −1.317 | −0.015 | −1.300 | −0.015 | −1.310 | −0.014 | −1.276 |
| W: Years of residence | −0.067* | −2.480 | −0.065* | −2.403 | −0.059* | −2.203 | −0.126*** | −3.844 |
| B: Years of residence | −0.003 | −0.177 | −0.002 | −0.113 | −0.002 | −0.092 | 0.003 | 0.096 |
| W: Years of residence squared | 0.001*** | 3.865 | 0.001*** | 3.952 | 0.001*** | 3.420 | 0.002*** | 4.391 |
| B: Years of residence squared | 0.000 | −0.849 | 0.000 | −0.846 | 0.000 | −0.883 | 0.000 | −0.289 |
| W: German citizenship | −0.003 | −0.031 | 0.002 | 0.018 | 0.543*** | 3.333 | 0.002 | 0.024 |
| B: German citizenship | −0.486*** | −4.430 | −0.477*** | −4.359 | −0.221 | −1.361 | −0.473*** | −4.301 |
| W: Intention to stay permanently | −0.011 | −0.447 | −0.011 | −0.436 | −0.009 | −0.358 | −0.007 | −0.270 |
| B: Intention to stay permanently | −0.243*** | −3.771 | −0.236*** | −3.681 | −0.244*** | −3.787 | −0.237*** | −3.672 |
| W: German (writing): (very) good | 0.054 | 1.761 | 0.060 | 1.957 | 0.054 | 1.779 | 0.056 | 1.821 |
| B: German (writing): (very) good | −0.021 | −0.264 | −0.013 | −0.161 | −0.020 | −0.248 | −0.015 | −0.189 |
| W: German (speaking): (very) good | −0.012 | −0.409 | −0.013 | −0.446 | −0.014 | −0.457 | −0.010 | −0.323 |
| B: German (speaking): (very) good | 0.052 | 0.747 | 0.054 | 0.781 | 0.042 | 0.596 | 0.046 | 0.659 |
| W: Language of country of origin (writing): (very) good | 0.010 | 0.259 | 0.007 | 0.188 | 0.005 | 0.141 | 0.006 | 0.148 |
| B: Language of country of origin (writing): (very) good | 0.074 | 0.840 | 0.077 | 0.873 | 0.079 | 0.897 | 0.072 | 0.815 |
| W: Language of country of origin (speaking): (very) good | 0.069 | 1.326 | 0.067 | 1.281 | 0.060 | 1.177 | 0.066 | 1.288 |
| B: Language of country of origin (speaking): (very) good | 0.320* | 2.256 | 0.303* | 2.132 | 0.308* | 2.170 | 0.322* | 2.271 |
| Years of education | −0.014 | −1.245 | −0.013 | −1.106 | −0.013 | −1.167 | −0.016 | −1.449 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 0.001 | 0.150 | −0.011 | −1.572 | 0.004 | 1.194 | −0.061*** | −3.658 |

**Table 7.4** (continued)

| | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
|---|---|---|---|---|---|---|---|---|
| | β | z | β | z | β | z | β | z |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 0.024*** | 5.385 | 0.012* | 2.160 | 0.029*** | 5.683 | 0.037* | 2.399 |
| W/B: Working | ref. | | ref. | | ref. | | ref. | |
| W: Unemployed | −0.051 | −1.284 | −0.051 | −1.267 | −0.056 | −1.436 | −0.052 | −1.327 |
| B: Unemployed | −0.136 | −1.293 | −0.130 | −1.236 | −0.144 | −1.371 | −0.136 | −1.296 |
| W: Retired | −0.077 | −1.019 | −0.073 | −0.964 | −0.065 | −0.862 | −0.070 | −0.939 |
| B: Retired | −0.045 | −0.247 | −0.051 | −0.282 | −0.046 | −0.254 | −0.073 | −0.406 |
| W: Non-working | −0.072 | −1.676 | −0.072 | −1.685 | −0.072 | −1.692 | −0.079 | −1.874 |
| B: Non-working | −0.042 | −0.537 | −0.043 | −0.548 | −0.047 | −0.600 | −0.046 | −0.588 |
| W: Other | −0.087 | −1.669 | −0.088 | −1.702 | −0.090 | −1.709 | −0.084 | −1.628 |
| B: Other | 0.138 | 0.918 | 0.134 | 0.895 | 0.137 | 0.908 | 0.137 | 0.912 |
| Friends: proportion coethnics | −0.033 | −0.719 | −0.290** | −2.868 | −0.048 | −1.055 | −0.044 | −0.961 |
| At least one parent living abroad | 0.059 | 1.527 | 0.063 | 1.623 | 0.059 | 1.533 | 0.055 | 1.456 |
| At least one child living abroad | −0.081 | −1.516 | −0.079 | −1.489 | −0.089 | −1.690 | −0.075 | −1.410 |
| W: Sent remittances in the last year | −0.024 | −0.942 | −0.025 | −0.998 | −0.027 | −1.083 | −0.018 | −0.708 |
| B: Sent remittances in the last year | 0.399*** | 4.901 | 0.383*** | 4.719 | 0.396*** | 4.854 | 0.396*** | 4.848 |
| W: Felt discriminated | −0.007 | −0.319 | −0.007 | −0.314 | −0.011 | −0.475 | −0.006 | −0.269 |
| B: Felt discriminated | 0.021 | 0.349 | 0.017 | 0.282 | 0.019 | 0.320 | 0.020 | 0.338 |
| Immigrants in the neighborhood: none/a few | ref. | | ref. | | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 0.052 | 1.404 | 0.049 | 1.336 | 0.048 | 1.300 | 0.046 | 1.285 |
| Immigrants in the neighborhood: don't know | 0.254* | 2.399 | 0.259* | 2.491 | 0.257* | 2.409 | 0.251* | 2.387 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) X Friends: proportion coethnics | | | 0.017* | 2.401 | | | | |
| B: Annual net hh-income, OECD-equivalized (in 1,000) X Friends: proportion coethnics | | | 0.024*** | 3.336 | | | | |
| W: Annual net hh-income, OECD-equivalized (in 1,000) X W: German citizenship | | | | | −0.038*** | −3.584 | | |
| B: Annual net hh-income, OECD-equivalized (in 1,000) X B: German citizenship | | | | | −0.018* | −2.184 | | |

**Table 7.4** (continued)

| | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
|---|---|---|---|---|---|---|---|---|
| | β | z | β | z | β | z | β | z |
| W: Annual net hh-income, OECD-equivalized (in 1,000) X W: Years of residence | | | | | | | 0.005*** | 3.387 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) X B: Years of residence | | | | | | | − 0.001 | − 0.349 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) X W: Years of residence squared | | | | | | | − 0.0001** | − 3.008 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) X B: Years of residence squared | | | | | | | 0.000 | − 0.044 |
| Constant | 1.056* | 2.255 | 1.153* | 2.475 | 0.969* | 2.093 | 0.910 | 1.793 |
| Observations | 5,510 | | 5,510 | | 5,510 | | 5,510 | |
| Persons | 1,972 | | 1,972 | | 1,972 | | 1,972 | |
| Obs. per person: minimum | 1 | | 1 | | 1 | | 1 | |
| Obs. per person: average | 2.80 | | 2.80 | | 2.80 | | 2.80 | |
| Obs. per person: maximum | 6 | | 6 | | 6 | | 6 | |
| Intra-class correlation | 0.800 | | 0.801 | | 0.802 | | 0.802 | |
| $R^2$ overall | 0.644 | | 0.645 | | 0.645 | | 0.645 | |
| $R^2$ between | 0.534 | | 0.536 | | 0.534 | | 0.534 | |
| $R^2$ within | 0.875 | | 0.876 | | 0.877 | | 0.877 | |

SOEP 2010, own computations, estimation based on cluster robust standard errors
Models also include controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, year dummies, and number of times in the multivariate sample)
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

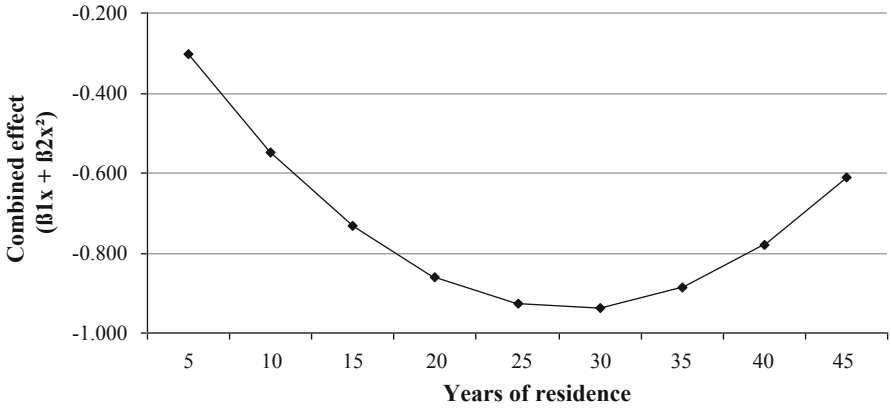


**Fig. 7.1** Combined effects if years of residence and years of residence squared on number of visits to the country. (Source: Own computations based on SOEP 2010)

indeed decrease the number of visits to the country of origin. However, the negative association with the number of visits is strongest at 30 years of residence (with an overall effect of −0.937) after which the effect strength decreases again.

If we further inspect Table 7.4, we see that neither TN4 (intention to stay permanently) nor TN5 (German citizenship acquisition) seem to be associated with the number of visits to the country of origin beyond an association driven by (time-constant) unobserved heterogeneity: While the between-estimates are significant and negative for both variables (intention to stay: $\hat{\beta}_B = -0.243$, z = − 3.771/German citizenship: $\hat{\beta}_B = -0.486$, z = − 4.430), the within-estimates are not. Furthermore, two Wald tests clearly show that between- and within-estimates are significantly different.[42] Therefore, while there is a negative association between these covariates and the dependent variable, this effect cannot be interpreted as being causal.

With respect to the hypothesis on cultural capital and transnational involvement, there is support for TN6 (country of origin language skills increase transnational involvement) but not for TN7 (receiving country language skills decrease transnational involvement). For country of origin language speaking skills, there is a significant and positive between-estimate, although the within-estimate is far from being significant. Still, the difference between these two different estimates is itself insignificant, leading to the conclusion that the association in country of origin language skills and number of visits to this country extends beyond mere unobserved heterogeneity.[43] The assumed relation between human capital and this aspect of border-crossing involvement (TN8) is again not supported by the data. Moreover, labor force status is also not significantly associated with the number of visits over the course of the

[42] Wald test for equality of coefficients: intention to stay: $X^2 = 10.89$, $df = 1$, $p < 0.001$/German citizenship: $X^2 = 13.55$, $df = 1$, $p < 0.001$.

[43] Wald test for equality of coefficients: $X^2 = 2.84$, $df = 1$, $p = 0.09$.

survey (TN10). Neither is financial capital a significant predictor if we look at the within-estimate (TN9). The between-estimate is positive and significant ($\hat{\beta}_B = 0.024$, $z = 5.385$), pointing to an enabling role of financial resources. But the estimated relation is likely obscured by unobserved heterogeneity—the within-estimate is insignificant and a Wald test rejects the null hypothesis of equality of within- and between-estimates.[44] We thus have to conclude that the degree of structural integration by itself does not seem to be relevant in predicting the number of times an immigrant visits her or his country of origin.

This also holds for (ethnic) social capital, which is similarly not associated with the number of visits to the country of origin (see Table 7.4), contrary to the expectations (TN11). Regarding social capital in the country of origin, TN12 is also not supported by the results. Neither having parents nor children abroad is significantly associated to the number of visits over the course of the survey. Remitting, on the other hand, seems to be positively associated with the number of trips undertaken in the course of the survey. However, only the between-estimate ($\hat{\beta}_B = 0.399$, $z = 4.901$) is significant, while the within-estimate is insignificant ($\hat{\beta}_W = -0.024$, $z = -0.942$) and the differences are not owed to the within-estimate's inefficiency.[45] So, contrary to the above analysis on the duration of visits, it seems that sending remittances and visiting the country of origin coincide, but it is time-constant unobserved heterogeneity that gives rise to this association, since a change in remittance sending behavior is not associated with a change in the expected number of visits.

Turning to contextual aspects, there is no support for TN13 (social distance, see Table 7.4). Regarding TN14, we see that compared to living in a neighborhood with only a few immigrants, living in a neighborhood with many immigrants is not a significant predictor for the number of visits, although the estimated effect goes into the expected direction (see Table 7.4).[46] An interesting finding is that those respondents who report not knowing the composition of their neighborhood actually seem to visit their country of origin more often compared to those who live in mostly German neighborhoods ($\hat{\beta} = 0.254$, $z = 2.399$), a result which echoes the above analysis on (long) visit durations (see Table 7.1). This could be interpreted in the sense that transnational involvement may be an alternative to being embedded in an ethnic neighborhood.

Up to here, we have to conclude that visits to the country of origin are something rather normal for the first generation. Still, there seems to be a systematic relation between an immigrant's position in the receiving society and this form of transitional involvement, even if it is not very strong. Nevertheless, the models have so far only

[44] Wald test for equality of coefficients: $X^2 = 18.40$, $df = 1$, $p < 0.001$. Additional analyses on a working-only sample (not reported here) show that occupational prestige (ISEI) is negatively but insignificantly related to the number of visits undertaken to the country of origin. At least for the first generation there is no support for the theoretical consideration that a good standing in the receiving country's labor market brings along opportunity costs for tangible transnational involvement and thus reduces it.

[45] Wald test for equality of coefficients: $X^2 = 24.42$, $df = 1$, $p < 0.001$.

[46] Interaction terms with the variables indicating the perceived share of immigrants in one's neighborhood and the frequency of visits did not turn out significant (not reported here).

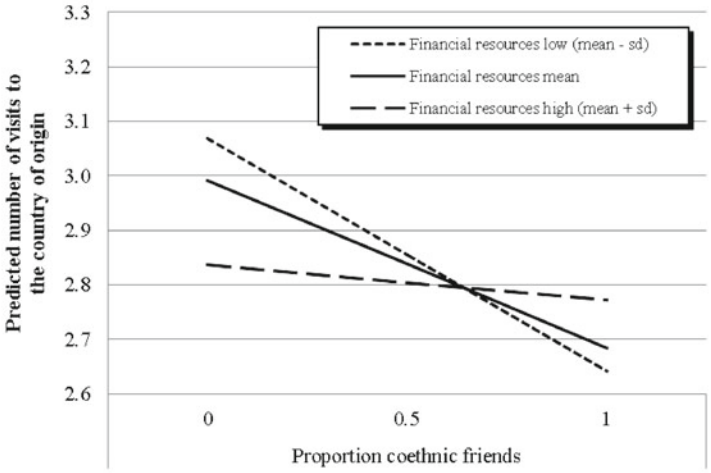


**Fig. 7.2** Main- and interaction-effects for financial resources and network composition. Sample mean OECD equivalized annual net household income = 14,045 €, sd = 7,249 €; other variables held constant at sample mean. (Source: Own computations based on SOEP 2010)

tested additive effects of integration on the different dimensions. But as argued in Chap. 4, dimensions of integration may be linked multiplicatively. Checking for interactions between structural integration (financial resources), on the one hand, and other dimensions of integration, cultural (language), social (network), and emotional (citizenship acquisition) indeed seems to confirm this idea (see Table 7.4). While these interactions do not turn out as significant predictors in the above analyses for the duration of visits, we find telling associations in the current analysis.[47]

The first interaction tested is between integration on the social dimension (proportion of friends from own country of origin) and the available financial resources (equivalized annual net household income divided by 1,000). As Table 7.4 (model 2) and Fig. 7.2 show, including this interaction modifies the results in an interesting way. First, the main effect of income still remains insignificant ($\hat{\beta}_W = -0.011$, $z = -1.572$), but now becomes negative compared to model 1 without the interaction. Second, the estimated effect of network composition is now negative and significant ($\hat{\beta} = -0.290$, $z = -2.868$) and the interaction is positive and significant ($\hat{\beta} = 0.017$, $z = 2.401$).

Now what does that mean? Apparently, structural integration (or assimilation) decreases transnational involvement at least of those immigrants whose network

[47] It is not straightforward to include interaction terms of mean- and demeaned variables in a model. It is important to generate the interaction before constructing mean and demeaned versions of it. What we want to enter in the model is $xy - \overline{xy}$. If we generate the interaction after generating the demeaned variables, we actually include $xy - x\bar{y} - \bar{x}y + \overline{xy}$. This is because $(x - \bar{x}) \bullet (y + \bar{y}) = (xy - x\bar{y} - \bar{x}y + \overline{xy})$. Therefore, we have to first generate an interaction term $x \bullet y$, secondly demean it, and then enter it into the model (see Schunck 2013 for details).

can be characterized either by assimilation or multiple inclusion.[48] At the same time, social segmentation also seems to decrease transnational involvement. Yet, among those immigrants whose networks comprise mostly or only coethnics, the high-income groups visit most often. In general, it seems as if social segmentation appears as a substitute for keeping in touch with the country of origin. But there is also support for TN15, which assumes that (high) structural integration met by segmentation on a different dimension of integration will result in increased transnational involvement.

A conditional effect of financial resources is also found with respect to German citizenship acquisition: as model 3 (Table 7.4) shows, including an interaction between these two variables results in a significant and positive main effect of citizenship acquisition ($\hat{\beta}_W = 0.543$, $z = 3.333$), which has been insignificant so far (see model 1), while the effect of financial resources remains insignificant. The German citizenship by itself therefore appears to be a resource easing cross-border travel. The interaction effect is, however, negative and significant ($\hat{\beta}_W = -0.038$, $z = -3.584$). Thus, for those immigrants who are German citizens, an increase in income seems to decrease border-crossing involvement. Recall that the between-estimate of being German citizen is negative and significant (model 1 and 3). In the above discussion, I argued that immigrants with German citizenship are on average less likely to visit their country of origin due to unobserved group differences and selection effects that covary with citizenship acquisition. Comparing the between-estimates of citizenship acquisition between models 1 and 3, we see that the inclusion of the (between-) interaction results in an insignificant between-estimate of citizenship acquisition. This supports both TN16 and the idea that different trajectories of integration are associated with different intensities of transnational involvement.

While interactions between structural and cultural integration (language skills) did not reveal any telling pattern, I additionally included an interaction between years of residence (and its squared term) and financial resources (see Table 7.4, model 4). Now all three within- estimates appear as significant predictors for the number of times an immigrant visits her or his country of origin. The within-estimates of the coefficients for years of residence and years of residence squared are both highly significant and even increase in size (years of residence: $\hat{\beta}_W = -0.126$, $z = -3.844$/years of residence squared: $\hat{\beta}_W = 0.002$, $z = 4.391$) compared to model 1. The main effect of financial resources is now also clearly significant: the higher the annual net household income, the lower is the number of trips to the country of origin ($\hat{\beta}_W = -0.061$, $z = -3.658$). But the interactions show that the effect of financial resources depends on the length of stay. The interaction between years of residence and financial resources is significant and positive ($\hat{\beta}_W = 0.005$, $z = 3.387$), while the interaction of years of residence squared and financial resources is significant and negative ($\hat{\beta}_W = -0.0001$, $z = -3.008$). As it is not straightforward to understand

[48] Note that the number of friends is controlled for, but we still cannot rule out that this also holds for marginalization.

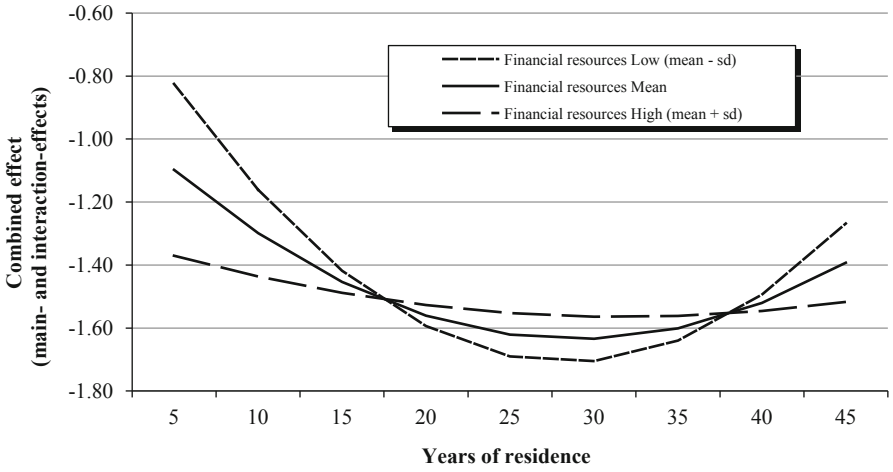


**Fig. 7.3** Main- and interaction effects for years of residence and years of residence squared and financial resources on number of visits to the country of origin. Sample mean OECD equivalized annual net household income = 14,045 €, sd = 7,249 €. (Source: Own computations based on SOEP 2010)

how these estimated effects work together, Fig. 7.3 shows the combined main- and interaction-effects.

The first thing to note when inspecting the combined main- and interaction effects of these two interactions is that increasing years of residence are overall negatively associated with the number of trips to the country of origin—just as we have seen in Fig. 7.1. However, the effect is mediated by income. For the high income group, the combined effect increases in size, that is the more years of residence, the stronger the negative association between income and the number of visits to the country of origin. For the mean and low income groups, however, the combined effect is clearly non-linear—it is U-shaped. The lines of high, mean, and low income groups intersect approximately at 17.5 and 37.5 years of residence. Before and after this residence period, the high income group displays the strongest negative relation between years of residence and number of visits to the country of origin. In between this period, the relation between the income groups is reversed. It appears as though the low and the mean income group pay even fewer visits to the country of origin in this period than the high income groups. This changes again at 37.5 years of residence, after which the low and the mean income groups on average pay more visits to the country of origin than the high income group. The question that emerges here is what happens over this time period? As Esser (1981) already pointed out, years of residence by themselves do not have a causal effect on integration. Instead, processes that unfold over time (or decisions that actors make) are the actual driving forces that drive or prevent integration into the receiving society.

Inspecting how different dimensions of integration interact in producing motives and opportunities for cross-border engagement helps us understand how these activities come into being. Below, we will see whether this holds for the second generation as well.

**Summary** The results suggest that, while visits to the country of origin may be a normal part of the migration and integration process, over time transnational involvement and integration into the receiving society do not coincide. First, the results clearly show that with longer years of residence the number of visits to the country of origin decreases. Although this conforms to expectations of assimilationist models of integration, by itself it may not be very informative, since it tells us little about the underlying processes. But second, if we look at the interactions between financial resources and years of residence, we see that the strongest negative relation between years of residence and the number of visits to the country of origin is found for those immigrants who are well-off. We should take into account that this assessment is based on within-estimates. As such the estimated relation is robust to (time-constant) unobserved confounders. The results therefore suggest that there may indeed be different trajectories of integration, where stronger inclusion into the receiving society coincides with lower levels of transnational involvement. This brings us to the third point, namely that—given the financial opportunities—it seems that segmentation (e.g. network composition) coincides with increased transnational involvement, whereas assimilation (e.g. German citizenship acquisition) coincides with lower levels of transnational involvement.

**The Second Generation** Just as I did for the above analyses on the length of visits to the country of origin, I will now present the results for the second generation: First, the 'effect' of belonging to the second generation is assessed in a joint model and, second, separate models for the second generation are presented. The multivariate sample in this analysis is the same as in the above on length of stay, that is to say there are 2,640 respondents who provide 7,187 observations. The joint model is presented in Table 7.5.[49]

As in the above analysis, generational status is not a significant predictor for the number of visits to the (parents') country of origin ($\hat{\beta} = 0.007$, $z = -0.093$), thus lending no support to TN2.

If we inspect the second generation separately (Table 7.6), we are left with 1,440 observations from 582 respondents. We see that there are no significant differences between second generation immigrants with Italian origin (the reference category, measured by nationality) and second generation immigrants with Turkish or Greek

[49] Inspection of multicollinearity shows that this is not a concern for the model. Mean vif is 1.76, the highest condition number is 6.4 for period dummy of 2006. Diagnostic statistics identified 16 influential observations. Excluding them did not change the estimates in any substantial way. Regarding the hypothesized influence factors, the alternative model specification (negative binomial regression model, not reported here) identifies the between-estimate of social distance and the estimate for parents living abroad as significant predictors, whereas the linear regression model in Table 7.5 did not.

**Table 7.5** Linear regression model with random intercept on determinants of visits to the country of origin, within- and between estimates 1st and 2nd generation

| | Model 1 | |
|---|---|---|
| | β | z |
| Second generation | 0.007 | 0.093 |
| Nationality: Italian | ref. | |
| Nationality: Turkish | − 0.037 | − 0.466 |
| Nationality: Greek | − 0.036 | − 0.432 |
| Nationality: Spanish or Portuguese | − 0.113 | − 1.083 |
| Nationality: Ex-Yugoslavian | − 0.310*** | − 3.609 |
| Nationality: Other West-European | − 0.214 | − 1.437 |
| Nationality: Polish | 0.093 | 0.455 |
| Nationality: Other East-European (incl. Russia etc.) | − 0.974*** | − 4.550 |
| Nationality: Other Nationality | − 0.599*** | − 3.868 |
| W: German citizenship | − 0.233 | − 1.908 |
| B: German citizenship | − 1.164*** | − 12.014 |
| W: Intention to stay permanently | − 0.003 | − 0.141 |
| B: Intention to stay permanently | − 0.263*** | − 4.697 |
| W: German (writing): (very) good | 0.042 | 1.490 |
| B: German (writing): (very) good | − 0.035 | − 0.453 |
| W: German (speaking): (very) good | − 0.016 | − 0.554 |
| B: German (speaking): (very) good | 0.053 | 0.753 |
| W: Origin country language (writing): (very) good | 0.011 | 0.347 |
| B: Language of country of origin (writing): (very) good | 0.006 | 0.075 |
| W: Language of country of origin (speaking): (very) good | 0.053 | 1.336 |
| B: Language of country of origin (speaking): (very) good | 0.405*** | 3.652 |
| Years of education | − 0.010 | − 1.020 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | − 0.001 | − 0.388 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 0.022*** | 5.393 |
| W/B: Working | ref. | |
| W: Unemployed | 0.007 | 0.201 |
| B: Unemployed | − 0.144 | − 1.427 |
| W: Retired | 0.052 | 0.690 |
| B: Retired | − 0.065 | − 0.426 |
| W: Non-working | − 0.016 | − 0.404 |
| B: Non-working | − 0.097 | − 1.290 |
| W: Other | 0.005 | 0.131 |
| B: Other | 0.104 | 0.967 |
| Friends: proportion coethnics | − 0.024 | − 0.601 |
| At least one parent living abroad | 0.065 | 1.789 |
| W: Sent remittances in the last year | − 0.030 | − 1.170 |
| B: Sent remittances in the last year | 0.416*** | 5.088 |
| W: Felt discriminated | − 0.009 | − 0.442 |
| B: Felt discriminated | 0.081 | 1.433 |
| Immigrants in the neighborhood: none/a few | ref. | |
| Immigrants in the neighborhood: a lot | 0.072* | 2.253 |
| Immigrants in the neighborhood: don't know | 0.198* | 2.237 |
| Constant | 0.734*** | 3.438 |
| Observations | 7,187 | |
| Persons | 2,640 | |

**Table 7.5** (continued)

| | Model 1 | |
|---|---|---|
| | β | z |
| Obs. per person: minimum | 1 | |
| Obs. per person: average | 2.70 | |
| Obs. per person: maximum | 6 | |
| Intra-class correlation | 0.825 | |
| $R^2$ overall | 0.585 | |
| $R^2$ between | 0.427 | |
| $R^2$ within | 0.872 | |

SOEP 2010, own computations, estimation based on cluster robust standard errors
Model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, year dummies, and number of times in the multivariate sample)
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

origin.[50] Second generation immigrants with a Spanish or Portuguese passport, however, seem to visit their parents' country of origin more often ($\hat{\beta} = 0.927$, z = 3.545), while immigrants with other nationalities visit less often ($\hat{\beta} = -0.694$, z = −3.162), both compared to the reference group. Looking at the factors identified as theoretically important, one can see that the between-estimate of German citizenship acquisition is negative and significant ($\hat{\beta}_B = -0.881$, z = −4.323), which agrees to the hypothesis (TN5). But the more dependable within-estimate, which is free of time-constant unobserved heterogeneity, is insignificant ($\hat{\beta}_W = -0.115$, z = −0.768). Considering that we do not have a lot of within-variation in this variable (see above discussion), we could be inclined to attribute these differences to the within-estimator's lower efficiency. But a Wald test suggests that this is not the case.[51] Consequently, the observed correlation between having the German citizenship and the number of trips to the parents' country of origin is due to (time-constant) unobserved heterogeneity. Another aspect that was hypothesized to influence transnational engagement is the intention to stay permanently in Germany (TN4). The within-estimate is clearly insignificant while the between-estimate is marginally insignificant (see Table 7.6). The within- and between-estimates are, however, themselves not significantly different from one another. Moreover, the intention to stay shows up as a significant predictor in the count model (not reported here), and thus we can conclude that the estimated results at least do not contradict TN4.[52]

[50] Analysis of multicollinearity among the independent variables shows acceptable values. The mean vif (variance inflation factor) is at a very low 1.81. An inspection of condition numbers indicates some multicollinearity for the period effect of the year 2006 (condition number = 6.06), which is far from the cutoff point (30) at which multicollinearity has to be regarded as a serious concern (Benson and Walker 1988, p. 298). Moreover, influential cases do not seem to distort the results. Only four observations were identified as being influential. Their exclusion did not change the estimates in any noteworthy way. An alternative model specification (negative binomial regression model, not reported here) identified the between-estimate of social distance, the proportion of co-ethnics in a respondent's network, and years of education as significant and positive predictors.

[51] Wald test for equality of coefficients: $X^2 = 9.03$, $df = 1$, $p < 0.01$.

[52] Wald test for equality of coefficients: $X^2 = 2.68$, $df = 1$, $p = 0.10$.

**Table 7.6** Linear regression model with random intercept on determinants of visits to the country of origin, within- and between estimates, 2nd generation

| | Model 1 | | Model 2 | | Model 3 | |
|---|---|---|---|---|---|---|
| | β | z | β | z | β | z |
| Nationality: Italian | ref. | | ref. | | ref. | |
| Nationality: Turkish | − 0.008 | − 0.059 | 0.012 | 0.092 | 0.065 | 0.515 |
| Nationality: Greek | 0.052 | 0.375 | 0.050 | 0.360 | 0.057 | 0.411 |
| Nationality: Spanish or Portuguese | 0.927*** | 3.545 | 0.945*** | 3.627 | 0.941*** | 3.586 |
| Nationality: Other Nationality (crude) for 2nd gen. | − 0.694** | − 3.162 | − 0.663** | − 3.019 | − 0.724** | − 3.253 |
| W: German citizenship | − 0.155 | − 0.768 | − 0.166 | − 0.827 | 0.570 | 1.243 |
| B: German citizenship | − 0.881*** | − 4.323 | − 0.842*** | − 4.092 | − 0.386 | − 1.258 |
| W: Intention to stay permanently | − 0.002 | − 0.037 | 0.001 | 0.026 | 0.002 | 0.045 |
| B: Intention to stay permanently | − 0.213 | − 1.737 | − 0.210 | − 1.714 | − 0.225 | − 1.850 |
| W: German (writing): (very) good | − 0.023 | − 0.324 | − 0.028 | − 0.387 | − 0.027 | − 0.374 |
| B: German (writing): (very) good | 0.055 | 0.272 | 0.065 | 0.316 | 0.053 | 0.258 |
| W: German (speaking): (very) good | 0.060 | 0.659 | 0.069 | 0.780 | 0.077 | 0.855 |
| B: German (speaking): (very) good | − 0.299 | − 1.038 | − 0.283 | − 0.962 | − 0.306 | − 1.049 |
| W: Language of country of origin (writing): (very) good | 0.010 | 0.191 | 0.011 | 0.222 | 0.014 | 0.274 |
| B: Language of country of origin (writing): (very) good | − 0.053 | − 0.395 | − 0.057 | − 0.422 | − 0.060 | − 0.445 |
| W: Language of country of origin (speaking): (very) good | 0.044 | 0.660 | 0.042 | 0.639 | 0.045 | 0.675 |
| B: Language of country of origin (speaking): (very) good | 0.457* | 2.564 | 0.458* | 2.560 | 0.465** | 2.616 |
| Years of education | 0.031 | 1.581 | 0.032 | 1.650 | 0.031 | 1.582 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | − 0.001 | − 0.107 | − 0.008 | − 1.191 | 0.001 | 0.089 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 0.010 | 1.225 | 0.003 | 0.434 | 0.022* | 1.982 |
| W/B: Working | ref. | | ref. | | ref. | |
| W: Unemployed | 0.145 | 1.735 | 0.150 | 1.801 | 0.146 | 1.747 |
| B: Unemployed | − 0.024 | − 0.091 | − 0.010 | − 0.036 | − 0.002 | − 0.006 |
| W: LFS other | 0.096 | 1.618 | 0.103 | 1.760 | 0.095 | 1.592 |
| B: LFS other | − 0.039 | − 0.314 | − 0.022 | − 0.179 | − 0.037 | − 0.303 |
| Friends: proportion coethnics | 0.084 | 1.185 | − 0.228 | − 1.463 | 0.088 | 1.249 |
| W: Felt discriminated | − 0.008 | − 0.200 | − 0.007 | − 0.188 | − 0.009 | − 0.234 |
| B: Felt discriminated | 0.256* | 2.116 | 0.230 | 1.874 | 0.237 | 1.958 |

**Table 7.6** (continued)

| | Model 1 | | Model 2 | | Model 3 | |
|---|---|---|---|---|---|---|
| | β | z | β | z | β | z |
| Immigrants in the neighborhood: none/a few/don't know | ref. | | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 0.107 | 1.674 | 0.109 | 1.694 | 0.099 | 1.546 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) X Friends: proportion coethnics | | | 0.019* | 2.025 | | |
| B: Annual net hh-income, OECD-equivalized (in 1,000) X Friends: proportion coethnics | | | 0.029* | 2.186 | | |
| W: Annual net hh-income, OECD-equivalized (in 1,000) X W: German citizenship | | | | | − 0.035 | − 1.444 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) X B: German citizenship | | | | | − 0.026* | − 2.002 |
| Constant | 0.657 | 1.373 | 0.647 | 1.353 | 0.496 | 1.015 |
| Observations | 1,440 | | 1,440 | | 1,440 | |
| Persons | 582 | | 582 | | 582 | |
| Obs. per person: minimum | 1 | | 1 | | 1 | |
| Obs. per person: average | 2.5 | | 2.5 | | 2.5 | |
| Obs. per person: maximum | 6 | | 6 | | 6 | |
| Intra-class correlation | 0.829 | | 0.830 | | 0.829 | |
| $R^2$ overall | 0.556 | | 0.560 | | 0.559 | |
| $R^2$ between | 0.390 | | 0.394 | | 0.395 | |
| $R^2$ within | 0.875 | | 0.876 | | 0.876 | |

SOEP 2010, own computations, estimation based on cluster robust standard errors
Models also include controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, year dummies, and number of times in the multivariate sample)
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

The data provides no support for the hypothesis on cultural capital, as oral country of origin language skills are not significantly related to the number of visits (TN6). To be sure, the between-estimate of country of origin oral language skills turns out significant ($\hat{\beta}_B = 0.457$, $z = 2.564$/$\hat{\beta}_W = 0.044$, $z = 0.660$), but between- and within-estimates are significantly different.[53] Receiving country language skills (TN7) are, just like human capital (TN8), not significantly related to the number of trips to the country of origin. Regarding the latter, if anything, the relation seems to be positive (years of education $\hat{\beta} = 0.033$, $z = 1.654$).[54] Moreover, the hypotheses on labor market status and transnational involvement cannot be confirmed with the data at hand, since there are no significant differences between second generation immigrants who are employed and those who are not (TN10). The estimated effect of ethnic social capital agrees to the hypothesis in its direction ($\hat{\beta} = 0.084$, $z = 1.185$) but is insignificant in the linear regression model. It is, however, a significant predictor in the count model (not reported here). In consequence, we can again conclude that the analysis has not falsified TN11—according to which ethnic social capital is positively related to transnational involvement.

For the second generation, the assumed relation between social distance (TN13) and transnational involvement finds no support. Although there is a positive association between perceived discrimination and the number of visits undertaken to the parents' country of origin, this only holds for the estimate on inter-individual comparisons, i.e. the between-estimate ($\hat{\beta}_B = 0.256$, $z = 2.116$/$\hat{\beta}_W = -0.008$, $z = -0.200$). The association is very likely spurious, caused by some (time-constant) unobserved factor, since between- and within-estimates differ significantly.[55] Yet, we do find some support for the assumed relation between living in an ethnic neighborhood and transnational involvement. Compared to those respondents who live in a neighborhood that predominantly comprises autochthonous neighbors, respondents who live in a neighborhood with many immigrants seem to undertake trips to their parents' country of origin more often ($\hat{\beta} = 0.107$, $z = 1.674$). Admittedly, this effect cannot be seen as significant by conventional standards—but it is significant in the negative binomial regression model (not reported here). Therefore, we can conclude that the data lends some support to TN14.

So far, we have only considered additive effects. As in the previous analysis, I will now consider interaction effects between financial resources—as a measure of structural integration—and measures of integration on the other dimensions. First, just as for the first generation, interactions between cultural integration (origin and/or

[53] Wald test for equality of coefficients: $X^2 = 4.56$, $df = 1$, $p < 0.05$.

[54] There are two things we have to note at this point, however. First, the count model (not reported here) produces a positive and significant within-estimate of written origin country language skills, thus giving some support to TN6. Second, the count model also identifies years of education as a significant predictor for the number of trips to the parents' country of origin. However, the effect is positive and thus opposite to what we would expect (TN8).

[55] Wald test for equality of coefficients: $X^2 = 4.01$, $df = 1$, $p < 0.05$.

receiving country language skills) and financial resources (equivalized annual net household income) are not relevant in determining the number of times a second generation immigrant undertakes visits to her or his parents' country of origin (not reported here). But, second, and this also resembles the findings for the first generation, interactions between financial resources and measures of social or emotional aspects of integration are indeed relevant predictors for the second generation's transnational involvement. The interaction between household income and the proportion of co-ethnics in one's friendship network is positive and significant ($\hat{\beta}_W = 0.019$, $z = 2.025$). The two main effects do not reach standard levels of significance, but their direction points to the fact that—taken alone—both financial resources and an ethnic network seem to decrease transnational involvement (annual net household income: $\hat{\beta}_W = -0.008$, $z = -1.191$/proportion of co-ethnics in one's network: $\hat{\beta} = -0.228$, $z = -1.463$). The data show a similar pattern when it comes to the interaction between becoming a German citizen and the available financial resources. The interaction of these two measures is negative ($\hat{\beta}_W = -0.035$, $z = -1.444$), indicating that income decreases transnational involvement for those immigrants who have become German. While it is true that the estimated effect also does not reach statistical significance, this appears to be caused by the inefficiency of the within-estimate. The between-estimate is also negative and insignificant ($\hat{\beta}_B = -0.026$, $z = -2.002$) and a Wald test shows that the difference between within- and between-estimate is itself not significant.[56] So, how do we interpret these findings? The first interaction between social and structural integration supports the—potentially trivial—idea that immigrants engage in border-crossing activities if they have both opportunities and a motive to do so. It is helpful to consider how the—admittedly insignificant—main effects appear to be associated with the number of visits to the country of origin. Having the necessary financial resources is not sufficient for immigrants to engage in border-crossing activities. What is more, income by itself emerges as inhibiting. The same holds for social segmentation. Having a personal network which mainly comprises co-ethnics does not influence the number of visits. Taken together, however, that is having the opportunity and the motive, results in increased transnational involvement. Of course, this depends on the interpretation of a co-ethnic network as motive-generating. It can also be that having a lot of co-ethnic friends creates additional opportunities. Regarding citizenship acquisition, we see that the results show a similar picture. Neither income nor German citizenship acquisition by themselves are significant predictors of transnational involvement. But taken together, that is the effect of income conditional upon having the German citizenship, the effect is negative and as such reduces transnational involvement. Overall, this can be seen as support for TN15 and TN16.

**Summary** The analysis of the *duration of visits* to the country of origin generally shows that the first generation's visiting behavior is clearly linked to aspects of the

[56] Wald test for equality of coefficients: $X^2 = 0.13$, $df = 1$, $p = 0.72$.

country of origin. For instance, if a parent still lives in the country of origin, this increases the relative risks of all visit durations. This finding is all but counter-intuitive. But what the analysis also shows is that the first generation's visiting behavior is not strongly influenced by factors that relate to (the immigrant's position in and the relation to) the receiving society. Thus, when looking only at this aspect of transnational involvement, one has to conclude that visiting is an integral part of the migration process and that the duration of the stays is determined by either unobserved group differences or by factors in the country of origin. For the second generation, this holds only partially. Surely, the most surprising finding is that visit durations do not differ significantly between the first and second generation. However, since the second generation has grown up in Germany and lacks socialization experiences in their (parents') country of origin, the extent to which its members are transnationally active depends more on factors associated with (their position in and their orientation to) the receiving society.

From a longitudinal perspective, in particular with regard to the question of whether integration into the receiving society and transnational involvement are exclusive of concurrent processes, the investigation of the *number of visits* over the course of time seems more informative. Investigating the number of visits allows for better inferences on the relation between integration-trajectories and transnational involvement, because integration is a process over time. Although the first and second generation also do not differ significantly from one another when it comes to the number of visits, there are some noteworthy differences in the determinants of the number of visits compared to the duration of visits. Again, many hypotheses do not find support in their simple, additive formulation. But looking at the interactions, we see that for both the first and the second generation there is evidence that integration into the receiving society and transnational involvement do not coincide. *First*, for the first generation we see a clear negative relation between years of residence and the number of visits: the longer immigrants live in the receiving country, the less often they visit their country of origin. The relationship is modified by the available financial resources, which suggests even more strongly that increased integration into the receiving society does not coincide with transnational involvement, as well-off immigrants visit least often. *Second,* there is also some evidence that (social) segmentation (e.g. having a coethnically homogenous network) by itself is positively related to transnational involvement. *Third*, there is clear evidence that social segmentation conditional on structural integration is positively related to transnational involvement. To put it differently: If financial resources are available, the number of visits to the country of origin is higher for those with a coethnically homogenous network. *Fourth*, the conditional effect of citizenship acquisition indicates that becoming a German citizen itself does not influence the number of visits—which is in accordance with the theoretical considerations in Chap. 4—but becoming a German citizen if financial resources are available is clearly negatively related to the number of visits. These interaction effects are found in both the first and the second generation, suggesting again that over time and across generations an orientation toward the receiving country decreases transnational involvement.

Nevertheless, one should still be careful in interpreting these associations as causal, despite the fact that the estimated effects are net of time-constant unobserved heterogeneity. Although I use lagged version of the independent variables, reverse causality or simultaneity cannot be ruled out. It may well be that intensive transnational involvement increases the probability of homophily causing an immigrant's friendship network to be ethnically homogenous. The potential effects of transnational involvement on integration into the receiving society will, of course, be considered in the next chapter.

## 7.2 Remittances

We now turn to the second aspect of transnational activities, namely sending remittances to relatives and friends. The descriptive analyses unequivocally showed that there are differences in remitting behavior between the first and second generation (see above, Table 7.2). Only about 3 % of the second generation remits, compared to about 13 % of the first generation. This alone already speaks very much in favor of TN2. We find a similar result in the multivariate analyses: Compared to the first generation, the second generation is significantly less likely to remit (OR = 1.623, z = 2.858, see Table 7.7). The estimated odds ratio is above one, but we have to keep in mind that the models used to test the hypothesized effects are zero-inflated negative binomial regression models. As discussed in Chap. 5, these models estimate a two stage process. First, a binary model (logit) estimates the probability of having a zero count—i.e. not to remit—and, in a second step, a negative binomial model estimates the predicted rate (i.e. the amount remitted) conditional upon not having a zero count. Therefore, we get two pairs of coefficients for each model. The coefficients from the logit model predict whether or not an immigrant remits and the coefficients from the count model predict the amount remitted. In the above case, the odds ratio higher than one indicates that the second generation has a significantly higher probability of not remitting. But just as in the descriptive analysis, if second generation immigrants still send money to the country of origin, there are no significant differences in the amount compared to the first generation (IRR = 1.157, z = 0.832, see 7.7). This is indicated by the insignificant incidence rate ration (hereafter IRR).[57] Since sending remittances is so rare among second generation immigrants, the discussion concentrates on the first generation. Just as before, mean and deviation scores of the time-variant variables are used as predictors. Since a zero-inflated negative binomial regression model for panel data has not been implemented in Stata, the estimates will

[57] The coefficients estimated by the count equation of the zero-inflated negative binomial regression model express the expected change in the log of the counts for a change in the independent variable. Formally, this is $\beta = \log(\mu_{X+1}) - \log(\mu_X) = \log(\mu_{X+1}/\mu_X)$, where $\mu$ is the expected count. Taking the exponential of this gives us the IRR $= \exp(\beta) = (\mu_{X+1}/\mu_X)$, which can be interpreted similarly to other ratios, such as odds ratios. Values greater than one indicate a positive relationship between the expected count and the predictor, and values lower than one indicate a negative relation.

**Table 7.7** Zero-inflated negative binomial regression model on amount remitted (in Euro), within- and between estimates, 1st and 2nd generation

| | Model 1 | | | |
|---|---|---|---|---|
| | Binary equation (not remitting) | | Count equation (amount in €) | |
| | OR | z | IRR | z |
| Second and later generations | 1.617** | 2.826 | 1.157 | 0.834 |
| Nationality: Italian | ref. | | ref. | |
| Nationality: Turkish | 0.153*** | −6.383 | 0.799 | −0.689 |
| Nationality: Greek | 0.252*** | −4.136 | 0.861 | −0.440 |
| Nationality: Spanish or Portuguese | 0.177*** | −4.406 | 1.060 | 0.163 |
| Nationality: Ex-Yugoslavian | 0.068*** | −8.972 | 0.593 | −1.624 |
| Nationality: Other West-European | 0.307** | −2.640 | 0.416 | −1.943 |
| Nationality: Polish | 0.205** | −2.865 | 0.178*** | −3.359 |
| Nationality: Other East-European (incl. Russia etc.) | 0.064*** | −7.037 | 0.481 | −1.941 |
| Nationality: Other Nationality | 0.101*** | −5.386 | 0.835 | −0.438 |
| W: German citizenship | 0.117*** | −5.459 | 0.621 | −1.121 |
| B: German citizenship | 0.065*** | −8.792 | 0.427* | −2.470 |
| W: Intention to stay permanently | 0.956 | −0.410 | 0.777** | −2.738 |
| B: Intention to stay permanently | 1.653*** | 3.713 | 0.789* | −1.988 |
| W: German (writing): (very) good | 1.056 | 0.408 | 0.970 | −0.301 |
| B: German (writing): (very) good | 1.334 | 1.693 | 1.122 | 0.967 |
| W: German (speaking): (very) good | 1.000 | 0.001 | 1.062 | 0.606 |
| B: German (speaking): (very) good | 0.735 | −1.893 | 1.005 | 0.043 |
| W: Origin country language (writing): (very) good | 0.719 | −1.839 | 0.831 | −1.002 |
| B: Language of country of origin (writing): (very) good | 0.499*** | −3.375 | 0.971 | −0.146 |
| W: Language of country of origin (speaking): (very) good | 1.816** | 2.628 | 1.272 | 1.514 |
| B: Language of country of origin (speaking): (very) good | 1.359 | 1.061 | 1.394 | 1.048 |
| Years of education | 0.954 | −1.841 | 1.003 | 0.105 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 0.994 | −0.878 | 1.012 | 1.252 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 0.987 | −1.925 | 1.030*** | 3.765 |
| W/B: Working | ref. | | ref. | |
| W: Unemployed | 1.499* | 2.140 | 0.974 | −0.161 |
| B: Unemployed | 2.367*** | 3.511 | 0.799 | −0.976 |

**Table 7.7** (continued)

| | Model 1 | | | |
|---|---|---|---|---|
| | Binary equation (not remitting) | | Count equation (amount in €) | |
| | OR | z | IRR | z |
| W: Retired | 1.830* | 1.981 | 1.284 | 0.518 |
| B: Retired | 3.527** | 3.096 | 1.593 | 1.356 |
| W: Non-working | 1.265 | 1.336 | 0.945 | − 0.332 |
| B: Non-working | 3.287*** | 6.824 | 0.699* | − 2.225 |
| W: Other | 1.448 | 1.762 | 0.748 | − 1.352 |
| B: Other | 1.490 | 1.335 | 0.963 | − 0.122 |
| Friends: proportion coethnics | 0.953 | − 0.426 | 0.993 | − 0.070 |
| At least one parent living abroad | 0.624*** | − 4.591 | 1.189* | 2.107 |
| W: Felt discriminated | 1.069 | 0.715 | 1.240* | 2.360 |
| B: Felt discriminated | 0.757* | − 2.173 | 0.915 | − 0.836 |
| Immigrants in the neighborhood: none/a few | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 0.954 | − 0.521 | 0.904 | − 1.360 |
| Immigrants in the neighborhood: don't know | 1.934* | 2.263 | 0.824 | − 0.710 |
| Visited (by) neighbors every day/week | 0.761** | − 3.049 | 1.060 | 0.790 |
| Constant | 208.721*** | 9.008 | 943.880*** | 13.601 |
| Alpha | | | 0.887*** | − 3.152 |
| Observations | 9,008 | | | |
| Persons | 3,058 | | | |
| Log pseudo-likelihood empty model | − 13,048.71 | | | |
| Log pseudo-likelihood full model | − 12,821.70 | | | |

SOEP 2010, own computations, estimation based on cluster robust standard errors
Models also include controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, year dummies)
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

be based on a simple zero-inflated negative binomial model, in which dependency among observations is controlled for by computing cluster robust standard errors.[58]

**The First Generation** Table 7.8 presents the estimated results for the first generation. The multivariate sample comprises 2,255 first generation immigrants that provide us with 6,818 observations. Only around 15 % of the observations (1,020) have a non-zero count, i.e. they have remitted some money to relatives or friends.[59] Looking at the different origins, we see that the multivariate analysis confirms what we have seen in descriptive analyses: Italian immigrants are least likely to remit and again serve as the reference category. All other immigrant groups have lower probabilities of a zero-count (i.e. not to remit)—this is apparent in the column with the heading "binary equation," which lists the exponentiated coefficients (OR) from the logit model predicting the likelihood not to remit.

When it comes to the amount remitted, however, there are no significant differences between immigrants from Italy and immigrants from Turkey, Greece, or Spain and Portugal, as the insignificant IRRs indicate. Immigrants from former Yugoslavia, Poland, other Western European countries, and other Eastern European countries, on the other hand, seem to remit less money, as the IRRs below one suggest.

Turning to the examination of the hypotheses, we see that contrary to the theoretical expectations articulated in Chap. 4, age at migration (TN1) is not significantly related to sending remittances to relatives or friends (see Table 7.8), neither in the binary model (OR = 0.965, z = − 1.383) nor in the count model (IRR = 1.021, z = 1.042). Even though we cannot rule out with ample certainty that the observed relation is due to chance, the direction of the estimates is as expected: Higher age at migration is negatively associated with the probability not to remit and positively with the amount remitted. Still, as in the analyses on visits to the country of origin, there is no direct support for TN1. Years of residence have been assumed to negatively influence transnational involvement (TN2), and although the odds of not

[58] The current models appear to be too complex to be handled adequately with panel-count models, as these alternative models (negative binomial regression model for panel data) did not converge. The same holds for an attempt to fit random effects count models with mlwin. Moreover, as Allison and Waterman (2002, p. 264) argue, the fixed effects negative binomial model does not control for time-constant unobserved covariates. I also attempted to use gllamm to estimate a count model for panel data—it did not converge and might just as well be still running. A Vuong test of the zero-inflated model versus the standard negative binomial model ($z = 7.69$, $p < 0.001$) also supports the model choice. As Table 7.7 moreover shows, the dispersion parameter alpha is significantly different from zero, suggesting that the data at hand are indeed overdispersed and that a negative binomial model should be favored over a poisson model. Since we do not have theoretical considerations on why specific predictors should affect the probability of a zero count and not of the count itself (or vice versa), all predictors are used in both estimation steps. The mean vif is 1.73. An inspection of condition numbers indicate multicollinearity for the period effect of the year 2006 (condition numbers is 49.55). However, since misspecification is the more serious problem compared to multicollinearity (see Chap. 4), this variable is not excluded from the model.

[59] The mean vif is 3.58. An inspection of condition numbers indicate multicollinearity for the period effect of the years 2004 and 2006 (condition numbers are 43.28 and 128.41). However, since misspecification is the more serious problem compared to multicollinearity (see Chap. 4), this variable is not excluded from the model.

**Table 7.8** Zero-inflated negative binomial regression model on amount remitted (in Euro), within- and between-estimates, 1st generation

| | Model 1 | | | | Model 2 | | | |
|---|---|---|---|---|---|---|---|---|
| | Binary equation (not remitting) | | Count equation (amount in €) | | Binary equation (not remitting) | | Count equation (amount in €) | |
| | OR | z | IRR | z | OR | z | IRR | z |
| Italy | ref. | | ref. | | ref. | | ref. | |
| Turkey | 0.117*** | − 6.564 | 0.472* | − 2.221 | 0.122*** | − 6.470 | 0.473* | − 2.304 |
| Greece | 0.188*** | − 4.506 | 0.506 | − 1.937 | 0.194*** | − 4.415 | 0.556 | − 1.725 |
| Spain/Portugal | 0.118*** | − 5.003 | 0.749 | − 0.758 | 0.122*** | − 4.933 | 0.768 | − 0.724 |
| Former Yugoslavia | 0.056*** | − 8.510 | 0.381** | − 2.885 | 0.057*** | − 8.473 | 0.395** | − 2.904 |
| Other Western Europe | 0.229** | − 3.101 | 0.307** | − 2.666 | 0.238** | − 3.043 | 0.277** | − 3.047 |
| Poland | 0.062*** | − 6.934 | 0.279** | − 3.103 | 0.063*** | − 6.907 | 0.283** | − 3.185 |
| Other Eastern Europe (incl. Russia) | 0.084*** | − 6.064 | 0.314** | − 3.040 | 0.085*** | − 6.115 | 0.321** | − 3.100 |
| Other country of origin | 0.059*** | − 6.685 | 0.524 | − 1.520 | 0.059*** | − 6.753 | 0.524 | − 1.586 |
| Age at migration | 0.965 | − 1.392 | 1.021 | 1.042 | 0.969 | − 1.258 | 1.021 | 1.053 |
| W: Years of residence | 1.041 | 1.831 | 0.990 | − 0.496 | 0.942 | − 0.991 | 1.018 | 0.277 |
| B: Years of residence | 0.975 | − 0.988 | 1.006 | 0.298 | 0.884* | − 2.266 | 1.220** | 3.001 |
| W: German citizenship | 0.745 | − 0.918 | 0.640 | − 1.825 | 0.745 | − 0.912 | 0.678 | − 1.646 |
| B: German citizenship | 0.639* | − 2.323 | 0.715 | − 1.914 | 0.650* | − 2.235 | 0.791 | − 1.313 |
| W: Intention to stay permanently | 0.988 | − 0.101 | 0.759** | − 2.880 | 0.985 | − 0.127 | 0.757** | − 2.971 |
| B: Intention to stay permanently | 1.623** | 3.214 | 0.944 | − 0.481 | 1.650*** | 3.323 | 0.919 | − 0.710 |
| W: German (writing): (very) good | 1.022 | 0.154 | 0.856 | − 1.420 | 1.029 | 0.202 | 0.855 | − 1.432 |
| B: German (writing): (very) good | 1.360 | 1.732 | 1.245 | 1.813 | 1.379 | 1.805 | 1.203 | 1.535 |
| W: German (speaking): (very) good | 1.069 | 0.522 | 1.101 | 0.901 | 1.079 | 0.586 | 1.081 | 0.722 |
| B: German (speaking): (very) good | 0.670* | − 2.362 | 0.984 | − 0.134 | 0.667* | − 2.394 | 0.957 | − 0.374 |
| W: Language of country of origin (writing): (very) good | 0.780 | − 1.247 | 1.055 | 0.286 | 0.774 | − 1.285 | 1.053 | 0.278 |
| B: Language of country of origin (writing): (very) good | 0.426*** | − 3.431 | 1.032 | 0.144 | 0.428*** | − 3.400 | 1.057 | 0.252 |
| W: Language of country of origin (speaking): (very) good | 1.767* | 2.224 | 0.820 | − 0.862 | 1.775* | 2.229 | 0.738 | − 1.315 |
| B: Language of country of origin (speaking): (very) good | 1.692 | 1.458 | 1.676 | 1.631 | 1.654 | 1.382 | 1.677 | 1.611 |
| Education in years | 0.966 | − 1.337 | 0.998 | − 0.072 | 0.968 | − 1.252 | 1.001 | 0.049 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 0.994 | − 0.870 | 1.021 | 1.832 | 0.956 | − 1.310 | 0.959 | − 1.212 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 0.989 | − 1.522 | 1.017 | 1.759 | 0.928** | − 2.791 | 1.125** | 3.252 |

**Table 7.8** (continued)

| | Model 1 | | | | Model 2 | | | |
|---|---|---|---|---|---|---|---|---|
| | Binary equation (not remitting) | | Count equation (amount in €) | | Binary equation (not remitting) | | Count equation (amount in €) | |
| | OR | z | IRR | z | OR | z | IRR | z |
| W/B: Working | ref. | | ref. | | ref. | | ref. | |
| W: Unemployed | 1.610* | 2.411 | 0.770 | − 1.713 | 1.595* | 2.351 | 0.790 | − 1.572 |
| B: Unemployed | 2.600*** | 3.707 | 0.559** | − 2.609 | 2.614*** | 3.744 | 0.575* | − 2.488 |
| W: Retired | 1.703 | 1.601 | 1.187 | 0.371 | 1.576 | 1.344 | 1.228 | 0.461 |
| B: Retired | 3.535** | 2.783 | 1.269 | 0.638 | 3.356** | 2.663 | 1.022 | 0.060 |
| W: Non-working | 1.335 | 1.543 | 0.871 | − 0.799 | 1.303 | 1.399 | 0.874 | − 0.838 |
| B: Non-working | 3.154*** | 6.334 | 0.719* | − 2.146 | 3.152*** | 6.320 | 0.698* | − 2.384 |
| W: Other | 1.463 | 1.591 | 0.960 | − 0.177 | 1.439 | 1.521 | 0.963 | − 0.172 |
| B: Other | 1.644 | 1.393 | 0.788 | − 0.722 | 1.641 | 1.377 | 0.783 | − 0.745 |
| Friends: proportion coethnics | 0.993 | − 0.054 | 0.944 | − 0.560 | 0.978 | − 0.182 | 0.944 | − 0.567 |
| At least one parent living abroad | 0.655*** | − 3.716 | 1.130 | 1.548 | 0.660*** | − 3.639 | 1.122 | 1.445 |
| At least one child living abroad | 0.443*** | − 4.911 | 1.564*** | 3.876 | 0.448*** | − 4.833 | 1.612*** | 4.003 |
| W: Visits to country of origin: Number of weeks in the last 2 years | 0.993 | − 1.692 | 1.005 | 0.891 | 0.992 | − 1.740 | 1.006 | 0.962 |
| B: Visits to country of origin: Number of weeks in the last 2 years | 0.999 | − 0.157 | 1.018 | 1.709 | 0.998 | − 0.245 | 1.018 | 1.771 |
| W: Felt discriminated | 1.009 | 0.087 | 1.275** | 2.601 | 1.008 | 0.083 | 1.300** | 2.858 |
| B: Felt discriminated | 0.785 | − 1.791 | 1.010 | 0.088 | 0.790 | − 1.738 | 0.990 | − 0.096 |
| Immigrants in the neighborhood: none/a few | ref. | | ref. | | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 0.920 | − 0.881 | 0.915 | − 1.124 | 0.921 | − 0.867 | 0.910 | − 1.231 |
| Immigrants in the neighborhood: don't know | 2.573** | 2.673 | 0.714 | − 0.933 | 2.668** | 2.820 | 0.739 | − 0.856 |
| W: Years of residence squared | | | | | 1.002 | 1.796 | 0.999 | − 0.618 |
| B: Years of residence squared | | | | | 1.002* | 2.080 | 0.996** | − 2.668 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) X W: Years of residence | | | | | 1.004 | 1.496 | 1.006 | 1.693 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) X B: Years of residence | | | | | 1.007** | 2.727 | 0.990** | − 2.876 |

**Table 7.8** (continued)

| | Model 1 | | | | Model 2 | | | |
|---|---|---|---|---|---|---|---|---|
| | Binary equation (not remitting) | | Count equation (amount in €) | | Binary equation (not remitting) | | Count equation (amount in €) | |
| | OR | z | IRR | z | OR | z | IRR | z |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | | | | | 0.999 | − 1.660 | 0.999 | − 1.453 |
| X W: Years of residence squared | | | | | | | | |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | | | | | 0.999** | − 2.757 | 1.000** | 2.598 |
| X B: Years of residence squared | | | | | | | | |
| Constant | 379.555*** | 5.794 | 840.502*** | 7.642 | 112.280*** | 4.603 | 111.497*** | 4.643 |
| Alpha | | | 0.828*** | − 4.640 | | | 0.812*** | − 5.212 |
| Observations | 6,818 | | | | 6,818 | | | |
| Persons | 2,255 | | | | 2,255 | | | |
| Log pseudo-likelihood empty model | − 11,546.69 | | | | − 11,540.36 | | | |
| Log pseudo-likelihood full model | − 11,303.76 | | | | − 11,285.62 | | | |

SOEP 2010, own computations, estimation based on cluster robust standard errors
Models also include controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

remitting indeed increase the longer an immigrant lives in Germany, the estimate is insignificant at standard levels as Table 7.8 shows ($OR_W = 1.041$, $z = 1.831$).[60]

Acquiring the German citizenship has an unexpected effect. A significant between-estimate in the binary equation suggests that immigrants with German citizenships ($OR_B = 0.639$, $z = -2.323$) are on average more likely to remit or, to be precise, have a higher probability of a non-zero count. Since the within-estimate is not significant, one could assume that it is due to (time-constant) unobserved heterogeneity: Naturalized immigrants may have a better standing in the labor market and higher incomes and therefore also a higher probability to send some remittances. Yet, a Wald test for equality of within- and between-estimates shows that the difference between these two estimates is itself not significant.[61] At the same time, citizenship acquisition seems to be negatively related to the amount remitted, although the estimated effects are significant only at the ten percent level ($IRR_W = 0.640$, $z = -1.825$/$IRR_B = 0.715$, $z = -1.914$).[62] Therefore, becoming a German citizen has a somewhat contradictory effect. While it increases the probability to remit, it decreases the amount. Turning our attention to the intention of staying in Germany permanently, we see that this is negatively related to sending remittances, just as we would expect (TN5). In the binary model, both within- and between-estimate ($OR_W = 0.988$, $z = -0.101$/$OR_B = 1.621$, $z = 3.214$) point to an increased probability of not remitting for those immigrants who intend to stay in Germany permanently. However, this association seems to trace back to time-constant unobserved differences between the group that wants to stay and the group that wants to return to the country of origin.[63] Still, the amount remitted is significantly reduced for the former group net of all time-constant unobserved heterogeneity ($IRR_W = 0.759$, $z = -2.881$). Maybe immigrants who have to remit cannot escape this obligation regardless of their settlement plans, but reduce their border-crossing financial 'investments' if they do not plan to return. But with the data at hand, this remains a tentative explanation.

With respect to the hypothesis on cultural capital (language skills) and transnational activities, the results appear somewhat puzzling. First, a significant between-estimate of oral German skills ($OR_W = 1.069$, $z = 0.522$/$OR_B = 0.670$, $z = -2.362$) indicates a positive relation between German speaking skills and the probability to remit—opposite to what theory had us expect (TN7). But this is likely to trace back to composition and selection effects—i.e. immigrants with better German skills probably have a better standing in the labor market and command more

[60] The relationship between years of residence and sending remittances appears to be linear. Other functional forms of the years of residence (e.g. additional quadratic terms, etc.) did not turn out significant.

[61] Wald test for equality of coefficients: $X^2 = 0.17$, $df = 1$, $p = 0.67$.

[62] Differences in between- and within-estimates are insignificant. Wald test for equality of coefficients: $X^2 = 0.13$, $df = 1$, $p = 0.72$.

[63] Wald test for equality of coefficients: $X^2 = 6.64$, $df = 1$, $p < 0.01$.

financial resources.[64] Second, regarding TN6, which posits that transnational involvement is positively related to origin country language skills, the analysis suggests that writing skills indeed decrease the probability of a zero-count ($OR_W = 0.780$, $z = -1.247/OR_B = 0.426$, $z = -3.431$), but this association appears to be spurious, too.[65] The most perplexing results, however, concern speaking skills of the country of origin's language, which, if they increase, appear to decrease the probability to remit ($OR_W = 1.767$, $z = 2.224/OR_B = 1.692$, $z = 1.458$). Language skills in general are insignificant predictors in the count model (see Table 7.8). Taken together, we have to conclude that there is more disconfirming than confirming evidence for the hypotheses on the relation between cultural capital and this aspect of transnational involvement.

Inspecting the covariates representing the structural dimension of integration, we find support for the hypothesis TN9 but not for TN8 and TN10. Human capital does not significantly influence this transnational activity (see Table 7.7) and therefore the analysis does not support TN8. Although financial resources do not exert a significant influence on the probability (not) to remit ($OR_W = 0.994$, $z = -0.870/OR_B = 0.989$, $z = -1.522$), both coefficients go into the expected direction—they are negatively related to the probability of having a zero count. But, just as assumed in Chap. 4, the more financial capital is available, the higher is the amount remitted ($IRR_W = 1.021$, $z = 1.832/IRR_B = 1.017$, $z = 1.759$). Although these estimates are not significant at standard levels. Labor force status is also related to sending remittances, but contrary to what the theoretical considerations had us expect: Compared to employed respondents, unemployed, retired, and non-working respondents all have a higher probability of not remitting (see Table 7.8). Although only the between-estimates reach statistical significance, the differences within- and between-estimates seems to be caused by the within-estimates inefficiency, at least for being unemployed and being retired.[66] We also see that being unemployed and non-working significantly decreases the amount remitted (unemployed: $IRR_W = 0.770$, $z = -1.713/IRR_B = 0.559$, $z = -2.609$; non-working: $IRR_W = 0.871 z = -0.799/IRR_B = 0.719$, $z = -2.146$). Again, even though only the between-estimates are significant at standard levels, the differences to the within-estimates are themselves insignificant.[67] The theoretical considerations in Chap. 4 suggest that remittance behavior will be driven by the available financial resources and not by labor force participation. But clearly, remitting is also driven by labor market integration. A potential explanation for this may be that employed immigrants cannot escape the obligation to remit, regardless of their income. But this also points to a problem discussed above. Remitting and visiting the country of origin may be rather different aspects of transnational involvement.

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[64] Wald test for equality of coefficients: $X^2 = 4.98$, $df = 1$, $p < 0.05$.

[65] Wald test for equality of coefficients: $X^2 = 3.99$, $df = 1$, $p < 0.05$.

[66] Wald test for equality of coefficients: unemployed: $X^2 = 2.47$, $df = 1$, $p = 0.11$/retired: $X^2 = 1.71$, $df = 1$, $p = 0.19$/non-working: $X^2 = 10.78$, $df = 1$, $p < 0.001$.

[67] Wald test for equality of coefficients: unemployed: $X^2 = 1.49$, $df = 1$, $p = 0.22$/retired: $X^2 = 0.01$, $df = 1$, $p = 0.91$/non-working: $X^2 = 0.68$, $df = 1$, $p = 0.41$.

Regarding the social dimension of integration, TN11 argues that ethnic social capital is likely to increase transnational involvement, because investments into ethnic capital may also be used for transnational endeavors. However, the proportion of co-ethnics in an immigrant's network neither influences the probability to remit nor the amount remitted (see Table 7.7). Having family in the country of origin, on the other hand, is a highly significant predictor for remitting, just as hypothesized in TN12. Having parents or children in this country reduces the probability not to remit (parents: OR = 0.656, z = − 3.716/children: OR = 0.443, z = − 4.911) and to increase the amount (parents: IRR = 1.130, z = 1.548/children: IRR = 1.564, z = 3.876). The effect on the actual amount is stronger and significant only for children. This is, of course, what we would expect considering how financial flows within families are usually structured, that is from parents to children.

On the side of contextual aspects, there is some evidence supporting the hypothesis that social distance increases transnational involvement (TN13). While perceived discrimination does not predict whether an immigrant remits or not, it does increase the amount remitted ($IRR_W = 1.275$, z = 2.601). Contrary to the theoretical expectations (TN14), immigrants in a neighborhood with a large share of immigrants are neither more likely to send remittances nor to send higher amounts compared to immigrants in neighborhoods with mostly German residents. Lastly, there is contradicting evidence on whether transnational activities cluster together. The estimated model identifies the average time spent in this country neither as a significant predictor for the probability to remit nor for the amount of remittances sent, although the estimates go into the expected direction (see Table 7.8).[68]

Just as for the other indicator of transnational involvement, additional analyses investigating interaction-effects between the different dimensions of integration have been conducted to test TN15-TN16. But contrary to the above findings, none of the tested interactions—financial capital and ethnic capital, financial capital and citizenship, financial capital and cultural capital—appear as significant predictors of sending remittances (not reported here). These results suggest that remittances are motivated more by obligations and limited by financial opportunities (through labor market integration) as opposed to visits to the country of origin, which may be more voluntary and seem to be closer related to integration into the receiving society. This would also accord to the stark generational contrast. Still, the available financial resources appear to have a changing impact over the years of residence in the receiving country. Model two in Table 7.8 additionally includes years of residence squared, an interaction between years of residence and financial resources, and between years of residence squared and financial resources. In both parts of the model, only the between-effects reach statistical significance. In the count model, between- and within-estimates are significantly different from one another and we thus have to conclude that any association observed between years of residence, financial resources, and the amount remitted is due to time-constant unobserved

[68] Entering the length of visits via dummy variables into the model did not change the overall model fit, nor did the single dummy variables appear as significant predictors (not reported here). Thus the simpler, pseudo-metric version of this variable was chosen.

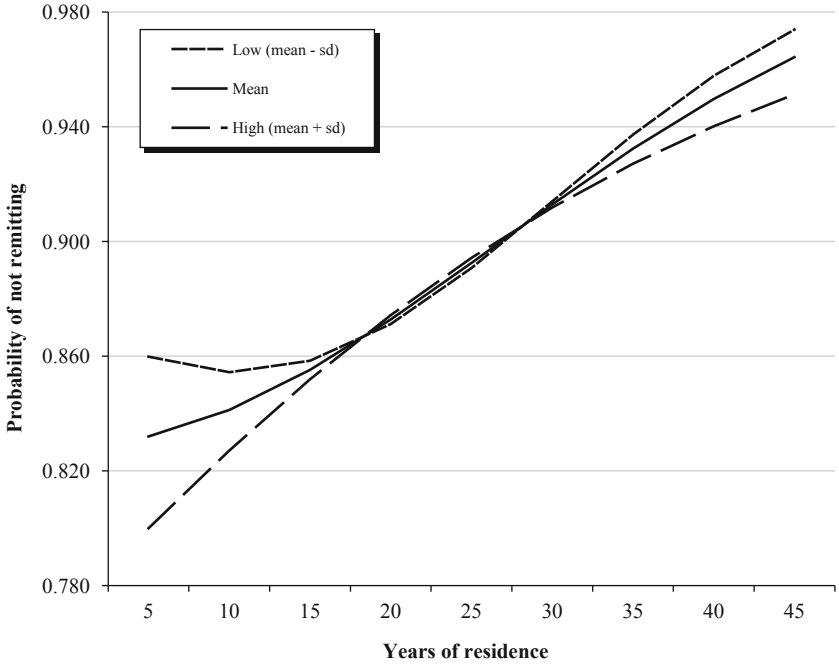


**Fig. 7.4** Main- and interaction effects for years of residence and financial resources on the probability not to remit (logit model). Other variables at their mean values. *Low* indicates low relative financial resources, defined as mean annual net equalivalized household income minus one standard deviation. (Source: Own computations based on SOEP 2010)

heterogeneity. Yet, in the binary model, between- and within-estimates are clearly not significantly different from one another.[69] Because it is a futile task to interpret these multiple main- and interaction-effects in a logit model, the predicted probability not to remit conditional upon main- and interaction effects is graphically displayed in Fig. 7.4. The figure shows that, overall, the probability not to remit increases with years of residence. This holds for all immigrants regardless of the financial resources they command.

At the beginning, that is with few years of residence, there are marked differences between immigrants with low, mean, or high financial resources. Just as we would expect (TN9), those who have more financial capital send back more remittances. The differences in predicted probabilities between the income groups vanishes at 17.5 years of residence and reappears at 30 years of residence. Again, the more financial capital is available, the lower is the probability not to remit. Nevertheless, although

[69] Wald tests for equality of coefficients: years of residence $X^2 = 0.65$, $df = 1$, $p = 0.42$/years of residence squared: $X^2 = 0.02$, $df = 1$, $p = 0.88$/financial resources: $X^2 = 0.45$, $df = 1$, $p = 0.50$/interaction years of residence X financial resources: $X^2 = 0.68$, $df = 1$, $p = 0.41$/interaction years of residence squared X financial resources: $X^2 = 0.88$, $df = 1$, $p = 0.35$.

the differences between the income groups are relatively small—the high and the low income group differ only by a little more than two percentage points—they are significant.

**Summary** The analysis shows that sending remittances, even more than visits to the country of origin, is driven by factors in the country of origin. In particular, having family in the country of origin significantly increases the probability to send remittances. If children still live in the country of origin, this also increases the amount remitted. This is certainly all but surprising if we consider how monetary flows are structured within families (Albertini et al. 2007; Cheal 1983). If migration is a household strategy to reduce risk (Massey 1990; Stark 1991; Stark and Bloom 1985; Landolt 2001), then the implication for remitting is clear: As long as there are relatives in the country of origin, there will be an obligation to assist financially. This obligation will be even stronger if the remaining family has supported the migration (financially) or if there are dependent relatives in the country of origin, in particular children. Since the second generation usually neither shares their parents' obligation nor has children living in their (grand) parents' country of origin, this also helps to understand the generational differences. These results furthermore link up with Haller and Landolt (2005, p. 1198), who find that remittances among second generation immigrants are less likely if they are born in the receiving country (the US).

The analysis also shows that sending remittances is driven by one's labor force integration. Employed immigrants seem to remit more often than immigrants who are unemployed and non-working. This is an interesting finding. In the theory chapter, I argued that labor force integration would decrease transnational involvement and that financial resources would increase remittances. Obviously, while the latter is true, employment status also structures remitting. A potential (ex post) explanation for this may be that not working takes away one's obligation to financially support relatives in the country of origin. Extending the multivariate model by an interaction of labor force status and available financial resources (not reported here) suggests that the effect of financial resources indeed depends on one's labor force status. While, for instance, an increase in financial resources generally increases the probability to remit, this does not seem to hold once an immigrant becomes retired (not retired: 1.4 pp difference between the low and high income group/retired: 0.4 pp difference).[70]

Still, when looking at the interaction between years of residence and financial resources, it is obvious that the overall relation between the probability to remit and the years of residence is distinctly negative. This links up to the results for the number of visits in the previous part of this chapter. Since potentially confounding (life course and life cycle) factors (Waldinger 2008, p. 9), e.g. age, having parents or children in the country of origin, labor force status, are directly controlled for, these results again suggest that *over time* integration into the receiving society and transnational involvement do not go hand in hand. But the interaction also points to differences: When it comes to the probability to remit, the more financial resources

[70] Surely, at the time of retirement one's parents may not live anymore and one's children may not be dependent on remittances any longer.

immigrants command, the higher the probability to remit. This should be seen as an indication that it is necessary to develop specific hypotheses depending on which aspect of transnational involvement one is investigating. The theoretical considerations in Chap. 4, however, derived general hypotheses on the determinants of transnational involvement (with the exception of TN10). It might be necessary to develop more specific hypotheses depending on which aspect of transnational involvement one is investigating—a point that will be picked up in the discussion.

## 7.3 Conclusion

As it may be difficult for the reader to assess the overall accuracy of the theoretical predictions, Table 7.9 provides a summary of the expected and observed effects for the hypotheses across the dependent variables and the different models. If we inspect Table 7.9, we see that the theoretical model's predictions are moderately accurate. What do we know up to this point?

*First*, contrary to the expectations of the theoretical model, there is no clear cut difference in the extent of transnational involvement among the first and second generation. While it is true that only a very small fraction of the second generation remits, visits to their parents' country of origin are as common in the second generation as they are in the first. Nevertheless, there are generational differences. The results indicate that one of the forces behind the first generation's transnational involvement is family-ties and family-obligations. This conforms to the results of previous studies (Guarnizo 2003; Brown and Poirine 2005; Dustmann and Mestres 2010) and also links up with accounts of past migration (e.g. Lucassen 2006). It seems as if these obligations do not extend inter-generationally, which could help in explaining the substantial lower rate of second generation remittances.

*Second*, there are few uniform effects across the two forms of transnational involvement. In some cases (e.g. for financial capital) this was to be expected; in other cases (e.g. generational status, labor force status) this comes as a surprise, although it conforms to previous research (Waldinger 2008; Haller and Landolt 2005; Portes 2003) Therefore, a more precise distinction between different types of transnational activities seems appropriate. The distinction between economic, political, and sociocultural activities (see Chaps. 3 and 5 and Portes 2003) can serve as a valuable reference point, but for the data at hand this is unfortunately of little help, since it lacks information on the reasons for transnational involvement. Still, it seems necessary to further investigate *theoretically and empirically* how and why some factor appears to increase transnational involvement in one domain while decreasing it in another. Obviously, a more precise investigation would also require more detailed data on transnational involvement. It is, for instance, very unfortunate that there is no information available on the reasons for visits to the country of origin.

*Third*, when it comes to evaluating the different alternatives (e.g. transnational involvement vs. investment in receiving country capitals), it appears that a simple additive examination of the indicators for the dimensions of integration is insufficient. As argued in Chap. 4 (see also Itzigsohn and Giorguli-Saucedo 2002, p. 722),

**Table 7.9** Expected and estimated effects. (Source: author's illustration.)

| | Factor | | Hypothesis number | Expected effect | Estimated effect on | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Visits | | Number of visits | | Remittances (€) |
| | | | | | 1st gen. | 2nd gen. | 1st gen. | 2nd gen. | 1st gen. |
| Individual | | Age at migration | TN1 | + | / | not tested | / | not tested | / |
| | | 2nd generation | TN2 | − | / | not tested | / | not tested | − |
| | | Years of residence | TN3 | − | (+) | not tested | − | not tested | − |
| | Emotional | Intention to stay | TN4 | − | / | − | (−) | − | − |
| | | Citizenship (RC) | TN5 | ? | +/− | − | +/− | (−) | +/− |
| | Cultural | Language proficiency (OC) | TN6 | + | (+) | (+) | (+) | (+) | +/− |
| | | Language proficiency (RC) | TN7 | − | / | / | / | / | (+) |
| | Structural | Human capital | TN8 | − | / | / | / | / | / |
| | | Financial capital | TN9 | (+) | / | +/− | (−) | / | (+) |
| | | Labor force status (empl.) | TN10 | − | / | / | / | / | + |
| | Social | Social capital (EC) | TN11 | + | / | (+) | + | (+) | / |
| | | Social capital (TN) | TN12 | + | + | not tested | (+) | not tested | + |
| Contextual | Receiving context | Social distance | TN13 | + | / | / | / | (+) | + |
| | Ethnic group | Geograph. concentration | TN14 | + | + | + | (+) | (+) | / |
| | Multiplicative effects | | TN15–16 | | no | no | yes | yes | no/yes |

+ indicates a positive relation, − a negative relation, / indicates that no significant association was found, (−) or (+) indicates that the estimates are either marginally insignificant or that only between estimates are significant while between- and within-estimates are themselves not significantly different from one another

transnational involvement emerges through an interplay of the immigrant's attachment to the country of origin, her or his material resources, and experiences in the receiving country. Thus, we have to consider how opportunities and motives for transnational involvement are shaped by the configuration of the dimensions of integration. Indeed, for the number of visits to the country of origin, this turned out to be correct. In general, the analyses suggest that once financial resources are given—the indicator used to assess an immigrant's degree of integration on the structural dimension—segmentation on another dimension of integration is associated with stronger transnational involvement, whereas assimilation is associated with decreased involvement. To recall, segmentation refers to the inclusion into the ethnic group and exclusion from the receiving society. Assimilation refers to the opposite: inclusion into the receiving society with simultaneous exclusion from the ethnic group. Taken together, these results are to some extent at odds with the findings of the early studies that predominantly found that assimilation is—if at all—positively related to transnational involvement (Guarnizo et al. 2003, pp. 1233, 1238; Itzigsohn and Giorguli-Saucedo 2005, p. 917; Portes et al. 2002, pp. 289–290). If we keep in mind all the differences (e.g. data, statistical methods, immigrant populations, origin and receiving countries, etc.), it appears as a futile task to evaluate contradicting results. As long as comparable data sets are unavailable, any attempt to explain these differences has to remain rather speculative.

*Fourth*, the analyses have shown that time-related aspects—foremost years of residence—play an important role in determining transnational involvement. Overall, there is a clearly negative relation between border-crossing activities and years of residence. But the results also indicate that there are different trajectories of integration over time that shape transnational involvement. Depending on the type of activity, these trajectories differ. For instance, if we consider the interaction between years of residence and income, we see a curvilinear relation between income and the number of visits over time, despite the fact that the high income group visits the country of origin least frequently compared to mean and low income groups. Looking at the same interaction when it comes to sending remittances, the analysis reveals a somewhat different pattern. While there is also a clear negative association between years of residence and sending remittances, having a lot of financial resources appears to increase the probability to remit. Again, this calls for a reevaluation of the theoretical model and the development of domain-specific hypotheses. In its current formulation, the theory presented in Chap. 4 appears not sensitive enough to the apparent time-dependency of immigrants' transnational involvement. If we evaluate the theoretical model now, it appears to be too static. It seems necessary to include a stronger focus on the temporal aspect, as, for instance, life course research (Heinz et al. 2009; Huinink and Schröder 2008; Elder 1994; George 2009; Halaby 2003; Jasso 2003; Settersten 2003; Wingens et al. 2011) suggests.

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# Chapter 8
# Consequences of Transnational Involvement

**Abstract** This chapter examines the consequences of transnational involvement for immigrant integration by testing the hypotheses derived in Chap. 4 by means of multivariate data analysis.

By looking at German language skills, labour force participation, and the intention to stay permanently in Germany the chapter examines possible consequences that visits to the country of origin and sending remittances, as two examples of transnational activities, may have on immigrant integration. The results partly refute the hypothesis, in that transnational involvement does not seem to impair integration into the receiving society, at least not in the first generation of immigrants. For the second generation there is evidence, however, that transnational involvement makes it less likely to be employed.

Overall, however, for both the first and the second generation there is little evidence that transnational involvement and immigrant integration are mutually exclusive processes. Rather, transnational involvement seems to be a normal part of today's migration experience.

**Keywords** Immigration · Integration · Assimilation · Incorporation · Transnational activities · Germany · Longitudinal analyses

The previous chapter presented the examination of the hypotheses on the determinants of immigrants' transnational involvement. In particular, the focus was on how transnational engagement is shaped by the immigrants' position in and interrelation with the receiving society. Configurations of different dimensions of integration were seen as being predictive for border-crossing involvement. In this chapter, the relationship is reversed. Transnational activities are no longer the dependent variable, but become the central independent variable. This chapter thus tests the hypotheses derived in Chap. 4 on how transnational activities may influence paths of integration into the receiving society.

With the data at hand, it is possible to test the derived hypotheses for indicators of cultural, structural, and—partly—emotional integration. Therefore, this chapter is divided into three sub-sections: one for cultural, one for structural, and one for emotional inclusion. The effect transnational involvement may have on immigrant integration is tested separately for each dimension. For the sake of brevity, the discussion is concentrated on the estimated effects that test the specified hypotheses.

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The effects of other (control) variables might also be interesting. But most of the estimated effects conform to well-documented findings. This chapter is therefore considerably shorter than the previous one.

The results show that for first generation immigrants there is not much evidence that transnational involvement and integration into the receiving society oppose each other while for second generation immigrants there is some evidence that transnational involvement negatively impacts integration into the receiving society. Overall, however, there is little evidence that transnational involvement hinders integration. Integration still seems mostly influenced by the immigrants' forms of capitals and the conditions they face in the receiving country.

## 8.1 Transnational Activities and Cultural Integration (German Language Skills)

One of the most important aspects of the cultural dimension of integration is proficiency in the language of the receiving country (Esser 2006). Therefore, the indicators chosen to investigate the effect of transnational involvement on cultural integration are (self-assessed) oral and written German skills. Originally measured via a five-point scale, the dependent variable has been recoded into dummy variable with 1 indicating (very) good German skills and 0 indicating average to no German skills (see Chap. 5 for details).

**The First Generation** For the first generation, the multivariate sample size comprises 6,119 observations from 2,074 persons for self-assessed writing skills and the same for oral skills. Results for the first generation's speaking and writing skills are presented in Table 8.1.[1] The first and general hypothesis on the effect of transnational involvement and integration into the receiving society (IN1)—transnational involvement will make integration (i.e. assimilation or multiple inclusion) into the receiving society less likely—does not hold. As models 1 and 2 in Table 8.1 show, neither remitting nor visiting the country of origin decreases the probability of reporting very

[1] Analysis of multicollinearity among the independent variables shows acceptable values for both models. The mean vif is 4.09 for the model on oral skills and for the model on written skills. Condition numbers are generally far from the cutoff point (30), except for the year dummies. Condition numbers for the year dummies are near or above 30, indicating problems of multicollinearity and potentially unstable estimation results. However, since I have to control for period effects (see Chap. 5 for a detailed discussion), there is not much one can do about it. Generally, specification error has to be seen as the more serious problem than multicollinearity. The influential cases were identified through Cook's D computed via ordinary logit models that were run on the same sample with the same predictors as the logit models with random intercepts (Schunck und Windzio 2009). Again, a case being influential was defined in a relative way. If an observation's influential statistic exceeds the mean value of this statistic plus seven standard deviations, this observation is considered as influential. For the model on speaking, 11 influential observations were detected. Excluding them does not change the results in any substantial way. For the model on writing, six influential observations were detected. Their exclusion also does not change the results in any substantial way.

**Table 8.1** Logistic regression model with random intercept on German language skills, within- and between estimates, first generation

| | Model 1 speaking | | Model 2 writing | | Model 3 writing (interaction) | |
|---|---|---|---|---|---|---|
| | OR | z | OR | z | OR | z |
| Italy | ref. | | ref. | | ref. | |
| Turkey | 1.173 | 0.560 | 1.624 | 1.477 | 1.653 | 1.529 |
| Greece | 2.084* | 2.067 | 2.243* | 1.985 | 2.335* | 2.076 |
| Spain/Portugal | 0.896 | − 0.252 | 0.891 | − 0.234 | 0.891 | − 0.235 |
| Former Yugoslavia | 6.432*** | 5.993 | 3.946*** | 3.956 | 4.038*** | 4.010 |
| Other Western Europe | 90.403*** | 7.566 | 52.371*** | 7.732 | 53.039*** | 7.744 |
| Poland | 13.934*** | 5.101 | 10.570*** | 4.457 | 10.664*** | 4.462 |
| Other Eastern Europe (incl. Russia) | 18.002*** | 6.101 | 12.241*** | 5.095 | 12.529*** | 5.130 |
| Other country of origin | 4.333** | 2.939 | 3.583* | 2.386 | 3.564* | 2.370 |
| Age at migration | 0.626*** | − 8.932 | 0.653*** | − 7.912 | 0.642*** | − 8.058 |
| Age at migration squared | 1.005*** | 10.679 | 1.005*** | 10.114 | 1.005*** | 10.235 |
| W: Years of residence | 1.032 | 1.166 | 0.988 | − 0.417 | 0.990 | − 0.340 |
| B: Years of residence | 0.989 | − 0.268 | 0.996 | − 0.105 | 1.000 | 0.001 |
| W: German citizenship | 0.667 | − 0.837 | 0.946 | − 0.111 | 0.973 | − 0.054 |
| B: German citizenship | 2.462** | 2.609 | 3.236*** | 3.464 | 3.249*** | 3.460 |
| W: Intention to stay permanently | 0.763 | − 1.775 | 1.099 | 0.539 | 1.094 | 0.509 |
| B: Intention to stay permanently | 1.348 | 1.295 | 1.726* | 2.154 | 1.728* | 2.155 |
| Education in years | 1.364*** | 8.223 | 1.616*** | 11.690 | 1.622*** | 11.731 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 0.994 | − 0.512 | 1.001 | 0.086 | 1.001 | 0.104 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 1.035* | 2.414 | 1.021 | 1.497 | 1.021 | 1.489 |
| W/B: Working | ref. | | ref. | | ref. | |
| W: Unemployed | 0.808 | − 0.983 | 0.863 | − 0.569 | 0.845 | − 0.649 |
| B: Unemployed | 0.581 | − 1.587 | 0.780 | − 0.650 | 0.784 | − 0.633 |

**Table 8.1** (continued)

| | Model 1 speaking | | Model 2 writing | | Model 3 writing (interaction) | |
|---|---|---|---|---|---|---|
| | OR | z | OR | z | OR | z |
| W: Retired | 0.362** | − 2.762 | 0.918 | − 0.177 | 0.943 | − 0.121 |
| B: Retired | 0.512 | − 1.030 | 0.792 | − 0.328 | 0.761 | − 0.384 |
| W: Non-working | 0.589* | − 2.386 | 1.057 | 0.218 | 1.072 | 0.269 |
| B: Non-working | 0.415** | − 3.223 | 0.443** | − 2.732 | 0.446** | − 2.699 |
| W: Other | 0.898 | − 0.345 | 1.427 | 1.048 | 1.509 | 1.204 |
| B: Other | 1.512 | 0.697 | 2.753 | 1.702 | 2.689 | 1.653 |
| Friends: proportion coethnics | 0.474*** | − 4.741 | 0.520*** | − 3.939 | 0.517*** | − 3.969 |
| At least one parent living abroad | 0.758 | − 1.881 | 0.508*** | − 4.200 | 0.512*** | − 4.130 |
| At least one child living abroad | 0.583* | − 2.298 | 0.462* | − 2.525 | 0.453** | − 2.583 |
| W: Felt discriminated | 0.953 | − 0.380 | 0.877 | − 0.895 | 0.877 | − 0.897 |
| B: Felt discriminated | 0.393*** | − 4.404 | 0.252*** | − 6.089 | 0.257*** | − 5.968 |
| Immigrants in the neighborhood: none/a few | ref. | | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 0.550*** | − 4.787 | 0.773 | − 1.851 | 0.780 | − 1.788 |
| Immigrants in the neighborhood: don't know | 2.116 | 1.770 | 0.726 | − 0.783 | 0.749 | − 0.709 |
| W: Language of country of origin: Writing—very good/good | 0.779 | − 1.066 | 0.892 | − 0.414 | 0.917 | − 0.310 |
| B: Language of country of origin: Writing—very good/good | 7.848*** | 6.046 | 16.854*** | 6.771 | 17.522*** | 6.822 |
| W: Language of country of origin: Speaking—very good/good | 1.785 | 1.685 | 1.042 | 0.110 | 1.029 | 0.078 |
| B: Language of country of origin: Speaking—very good/good | 0.448 | − 1.371 | 0.065*** | − 4.373 | 0.067*** | − 4.307 |
| W: Remittances: Amount in Euro last year | 0.999 | − 0.321 | 0.999 | − 0.941 | 0.999 | − 0.925 |
| B: Remittances: Amount in Euro last year | 0.999 | − 0.343 | 1.000 | 1.342 | 1.000 | 1.296 |

**Table 8.1** (continued)

| | Model 1 speaking | | Model 2 writing | | Model 3 writing (interaction) | |
|---|---|---|---|---|---|---|
| | OR | z | OR | z | OR | z |
| W: Visits to country of origin: Number of weeks in the last 2 years | 1.005 | 0.669 | 1.005 | 0.645 | 1.059** | 2.631 |
| B: Visits to country of origin: Number of weeks in the last 2 years | 1.007 | 0.519 | 1.015 | 1.004 | 0.963 | − 1.102 |
| Age at migration X W: Number of weeks in the country of origin in the last 2 years | | | | | 0.998* | − 2.570 |
| Age at migration X B: Number of weeks in the country of origin in the last 2 years | | | | | 1.002 | 1.685 |
| Constant | 153.853** | 3.023 | 10.783 | 1.391 | 12.528 | 1.471 |
| Observations | 6,119 | | 6,119 | | 6,119 | |
| Persons | 2,074 | | 2,074 | | 2,074 | |
| Obs. per person: minimum | 1 | | 1 | | 1 | |
| Obs. per person: average | 3.00 | | 3.00 | | 3.00 | |
| Obs. per person: maximum | 7 | | 7 | | 7 | |
| Intra-class correlation | 0.643 | | 0.651 | | 0.652 | |
| Log likelihood empty model | − 3,019.70 | | − 2,583.07 | | − 2,578.61 | |
| Log likelihood full empty model | − 2,603.03 | | − 2,226.42 | | − 2,221.59 | |

SOEP 2010, own computations

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

good or excellent German speaking or writing skills.[2] But just as argued in Chap. 4, this undifferentiated hypothesis, which juxtaposes inclusion into the receiving society and transnational involvement, may be too simplistic. Thus, hypotheses IN2, IN3, and IN4 formulated expected effects of transnational involvement conditional upon other indicators. While there is no support for IN2 or IN3, the analysis seems to offer some support for IN2, which posits that transnational involvement met by a high age at migration will result in a lower chance of integration into the receiving society. An interaction between age at migration and duration of visits to the country of origin turns out significant (Table 8.1, model 3), but only for writing skills. If we include this interaction, the within-estimate of duration of visits to the country of origin becomes significant ($OR_W = 1.059$, $z = 2.631$). Yet, contrary to what was expected, this effect is positive. The main effects of age at migration and age at migration squared remain almost unchanged, indicating a negative, albeit curvilinear, association between age at migration and the probability of mastering written German. The interaction effect is negative ($OR_W = 0.998$, $z = -2.570$). Since it is far from trivial to understand interactions in logistic regression models, Fig. 8.1 shows the combined effect of main- and interaction-terms on the predicted probabilities of reporting good or very good written skills.

The first thing to note is the steep decline in the probability of mastering written German with an increasing age at migration. While immigrants who migrate early in their life course (defined here as sample mean minus one standard deviation) still have more than a 40 % probability of a positive outcome, this declines to no more than 3.4 % for immigrants who are old when they migrate (mean plus one standard deviation). Surprisingly, visits to the country of origin are clearly positively associated with the predicted probability of mastering written German for immigrants who migrate when they are young. There is a difference of almost 16 % points between no visits and long visits (measured in weeks, mean plus two standard deviations). This is reversed, however, for immigrants who migrate at an older age. Those who do not visit have the highest probability of mastering written German. The probability to master written German becomes small, but the differences between the three groups remain significant, albeit only at the 10 % level

Although the results do not contradict hypothesis IN2, which says that transnational activities combined with a high age at migration will make assimilation or multiple inclusion less likely, they are still surprising if we consider the estimated association between visits to the country of origin and written German skills among immigrants who migrate early in their life course. With the data at hand, it is hard to illuminate how this intriguing pattern comes into being. We should note, nevertheless, that the interaction is between a time-constant and a time-varying variable. Thus,

[2] For the sake of simplicity, the duration of visits to the country of origin enters the model via a metric variable that captures that average duration in weeks. It is a recoded version of the categorical variable where the categories have been replaced by (mean) weeks. The models have also been computed with dummy variables for the different duration of visits (not reported here). The results did not change in a meaningful way. Moreover, it is almost impossible to test all interactions between visits and other indicators when using binary variables for the former.

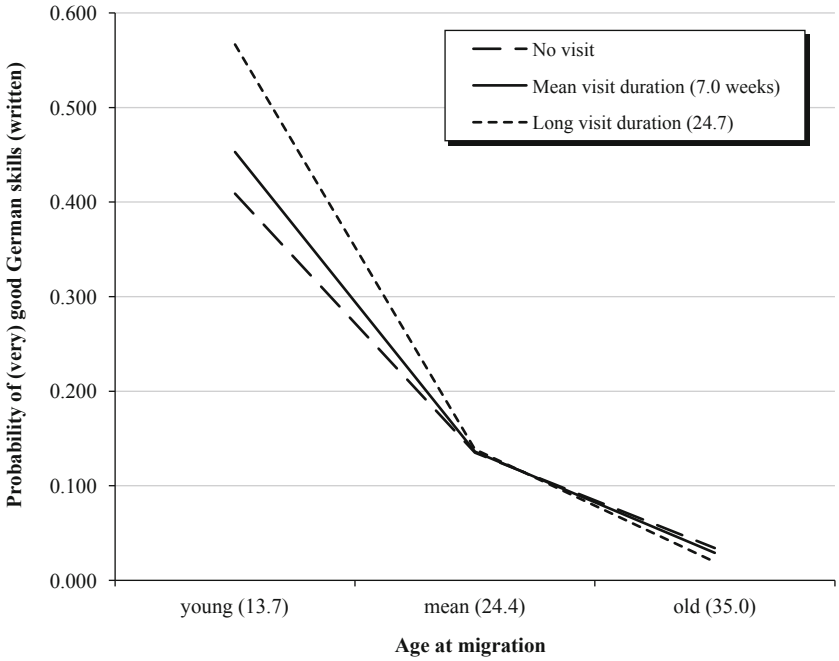


**Fig. 8.1** Combined effects of visits to the country of origin (in weeks) and age at migration on the predicted probability of reporting good or very good German writing skills. Other variables at mean values, random effect assumed to be zero. (Source: Own computations based on SOEP 2010)

we cannot rule out that the estimated effect is biased by time-constant unobserved heterogeneity, since age at migration may be correlated with other time-constant factors that are not controlled for in the model.

**The Second Generation** Table 8.2 presents analogous models for the second generation's German language skills. The multivariate sample comprises 625 second generation immigrants who contribute 1,690 observations.[3] In contrast to the models for the first generation, I have recoded the dependent variables differently. A great majority of second generation reports either good or very good German skills (for speaking about 94.3 % and for writing about 87.6 % of the multivariate sample). In order to have sufficient variation on the dependent variable, it is recoded so that the

[3] Analysis of multicollinearity shows acceptable values. The mean vif is very low at 1.43 for both models (speaking and writing). High condition numbers (higher than 30) can be found for the period effect of 2006 in both models, indicating some problems with multicollinearity. However, because misspecification is the more serious problem compared to multicollinearity (see Chap. 5), the period dummies are not excluded from the models. Diagnostic statistics find two influential cases for both models (speaking and writing). Their exclusion does not change the estimates of the speaking model in a substantial way. In the model on writing, exclusion of the two influential cases changes the between-estimates of the number of persons in the household, being married, financial resources, and perceived discrimination.

**Table 8.2** Logistic regression model with random intercept on German language skills, within- and between estimates, second generation

| | Model 1—speaking | | Model 2—writing | |
|---|---|---|---|---|
| | OR | z | OR | z |
| Nationality: Italian | ref. | | ref. | |
| Nationality: Turkish | 0.443* | − 2.292 | 0.328** | − 3.235 |
| Nationality: Greek | 1.449 | 0.770 | 1.751 | 1.217 |
| Nationality: Spanish or Portuguese | 0.623 | − 0.446 | 0.357 | − 1.086 |
| Nationality: Other Nationality | 6.174* | 2.052 | 5.763* | 2.208 |
| W: German citizenship | 0.805 | − 0.273 | 1.117 | 0.154 |
| B: German citizenship | 3.796* | 2.195 | 2.240 | 1.470 |
| W: Intention to stay permanently | 1.106 | 0.349 | 1.090 | 0.306 |
| B: Intention to stay permanently | 2.115 | 1.857 | 2.634* | 2.511 |
| Years of education | 1.391*** | 4.705 | 1.424*** | 5.335 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 1.005 | 0.190 | 0.998 | − 0.068 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 1.012 | 0.474 | 1.028 | 1.172 |
| W/B: Working | ref. | | ref. | |
| W: Unemployed | 1.048 | 0.110 | 1.931 | 1.465 |
| B: Unemployed | 0.232* | − 2.210 | 0.356 | − 1.601 |
| W: LFS other | 1.810 | 1.839 | 1.899* | 2.035 |
| B: LFS other | 0.346* | − 2.428 | 0.595 | − 1.251 |
| Friends: proportion coethnics | 0.737 | − 1.068 | 0.788 | − 0.878 |
| W: Felt discriminated | 0.897 | − 0.460 | 0.800 | − 0.972 |
| B: Felt discriminated | 0.347** | − 2.688 | 0.472* | − 1.995 |
| Immigrants in the neighborhood: none/a few/don't know | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 0.812 | − 0.889 | 0.773 | − 1.161 |
| W: Remittances: Amount in Euro last year | 0.999 | − 0.428 | 1.000 | 0.034 |

**Table 8.2** (continued)

| | Model 1—speaking | | Model 2—writing | |
|---|---|---|---|---|
| | OR | z | OR | z |
| B: Remittances: Amount in Euro last year | 1.000 | 1.053 | 1.000 | 0.551 |
| W: Visits to country of origin: Number of weeks in the last 2 years | 1.007 | 0.527 | | − 0.230 |
| B: Visits to country of origin: Number of weeks in the last 2 years | 1.005 | 0.227 | 1.009 | 0.467 |
| W: Language of country of origin: Writing—very good/good | 1.560 | 1.477 | 1.022 | 0.075 |
| B: Language of country of origin: Writing—very good/good | 0.805 | − 0.457 | 1.971 | 1.517 |
| W: Language of country of origin: Speaking—very good/good | 0.642 | − 1.279 | 0.737 | − 0.931 |
| B: Language of country of origin: Speaking—very good/good | 2.309 | 1.469 | 1.446 | 0.693 |
| Constant | 0.218 | − 1.049 | 0. 041* | − 2.302 |
| Observations | 1,690 | | 1,690 | |
| Persons | 625 | | 625 | |
| Obs. per person: minimum | 1 | | 1 | |
| Obs. per person: average | 2.70 | | 2.70 | |
| Obs. per person: maximum | 7 | | 7 | |
| Intra-class correlation | 0.662 | | 0.647 | |
| Log likelihood empty model | − 924.752 | | − 963.46 | |
| Log likelihood full model | − 802.993 | | − 845.13 | |

SOEP 2010, own computations

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

models estimate the probability of very good German skills (1) vs. good to none (0). Such a coding is also well justified on theoretical grounds. While it may be hard for first generation immigrants to become proficient in the language of the receiving country, second generation immigrants are perfectly able to achieve this (Esser 2006, p. 114 ff., 177 ff.). With this coding, 36.9 % (speaking) and 45.7 % (writing) respectively have a zero, i.e. their German skills are not *very* good.

As Table 8.2 shows, the analysis does not support hypothesis IN1. Transnational involvement is not associated with a lower probability of mastering German. This holds for both speaking and writing. In other words, transnational involvement appears not to be associated with a higher probability of segmentation or marginalization on the cultural dimension—i.e. exclusion from receiving society. Checking for multiplicative effects shows that the data also does not support IN3 or IN4, neither for oral nor for written German skills (not reported here).

**Summary** So what can we make of these findings? *First*, contrary to the theoretical expectations, transnational involvement by itself is not negatively associated with German skills. This holds for both the first and the second generation. Skills in the receiving country's language, both oral and written, are strongly influenced by the well-known determinants: human capital, social capital, age at migration, and labor force status (Esser 2006; Espinosa and Massey 1997; Stevens 1999). *Second*, however, concerning written skills in German, we can observe a significant interaction effect between transnational involvement and age at migration for the first generation. The pattern is not what we would have expected. The main effect of transnational involvement itself is positive but countered by a negative interaction effect, i.e. if immigrants migrate rather late in their life and are transnationally active this is associated with lower probability of becoming proficient in written German. But the probability to achieve this is in itself very low if the age at migration is high and the difference between those who are transnationally active and those not is not substantial. Although this does not directly contradict IN2, which posits that border-crossing activities will make assimilation and multiple inclusion less likely if they coincide by a high age at migration, the results can still hardly be seen as supporting the theoretical predictions.

The conclusion to be drawn from this is straight forward. Transnational involvement does not seem to impact the acquisition of receiving country capital, at least with regard to language skills.

## 8.2 Transnational Involvement and Structural Integration

After having seen how transnational involvement and cultural integration into the receiving society relate to one another, the next section presents the results of the empirical investigation in the structural dimension of integration. As the structural dimension of integration is arguably the most important—it relates directly to vertical aspects of social inequality—I present the results for two indicators of structural integration: the chance of being employed vs. unemployed and for those employed their occupational status. Again, the analyses are conducted separately for the first and second generation.

### 8.2.1 Transnational Involvement and Employment

The first indicator of structural integration to be considered is being employed. Having regular employment is a crucial aspect of structural integration, as employment is the key source of financial capital and thus largely determines one's life chances. Research on immigrant integration has consistently shown that employment chances for immigrants in Germany are worse than for the autochthonous population (Kogan 2011a, b). It therefore appears promising to investigate if and how employment chances are affected by immigrants' transnational involvement.

**The First Generation** The theoretical considerations in Chap. 4 suggest that if investments into receiving country capitals and transnational involvement compete for time and resources, then transnational involvement will decrease employment chances (IN1). To test this hypothesis, I restricted the sample to working and unemployed respondents, which leaves a multivariate sample of 4,808 observations coming from 1,782 first generation immigrants. Most immigrants in the sample are employed—of all observations, around 85 % are employed (reflecting the results of the descriptive analysis in Chap. 6). The dependent variable is binary. A one indicates being employed and a zero indicates being unemployed. The results of the analyses are presented in Table 8.3.[4]

Before turning to the results, the reader should note that the following models neither include financial resources nor amount remitted as predictors. These variables had to be excluded because of potential endogeneity issues. If the amount remitted in the previous year is included, the estimated association is positive (not reported here). Surely, this is not a causal effect. Increasing one's remittances is unlikely to directly increase one's employment probability. Instead, higher remittances indicate better labor market integration—this is also what the analyses in Chap. 7 have shown. Those immigrants who remit more have higher earnings, are better integrated into the labor market, and are thus less likely to become unemployed. And this points us to the problem. While the estimation of within-effects is a clear improvement over cross-sectional between person comparisons, it is by no means immune to bias through selection. So what is going on here? It is likely that we observe different (latent) labor market trajectories that can be differentiated amongst other things according to employment stability and income, both being positively related. Therefore, sending a lot of remittances in the previous year is not only a manifest measure of transnational involvement but it is also directly influenced by the labor market trajectory one

[4] The mean vif is 5.63 and the highest condition number is 24.17 for the period dummy of 2006. In general, multicollinearity does not appear as a problem for the estimated model. Diagnostic statistics (Cook's D) identified 13 influential observations. Excluding them results in a significant estimate of 'Other Western European' country of origin and an insignificant within-estimate of discrimination. The observant reader will note that the constant is very high (518.388), which would amount to a probability of 99 % of being employed if all covariates are zero. The constant should not be interpreted substantively, as it may be biased in correlated random effect models (McCulloch et al. 2008, p. 297 ff.). The use of a standard logit model insteatd of the random interecept model provides similar estimates, but a much lower constant (17.682).

**Table 8.3** Logistic regression model with random intercept on employment probability, within- and between-estimates, first generation

| | Model 1 | | Model 2—interaction | |
|---|---|---|---|---|
| | OR | z | OR | z |
| Italy | ref. | | ref. | |
| Turkey | 0.382* | − 2.494 | 0.382* | − 2.481 |
| Greece | 1.265 | 0.474 | 1.277 | 0.490 |
| Spain/Portugal | 2.580 | 1.527 | 2.599 | 1.531 |
| Former Yugoslavia | 1.517 | 0.984 | 1.520 | 0.985 |
| Other Western Europe | 2.465 | 1.264 | 2.498 | 1.275 |
| Poland | 1.022 | 0.034 | 1.030 | 0.045 |
| Other Eastern Europe (incl. Russia) | 0.541 | − 1.048 | 0.543 | − 1.037 |
| Other country of origin | 0.579 | − 0.844 | 0.582 | − 0.831 |
| Age at migration | 0.880** | − 2.698 | 0.888* | − 2.491 |
| W: Years of residence | 1.224** | 2.663 | 1.217** | 2.576 |
| B: Years of residence | 0.925 | − 0.990 | 0.946 | − 0.692 |
| W: Years of residence squared | 0.993*** | − 4.958 | 0.993*** | − 4.841 |
| B: Years of residence squared | 1.000 | − 0.394 | 0.999 | − 0.613 |
| W: German citizenship | 0.401 | − 1.726 | 0.333* | − 2.035 |
| B: German citizenship | 1.515 | 1.028 | 1.511 | 1.013 |
| W: Intention to stay permanently | 1.101 | 0.427 | 1.087 | 0.367 |
| B: Intention to stay permanently | 0.596 | − 1.722 | 0.565 | − 1.873 |
| Education in years | 1.147** | 2.648 | 1.166** | 2.898 |
| Friends: proportion coethnics | 0.659 | − 1.872 | 0.650 | − 1.919 |
| At least one parent living abroad | 1.294 | 1.287 | 1.389 | 1.628 |
| At least one child living abroad | 1.361 | 0.920 | 1.315 | 0.812 |
| W: Felt discriminated | 0.651* | − 2.272 | 0.634* | − 2.392 |
| B: Felt discriminated | 0.379*** | − 3.548 | 0.381*** | − 3.512 |
| Immigrants in the neighborhood: none/a few | ref. | | ref. | |
| Immigrants in the neighborhood: a lot | 1.085 | 0.471 | 1.126 | 0.678 |

**Table 8.3** (continued)

| | Model 1 | | Model 2—interaction | |
|---|---|---|---|---|
| | OR | z | OR | z |
| Immigrants in the neighborhood: don't know | 1.123 | 0.222 | 1.586 | 0.796 |
| W: Language of country of origin (writing): (very) good | 0.907 | − 0.319 | 0.958 | − 0.138 |
| B: Language of country of origin (writing): (very) good | 0.933 | − 0.173 | 0.870 | − 0.341 |
| W: Language of country of origin (speaking): (very) good | 1.453 | 0.818 | 1.189 | 0.366 |
| B: Language of country of origin (speaking): (very) good | 0.505 | − 1.018 | 0.417 | − 1.256 |
| W: German (writing): (very) good | 1.511 | 1.505 | 1.508 | 1.483 |
| B: German (writing): (very) good | 1.521 | 1.181 | 1.485 | 1.105 |
| W: German (speaking): (very) good | 1.102 | 0.400 | 1.144 | 0.549 |
| B: German (speaking): (very) good | 2.096* | 2.257 | 2.003* | 2.112 |
| W: Visits to country of origin: Number of weeks in the last 2 years | 0.992 | − 0.846 | 0.990 | − 0.995 |
| B: Visits to country of origin: Number of weeks in the last 2 years | 0.980 | − 1.149 | 0.986 | − 0.757 |
| W: Visits to country of origin: Number of weeks in the last 2 years X W: Felt discriminated | | | 0.966 | − 1.881 |
| B: Visits to country of origin: Number of weeks in the last 2 years X B: Felt discriminated | | | 0.999 | − 0.037 |
| Constant | 518.388*** | 3.681 | 545.289*** | 3.642 |
| Observations | 4,808 | | 4,808 | |
| Persons | 1,782 | | 1,782 | |
| Obs. Per person: minimum | 1 | | 1 | |
| Obs. Per person: average | 2.70 | | 2.70 | |
| Obs. Per person: maximum | 7 | | 7 | |
| Intra-class correlation | 0.706 | | 0.708 | |
| Log pseudo-likelihood C | − 1,806.07 | | − 1,805.04 | |
| Log pseudo-likelihood | − 1,573.18 | | − 1,571.39 | |

SOEP 2010, own computations

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

is in. As such it is highly correlated with the value of the dependent variable at $t-1$. Unfortunately, as argued in Chap. 5, we cannot control for this directly in the analyses, as this would not remove the bias but instead with certainty introduce new bias. The same is true for the equivalized annual net household income. This measure is strongly correlated with labor income (the correlation is about 0.4) and as such is a partial measure of the dependent variable, since gainful employment is a necessary condition for having a labor income. Therefore, a significant increase in financial resources is likely driven by an increase in labor income. An increase in labor income, however, logically presupposes being or becoming employed. So the estimated association between financial resources and employment probability is at least partially spurious. With the data at hand, there is not much we can do about it—methods which can remove such bias would require more observations per person and would severely restrict the number of explanatory variables we could use in the model (Wooldridge 2005, 2010, pp. 374–381). Thus, both variables are excluded from the analyses.

Inspecting the estimated effect of transnational involvement on employment probability, we do not find evidence for the undifferentiated hypothesis IN1 (see Table 8.3). Although the duration of visits to the county of origin seems negatively associated with the predicted probability of being gainfully employed ($OR_W = 0.991$, $z = -0.882/OR_B = 0.980$, $z = -1.156$), the association is far from significant. Model 2 in Table 8.3 includes an interaction between perceived discrimination and the mean number of weeks spent in the country of origin, which is supposed to have a negative impact on integration into the receiving society according to IN4. And indeed the estimated within-effect conforms to the expectation ($OR_W = 0.996$, $z = -1.881/OR_B = 0.999$, $z = -0.037$), although it is significant only at the 10 % level. The main effect of weeks in the country of origin remains insignificant while, interestingly enough, the main effect of perceived discrimination becomes insignificant if the interaction is included. Yet, perceived discrimination is not suppressing the effect of visiting the country of origin, because excluding the former does not result in a significant estimate of visiting (not reported here). So is there overall support for IN3—that transnational involvement coinciding with social distance will decrease the probability of integration into the receiving society? Perceived discrimination is surely not an ideal measure of social distance, mainly because it measures an attitude or belief about the world that may structure one's interpretation of one's life (Thomas and Thomas 1928, p. 572). A person may feel being discriminated if she or he really experiences discrimination, but a person may equally interpret her or his experiences in life (e.g. not getting a job) as due to discrimination (if this person is sure of facing discrimination). Yet there is no indication that transnational involvement increases the probability to perceive discrimination, as additional models show (not reported here). Thus, the results actually indicate that there is an interactive effect between transnational involvement and social distance on the probability of being employed. No evidence, however, is found for IN2 or IN3.

**The Second Generation** Next, we turn our attention to the second generation. Again, the multivariate sample is considerably smaller. Overall, we have complete information on 1,582 observations from 620 second generation immigrants. The

results of the multivariate analysis are presented in Table 8.4.[5] The results of the second generation are even clearer than those of the first. We find an unambiguous negative association between the number of weeks spent in the (parents') country of origin and the employment probability. In the above model, the within-estimate is significant ($OR_W = 0.967$, $z = -2.067$/$OR_B = 1.025$, $z = 1.169$). Therefore, we can argue that the analysis supports IN2. There is, however, no evidence for interactive effects between this type of transnational involvement and social distance or ethnic social capital (IN3, IN4) (not reported here).

### *8.2.2 Transnational Involvement and Occupational Status*

Although being employed is a very important aspect of structural integration, it is a rather crude, undifferentiated indicator. To further test the hypotheses on transnational involvement and its effect on immigrant integration, the effect of transnational involvement on occupational status is examined, too. Occupational status is investigated through the International Index of Socio-Economic Status (ISEI), a commonly used measure (Ganzeboom et al. 1992; Ganzeboom and Treiman 1996).[6] The advantage the ISEI has over other measures like income, for instance, is that it is constructed on the basis of both average income and average education level within an occupation. Occupations with high ISEI scores can be regarded as particularly valuable, as they are associated with high levels of income as well as social status. In the context of the social production function, ISEI is thus a measure of the multifunctionality of the production factor work and as such it is a very good indicator of labor market integration. Again, financial resources and remittances have been excluded from the analyses because of potential endogeneity problems.[7]

**The First Generation** Table 8.5 presents the results of the multivariate analysis. The sample is restricted to those working, as there is no ISEI if a person is without employment. Overall, the multivariate sample for the first generation comprises 1,567 persons and 4,059 observations.[8]

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[5] Multicollinearity is not a problem for the estimated models. The mean vif is very low with 1.48 and the highest condition number is 4.02 for the period dummy of the year 2006. Diagnostic statistics detected five influential observations. Excluding them results in a significant and negative effect estimate of proportion of coethnic friends and in an increased z-value for weeks spent in the parents' country of origin.

[6] In principle, one's position in a stratified system (of occupations) can be investigated in different ways—either through selfsame occupational status, through occupational prestige ratings, or through classes. For the work at hand, I have chosen an indicator of socio-economic status, because it is a continuous variable that covers the whole range of occupations and not just few class categories. Moreover, compared to more subjective indicators such as occupational prestige, it relies on objective characteristics such as average education and income in the respective occupations.

[7] However, their inclusion (not reported here) does not change the results in a substantial way.

[8] Diagnostic statistics show that multicollinearity is not a problem. The mean vif is at 3.58. The highest condition number is 19.83 for period dummy of the year 2006. Diagnostics on influential cases revealed that there are nine influential observations. Excluding them does not change the results of the analysis in any meaningful way.

**Table 8.4** Logistic regression model with random intercept on employment probability, within- and between estimates, second generation

| | Model 1 | |
|---|---|---|
| | OR | z |
| Nationality: Italian | ref. | |
| Nationality: Turkish | 0.529 | − 1.841 |
| Nationality: Greek | 2.693 | 1.841 |
| Nationality: Spanish or Portuguese | 0.693 | − 0.387 |
| Nationality: Other nationality (crude) for second gen. | 1.542 | 0.540 |
| W: German citizenship | 0.194* | − 1.963 |
| B: German citizenship | 1.049 | 0.093 |
| W: Intention to stay permanently | 1.453 | 0.916 |
| B: Intention to stay permanently | 1.029 | 0.075 |
| Years of education | 1.331*** | 3.745 |
| Friends: percentage coethnics | 0.540 | − 1.848 |
| W: Felt discriminated | 1.070 | 0.200 |
| B: Felt discriminated | 0.724 | − 0.893 |
| Immigrants in the neighborhood: none/a few/don't know | ref. | |
| Immigrants in the neighborhood: a lot | 0.593* | − 2.037 |
| W: Language of country of origin (writing): (very) good | 0.520 | − 1.618 |
| B: Language of country of origin (writing): (very) good | 1.863 | 1.395 |
| W: Language of country of origin (speaking): (very) good | 1.338 | 0.643 |
| B: Language of country of origin (speaking): (very) good | 0.534 | − 1.190 |
| W: German (writing): (very) good | 0.563 | − 1.056 |
| B: German (writing): (very) good | 0.299 | − 1.439 |
| W: German (speaking): (very) good | 1.720 | 0.682 |
| B: German (speaking): (very) good | 2.463 | 0.856 |
| W: Visits to country of origin: Number of weeks in the last 2 years | 0.967* | − 2.067 |
| B: Visits to country of origin: Number of weeks in the last 2 years | 1.017 | 0.819 |
| Constant | 1.768 | 0.354 |
| Observations | 1,582 | |
| Persons | 620 | |
| Obs. per person: minimum | 1 | |
| Obs. per person: average | 2.60 | |
| Obs. per person: maximum | 7 | |
| Intra-class correlation | 0.467 | |
| Log pseudo-likelihood C | − 480.630 | |
| Log pseudo-likelihood | − 460.626 | |

SOEP 2010, own computations

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

**Table 8.5** Linear regression model with random intercept on ISEI, within- and between estimates, first generation

| | Model 1 | |
|---|---|---|
| | ß | z |
| Italy | ref. | |
| Turkey | − 0.659 | − 0.721 |
| Greece | 2.031 | 1.797 |
| Spain/Portugal | − 0.132 | − 0.117 |
| Former Yugoslavia | − 1.206 | − 1.264 |
| Other Western Europe | 6.012 *** | 3.405 |
| Poland | 1.090 | 0.672 |
| Other Eastern Europe (incl. Russia) | − 0.488 | − 0.322 |
| Other country of origin | 1.936 | 0.976 |
| Age at migration | − 0.056 | − 0.401 |
| W: Years of residence | − 0.045 | − 0.619 |
| B: Years of residence | 0.064 | 0.463 |
| W: German citizenship | − 1.185 | − 1.028 |
| B: German citizenship | − 0.327 | − 0.283 |
| W: Intention to stay permanently | − 0.414 | − 1.131 |
| B: Intention to stay permanently | − 0.644 | − 0.930 |
| Education in years | 1.497*** | 9.712 |
| Friends: proportion coethnics | − 0.905 | − 1.818 |
| At least one parent living abroad | 0.507 | 1.249 |
| At least one child living abroad | − 0.137 | − 0.199 |
| W: Felt discriminated | − 0.005 | − 0.016 |
| B: Felt discriminated | − 0.175 | − 0.263 |
| Immigrants in the neighborhood: none/a few | ref. | |
| Immigrants in the neighborhood: a lot | − 0.978** | − 2.802 |
| Immigrants in the neighborhood: don't know | − 0.370 | − 0.378 |
| W: Language of country of origin (writing): (very) good | 0.107 | 0.207 |
| B: Language of country of origin (writing): (very) good | − 0.235 | − 0.248 |
| W: Language of country of origin (speaking): (very) good | − 0.059 | − 0.074 |
| B: Language of country of origin (speaking): (very) good | − 0.225 | − 0.149 |
| W: German (writing): (very) good | 0.640 | 1.189 |
| B: German (writing): (very) good | 6.314*** | 7.611 |
| W: German (speaking): (very) good | − 0.049 | − 0.121 |
| B: German (speaking): (very) good | 1.377 | 1.821 |
| W: Visits to country of origin: Number of weeks in the last 2 years | − 0.003 | − 0.177 |
| B: Visits to country of origin: Number of weeks in the last 2 years | − 0.017 | − 0.352 |
| Constant | 20.473*** | 3.986 |
| Observations | 4,059 | |
| Persons | 1,567 | |
| Obs. per person: minimum | 1 | |
| Obs. per person: average | 2.6 | |
| Obs. per person: maximum | 7 | |
| Intra-class correlation | 0.687 | |
| $R^2$ overall | 0.328 | |
| $R^2$ between | 0.372 | |
| $R^2$ within | 0.003 | |

SOEP 2010, own computations, estimation based on cluster robust standard errors
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

Similar to the case of employment probability, transnational involvement is not associated with occupational status. Duration of visits to the country of origin is not significantly associated with the respondent's ISEI. It is important to note that this holds for both between- and within-estimates. This means that there are neither selection nor causation effects that associate this indicator of structural integration with border-crossing involvement for the first generation. We have to conclude that IN1 does not hold. Similarly, interaction effects also did not turn out as significant (not reported here) and therefore there is also no support for IN2-IN4. These results underline the above assertion that the first generation's labor force status seems largely independent of transnational involvement.

**The Second Generation** Table 8.6 presents the results of the multivariate analysis for the second generation. For second generation immigrants, there is complete information on 572 persons and 1,378 observations.[9] Just as for the first generation, the duration of visit to the parents' country of origin does not turn out as significant predictors for the respondents' socio-economic status. Here, too, the analysis does not support IN1, although both the within- and between-estimate point into the expected direction ($\hat{\beta}_w = -0.038$, $z = -0.828$/$\hat{\beta}_B = -0.077$, $z = -1.507$). Moreover, IN3-IN4 are likewise not supported (not reported here).

**Summary** The analyses' results suggest that first generation immigrants' socio-economic position appears largely independent of their transnational involvement. There is no support for the assumption that border-crossing activities and integration into the receiving society are mutually exclusive. This holds in particular for employed immigrants occupational status.

Employment probability appears to be influenced by transnational involvement only indirectly among first generation immigrants. Thus, the assumption that border-crossing activities and investments into receiving country capitals compete for time and resources, and consequently will make integration into the receiving society (i.e. assimilation or multiple inclusion) less likely (IN1), does not hold. What is more, even though there is some support for IN4, the overall results suggest that the first generation's employment probability is structured by other factors than transnational involvement. Among the former are the usual suspects, i.e. education and German language proficiency (Dustmann 1994; Esser 2008; Kalter 2006a; Kogan 2006, 2011a).

The results are somewhat different for the second generation. Here we find a clear negative association between the time spent in the (parents') country of origin in the last 2 years and current employment probability. Putting it differently, transnational involvement makes unemployment more likely among second generation immigrants. This can be seen as supporting the idea that transnational involvement and integration are competitive processes, at least for the second generation. However, since the analyses do not lend any support to IN3-IN4, the question remains on

[9] Diagnostic statistics show that multicollinearity is not a problem. The mean vif is very low at 1.48. The highest condition number is 3.98 for the period dummy of the year 2006. Diagnostics on influential cases revealed that there are four influential observations. Excluding them does not change the results of the analysis in any meaningful way.

**Table 8.6** Linear regression model with random intercept on ISEI, within- and between estimates, second generation

| | Model 1 | |
|---|---|---|
| | ß | z |
| Nationality: Italian | ref. | |
| Nationality: Turkish | 1.305 | 1.226 |
| Nationality: Greek | 3.591* | 2.413 |
| Nationality: Spanish or Portuguese | 3.314 | 1.201 |
| Nationality: Other Nationality (crude) for second gen. | 1.770 | 0.853 |
| W: German citizenship | 2.154 | 1.352 |
| B: German citizenship | 3.716* | 2.234 |
| W: Intention to stay permanently | − 0.108 | − 0.114 |
| B: Intention to stay permanently | − 1.438 | − 1.062 |
| Years of education | 1.919*** | 8.514 |
| Friends: percentage coethnics | − 0.448 | − 0.526 |
| W: felt discriminated | 0.337 | 0.518 |
| B: felt discriminated | 0.249 | 0.213 |
| Immigrants in the neighborhood: none/a few/don't know | ref. | |
| Immigrants in the neighborhood: a lot | 0.003 | 0.004 |
| W: Language of country of origin (writing): (very) good | 0.325 | 0.359 |
| B: Language of country of origin (writing): (very) good | − 0.990 | − 0.680 |
| W: Language of country of origin (speaking): (very) good | − 0.703 | − 0.679 |
| B: Language of country of origin (speaking): (very) good | 0.742 | 0.421 |
| W: German (writing): (very) good | − 1.211 | − 1.148 |
| B: German (writing): (very) good | 5.991** | 2.670 |
| W: German (speaking): (very) good | 0.560 | 0.435 |
| B: German (speaking): (very) good | 0.341 | 0.122 |
| W: Visits to country of origin: Number of weeks in the last 2 years | − 0.038 | − 0.828 |
| B: Visits to country of origin: Number of weeks in the last 2 years | − 0.077 | − 1.507 |
| Constant | 12.500* | 2.511 |
| Observations | 1,378 | |
| Persons | 572 | |
| Obs. per person: minimum | 1 | |
| Obs. per person: average | 2.4 | |
| Obs. per person: maximum | 7 | |
| Intra-class correlation | 0.637 | |
| $R^2$ overall | 0.263 | |
| $R^2$ between | 0.286 | |
| $R^2$ within | 0.021 | |

SOEP 2010, own computations, estimation based on cluster robust standard errors
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

how border-crossing activities and labor market integration are connected. Although these results are compatible to what Haller and Landolt (Haller and Landolt 2005, p. 1203) find, there is unfortunately no research against which the present results could be compared. One potential explanation, namely that transnational involvement reduces receiving country language skills, does not appear very plausible considering the results on language skills above.

## 8.3 Transnational Involvement and the Intention to Stay Permanently

After having investigated the effect of transnational involvement on aspects of cultural and structural dimension integration into the receiving society, I will now turn to the emotional dimension. The indicator used in this context is the intention to stay permanently in Germany. It is a binary variable, with a one indicating that the respondent reports that she or he plans to stay in Germany permanently and a zero indicates that this is not the case. The analysis is structured as before. First, I present the estimated results on the association of transnational involvement and the intention to stay in Germany for the first generation. Subsequently, the results for the second generation are discussed.

**The First Generation** The multivariate sample for the first generation comprises 7,349 observations from 2,372 persons. About two thirds of the sample (67.1 %) report that they indeed intend to stay in Germany permanently, while about one third of the sample plans to return to their country of origin.[10] Table 8.7 shows that transnational activities are indeed negatively associated with the intention to stay permanently in Germany—just as IN1 suggests. This holds for both sending remittances ($OR_W = 1.000$, $z = -1.112$/$OR_B = 0.999$, $z = -4.281$) and visiting the country of origin ($OR_W = 0.995$, $z = -0.921$/$OR_B = 0.920$, $z = -7.079$). But the relation is not causal, as the insignificant within-estimates suggest. Instead, the intention to return to the country of origin and transnational involvement seems to be driven by time-constant unobserved heterogeneity, i.e. those immigrants who plan to return are on average more active across borders than those who plan to stay in the receiving country.[11] Neither financial investments nor trips to the country of origin therefore increase the probability of having return plans and thus there is no support of IN1.

Similar results are obtained once one checks for interactive effects specified through IN2-IN4 (not reported here): significant between-estimates indicate that social segmentation, high age at migration, or social distance combined with transnational activities are associated with a lower probability of intending to stay permanently in Germany. Yet, in all cases, the within-estimates are insignificant and significantly different from the between-estimates. Therefore, while there are multiplicative effects, these are also due to unobserved heterogeneity and we have to conclude that the analyses do not support IN2-IN4.

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[10] Collinearity diagnostics show that the mean vif among the independent variables is 4.89 and a relatively high condition number (24.7) can be found for the period dummy 2006. Excluding 31 influential cases from the analysis results in a significant effect estimate for years of education and makes the between-estimate of being married and other labor force status as well as the within-estimate of number of persons in the household insignificant.

[11] This is supported by two Wald tests that both reject the null hypothesis of equality of within- and between-estimate: remittances $X^2 = 20.33$, $df = 1$, $p < 0.001$/duration of visit: $X^2 = 33.49$, $df = 1$, $p < 0.001$.

**Table 8.7** Logistic regression model with random intercept on intention to stay permanently, with- and between-estimates, first generation

| | Model 1 | |
|---|---|---|
| | OR | z |
| Italy | ref. | |
| Turkey | 1.903* | 2.525 |
| Greece | 0.394** | − 2.929 |
| Spain/Portugal | 0.573 | − 1.435 |
| Former Yugoslavia | 3.104*** | 4.003 |
| Other Western Europe | 1.597 | 1.107 |
| Poland | 14.215*** | 5.181 |
| Other Eastern Europe (incl. Russia) | 18.708*** | 6.479 |
| Other country of origin | 2.351 | 1.903 |
| Age at migration | 1.052 | 1.282 |
| W: Years of residence | 0.934 | − 1.430 |
| B: Years of residence | 0.946 | − 1.006 |
| W: Years of residence squared | 1.002* | 2.523 |
| B: Years of residence squared | 1.003*** | 3.459 |
| W: German citizenship | 1.670 | 1.501 |
| B: German citizenship | 7.560*** | 6.239 |
| Education in years | 1.060 | 1.714 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 0.987 | − 1.437 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 0.996 | − 0.340 |
| W/B: Working | ref. | |
| W: Unemployed | 1.020 | 0.101 |
| B: Unemployed | 1.468 | 1.102 |
| W: Retired | 1.143 | 0.429 |
| B: Retired | 2.349 | 1.352 |
| W: Non-working | 0.951 | − 0.265 |
| B: Non-working | 1.258 | 0.906 |
| B: Other lfs | 0.352* | − 2.015 |
| Friends: proportion coethnics | 0.782 | − 1.668 |
| At least one parent living abroad | 1.004 | 0.032 |
| At least one child living abroad | 0.331*** | − 5.325 |
| W: Felt discriminated | 0.713** | − 3.046 |
| B: Felt discriminated | 0.408*** | − 4.419 |
| Immigrants in the neighborhood: none/a few | ref. | |
| Immigrants in the neighborhood: a lot | 0.847 | − 1.493 |
| Immigrants in the neighborhood: don't know | 0.810 | − 0.598 |
| W: Language of country of origin language (writing): (very) good | 1.162 | 0.794 |
| B: Language of country of origin (writing): (very) good | 0.442** | − 2.743 |
| W: Language of country of origin (speaking): (very) good | 0.592 | − 1.736 |
| B: Language of country of origin (speaking): (very) good | 0.527 | − 1.202 |
| W: German (writing): (very) good | 1.233 | 1.201 |
| B: German (writing): (very) good | 1.436 | 1.329 |
| W: German (speaking): (very) good | 1.401* | 2.237 |
| B: German (speaking): (very) good | 1.158 | 0.582 |
| W: Remittances: Amount in Euro last year | 1.000 | 1.236 |

**Table 8.7** (continued)

| | Model 1 | |
|---|---|---|
| | OR | z |
| B: Remittances: Amount in Euro last year | 0.999*** | − 4.448 |
| W: Visits to country of origin: Number of weeks in the last 2 years | 0.994 | − 0.974 |
| B: Visits to country of origin: Number of weeks in the last 2 years | 0.922*** | − 6.952 |
| Constant | 0.680 | − 0.239 |
| Observations | 7,349 | |
| Persons | 2,372 | |
| Obs. per person: minimum | 1 | |
| Obs. per person: average | 3.10 | |
| Obs. per person: maximum | 7 | |
| Intra-class correlation | 0.638 | |
| Log pseudo-likelihood C | − 3,767.71 | |
| Log pseudo-likelihood | − 3,226.70 | |

SOEP 2010, own computations
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

**The Second Generation** As indicated above, plans to return to the (parents') country of origin are not limited to the first generation (see Table 6.3). Among the multivariate sample of second generation immigrants, which comprises 2,049 observations form 753 respondents, about 27 % have plans to return to their parents' country of origin[12]. The results for the second generation also point toward a negative association between the intention to stay permanently in Germany and transnational involvement (see Table 8.8). However, the estimated coefficients are not significant at standard levels—although the between-estimate for the duration of visits to the parents' country of origin is barely insignificant with a z-value of − 1.879. But just as in the above analyses for the first generation, within- and between-estimates are significantly different from one another and thus the association is likely driven by (time-constant) unobserved heterogeneity. Accordingly, IN1 does not find support. Additionally, neither IN3 nor IN4 are supported (not reported here).

**Summary** Border-crossing activities seem to coincide with a lower probability of intending to stay in Germany permanently. For first generation immigrants, traveling to the country of origin and spending time there, as well as sending remittances, is negatively associated with the probability of having permanent settlement plans in the receiving country. An immigrant who is not at all transnationally active has an 8.7 percentage points higher probability of having permanent settlement plans compared to an immigrant who has spent 8 consecutive weeks in the country of origin in the

[12] Multicollinearity is not an issue among the independent variables as a mean vif of 1.48 indicates. The highest condition number is 4.16 for the period effect of 2006. Seven influential cases have been detected, but their exclusion does not change the results in a substantial way.

**Table 8.8** Logistic regression model with random intercept on intention to stay permanently, within- and between-estimates, second generation

| | Model 1 | |
|---|---|---|
| | OR | z |
| Nationality: Italian | ref. | |
| Nationality: Turkish | 1.472 | 1.095 |
| Nationality: Greek | 0.749 | − 0.635 |
| Nationality: Spanish or Portuguese | 0.508 | − 0.810 |
| Nationality: Other nationality (crude) for second gen. | 0.338 | − 1.561 |
| W: German citizenship | 2.631 | 1.544 |
| B: German citizenship | 3.451* | 2.271 |
| Education in years | 0.941 | − 0.992 |
| W: Annual net hh-income, OECD-equivalized (in 1,000) | 0.980 | − 1.027 |
| B: Annual net hh-income, OECD-equivalized (in 1,000) | 1.072** | 2.710 |
| W/B: Working | ref. | |
| W: Unemployed | 0.732 | − 0.781 |
| B: Unemployed | 1.446 | 0.543 |
| W: Other | 1.343 | 0.991 |
| B: Other | 0.910 | − 0.226 |
| Friends: proportion coethnics | 1.020 | 0.071 |
| W: Felt discriminated | 0.601* | − 2.286 |
| B: Felt discriminated | 0.339** | − 2.820 |
| Immigrants in the neighborhood: none/a few/don't know | ref. | |
| Immigrants in the neighborhood: a lot | 1.165 | 0.690 |
| W: Language of country of origin (writing): (very) good | 0.781 | − 0.905 |
| B: Language of country of origin (writing): (very) good | 0.309* | − 2.522 |
| W: Language of country of origin (speaking): (very) good | 1.127 | 0.350 |
| B: Language of country of origin (speaking): (very) good | 0.124*** | − 3.403 |
| W: German (writing): (very) good | 1.011 | 0.027 |
| B: German (writing): (very) good | 3.870 | 1.695 |
| W: German (speaking): (very) good | 2.832 | 1.855 |
| B: German (speaking): (very) good | 1.826 | 0.582 |
| W: Remittances: Amount in Euro last year | 0.999 | − 0.459 |
| B: Remittances: Amount in Euro last year | 0.999 | − 1.209 |
| W: Visits to country of origin: Number of weeks in the last 2 years | 1.016 | 1.223 |
| B: Visits to country of origin: Number of weeks in the last 2 years | 0.963 | − 1.879 |
| Constant | 6.495*** | 10.597 |
| Observations | 2,049 | |
| Persons | 753 | |
| Obs. per person: minimum | 1 | |
| Obs. per person: average | 2.70 | |
| Obs. per person: maximum | 7 | |
| Intra-class correlation | 0.664 | |
| Log pseudo-likelihood C | − 1,034.141 | |
| Log pseudo-likelihood | − 890.272 | |

SOEP 2010, own computations

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; model also includes controls (gender, age, marital status, persons in hh, children in hh, number of friends, visited often by neighbors, and year dummies)

**Table 8.9** Possible outcomes of immigrant integration. (Source: Esser 2006, p. 25)

| Integration into ethnic group | Integration into receiving society | |
|---|---|---|
| | Yes | No |
| Yes | Multiple inclusion | Segmentation |
| No | Assimilation | Marginalization |

last 2 years and has remitted 600 € in the last year.[13] Yet, this association is driven by time-constant unobserved heterogeneity. As such, there seem to be unobserved group differences which bring about transnational involvement as well as the intention to return. Obvious candidates for an explanation are one's border-crossing social capital and family ties. And indeed, if children still live in the country of origin, this makes the intention of permanent settlement less likely (by about 18 percentage points).[14] What is more, the analyses in Chap. 7 have shown that family ties are an important predictor for transnational involvement.

For second generation immigrants, there seems to be a similar negative association between transnational involvement—at least visits—and the intention to stay in Germany permanently. But again, this association is spurious. If all time-constant unobserved heterogeneity is accounted for, the results show that a change in transnational involvement is not associated with a change in the intention to stay.

## 8.4 Conclusion

The general hypothesis on the effects of transnational involvement as formulated in Chap. 4 states that transnational involvement will make integration into the receiving society (i.e. assimilation or multiple inclusion) less likely. Recall the possible outcomes of integration, as displayed in Table 8.9. The reasoning behind this hypothesis was based on two assumptions. First, we assumed that the modes of production in the receiving country and in the country of origin differ and, second, that investments into receiving country capitals and transnational involvement compete for time and resources.

If this was the case, then transnational involvement would make multiple inclusion or assimilation less likely, as both outcomes require a stock of receiving country capitals. Is there evidence in support of this hypothesis? Not very much for the first generation, as the results above more often contradict than support this hypothesis. There is no direct effect of transnational involvement, be it visiting the country of origin or sending remittances, on the first generation's cultural, structural, or emotional integration.

While it is true that a high age at migration combined with long visits to the country of origin decreases the probability of mastering written German, the main effect

[13] Other variables held constant at their mean, random effect assumed to be zero.

[14] Other variables held constant at their mean, random effect assumed to be zero.

of age at migration is much stronger than immigrants' border-crossing involvement. What is more, if immigrants migrate early in their life course, there even seems to be a positive relation between transnational involvement and the propensity to master written German. Thus, when it comes to integration on the cultural dimension, multiple inclusion or assimilation become less likely if immigrants engage in activities that cross borders and bridge the receiving and the origin country.

The results are somewhat different for immigrants' structural integration. Still, inclusion into and positioning in the German labor market, as measured by one's probability of being employed and one's ISEI respectively, are not directly influenced by transnational involvement. Certainly, regarding immigrants' employment probability, there seems to be some evidence that if transnational involvement is met by experiences of discrimination, this negatively affects the aforementioned employment probability. However, how certain can we be that that this is really a causal effect? To be sure, from the analyses in Chap. 7 we have to conclude that experiences of discrimination are not a strong predictor for immigrants' transnational involvement. Moreover, I included time lags between independent and dependent variable (see Chap. 5 for details). Still, one is hard pressed to rule out the possibility of simultaneity or reverse causation, especially if one approached the relation between integration and transnational involvement from a more dynamic perspective—an issue I will take up in the overall conclusion.

For the intention to stay permanently in Germany, the proposed indicator for the emotional dimension of integration, there is clearly an association between this measure and transnational involvement. Yet, as discussed above, this relationship is due to time-constant unobserved heterogeneity. Again, we have to conclude that there is no independent effect of transnational involvement on this aspect of integration.

The results are somewhat more in accordance with the general hypothesis on the relation between integration and transnational involvement if we look at the second generation. Their probability to master spoken or written German is not by itself influenced through their border-crossing activities. On the structural dimension, however, there is evidence that transnational involvement decreases second generation immigrants' employment probability, whereas occupational status measured through ISEI does not seem to be affected. Lastly, if we look at the emotional dimension, there seems to be an association between the intention to stay and visits to their parents' country of origin. But similar to the results for the first generation, this is a compositional effect: Those transnationally active are also the ones with a lower probability of planning to remain in Germany. But the results from Chap. 7 actually suggest that the intention to stay impacts transnational involvement and not the other way around. Thus, the association found in this chapter is spurious and once again traces to unobserved differences or reverse causality.

What can we make of these rather diverse findings? *First*, for first generation immigrants, there is not much evidence that transnational involvement and integration into the receiving society are mutually exclusive processes. From the analyses' results one cannot conclude that border-crossing involvement makes integration into the receiving society less likely. More than anything else, immigrant integration seems to be determined by those factors that previous research has identified: their

cultural and human capital, age at migration, etc. If anything, transnational activities play a minor role. What does this mean? For sure, the theoretical model could be wrong. And I would argue that it is indeed incomplete. But it could also be that the assumptions do not hold. That is, it could be that (a) modes of production between sending and receiving country do not differ or (b) that integration and transnational involvement do not compete for time and resources. The former seems unlikely, as previous research has convincingly shown that there are indeed dissimilarities between these immigrant groups and the autochthonous population (Esser 2006; Kalter 2005, 2006b; Kalter and Granato 2002; Tubergen and Kalmijn 2005). What is more, the results do not contradict the assumption that ethnic modes of production and receiving country modes of production preclude one another. It seems much more likely that transnational involvement, especially in its low cost forms (as opposed to transnational modes of living, see e.g. Portes et al. 2002) is a normal aspect of the migration process. It appears as if transnational involvement does not hinder immigrants' integration into the receiving society (see also Itzigsohn and Giorguli-Saucedo 2005, p. 917). Decisions to invest into receiving country capitals appear still mostly structured by the conditions the immigrants face in this country—just as "traditional theories" would suggest (Esser 2006; Portes 1998; Portes and Rumbaut 1996). This is an important lesson, as it underscores that the nation-state may still be rather.

*Second*, for second generation immigrants, there is somewhat more evidence that transnational involvement negatively impacts integration into the receiving society. Transnational involvement, in particular visiting the parents' country of origin, seems to be associated with lower levels of integration on the structural dimension. But we are well advised to interpret these associations with caution, because we cannot rule out simultaneity. Nevertheless, this, too, would be an important lesson, because it would equally underscore the importance of the receiving country in structuring the second generations' motives and opportunities for both (further) integration and transnational involvement.

It seems appropriate to end this chapter with a quote from Robert Park and Ernest Burgess, which, although it is more than 90 years old and refers of the US, seems applicable even today: "[p]articipation of the immigrant in American life in any area of life prepares him for participation in every other. What the immigrant and the alien need most is an opportunity to participate. Of first importance, of course, is the language. In addition, he needs to know how to use our institutions for his own benefit and protection. But participation, to be real, must be spontaneous and intelligent, and that means, in the long run, that the immigrant's life in America must be related to the life he already knows. Not by the suppression of old memories, but by their incorporation in his new life is assimilation [integration] achieved. [. . . ] It follows that assimilation [integration] cannot be promoted directly, but only indirectly, that is, by supplying the conditions that make for participation" (Park and Burgess 1970 [1921], p. 365).

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# Chapter 9
# Conclusion

**Abstract** In the conclusion I summarize the results of the study, explore their analytical implications, discuss the study's potential shortcomings, and provide suggestions for avenues of future research.

I first focus on summarizing the main results with respect to the overall question, that is whether transnational involvement and immigrant integration are competitive or concurrent processes. For first generation immigrants in Germany, being transnationally active appears as a normal part of the migration process and, thus, does not necessarily hinder integration into the receiving society. Still, over time, ties with the country of origin seem to wither. Thus, for the first generation maintaining ties with the country of origin and becoming integrated into the receiving country appear to be concurrent processes. Second generation immigrants still engage in transnational activities, although to a lesser degree. The results show that these activities may be associated with a lower degree of integration into the receiving society. However, the results also indicate that factors such as the immigrants' human and cultural capital and opportunities and restrictions they encounter in the receiving society are far more important for the integration than ties they keep with the country of origin. I close this chapter with a critical assessment of the theoretical assumptions in light of the empirical results.

**Keywords** Immigration · Integration · Assimilation · Incorporation · Transnational activities · Germany · Life course

The introduction stated that in the course of this work I would try to deliver answers to two main questions. *First*, to what extent do immigrants in Germany engage in transnational activities? *Second*, how do transnational involvement and immigrant integration relate to each other? The latter has been subdivided into a question on the determinants of transnational involvement and a question on the consequences of transnational involvement—both in relation to integration into the receiving society.

The answer to the first question is rather straightforward. Immigrants in Germany are transnationally active. But the degree of activity depends on the aspect we consider. Visits to the country of origin, a fundamental form of transnational involvement, are rather common. The majority of immigrants in the SOEP regularly pays visits to this country. In this regard, immigrants in Germany do not seem to be different from immigrants in other receiving countries, as, for instance,

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the US (Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002; Portes 2003; Waldinger 2008) or Australia (O'Flaherty et al. 2007). One of the most interesting aspects regarding these visits to the country of origin is that there is no decline across generational boundaries—at least from the first to the second generation. Second generation immigrants visit their (parents') country of origin as frequently as first generation immigrants do, which links up with some evidence from the US. Haller and Landolt (2005), for instance, found that in some immigrant groups in the US, second generation immigrants visit their parents' country of origin quite frequently. Remitting, i.e. monetary transfers to family and friends in the country of origin, on the other hand, is less common. The analyses show that only a small share of first generation immigrants remits and that this share is almost negligible among second generation immigrants. These results clearly distinguish between immigrants in Germany and immigrants in other receiving countries. Regardless of what previous study we look at (Portes 2003; Waldinger 2008), sending remittances appears less common in Germany. Since this work provides the first quantitative assessment of immigrants' transnational involvement using representative data in Germany and Europe, it is unfortunately impossible to put the results into a European context.

Overall, it becomes apparent that border-crossing activities today are a normal part of the migration process, just as they have been in the past (e.g. Lucassen 2006; Wyman 1993). We can agree to Waldinger's (2008, p. 24) conclusion that "[g]iven the centrality of migrant networks, the myriad of migration strategies, and the uncertain, transitional nature of the migration process, connections linking origin and destination places are ubiquitous."

The picture is less clear when it comes to the second question, i.e. the relation between transnational involvement and immigrant integration. Let us recall what integration actually refers to. Individual social integration, as laid out in Chaps. 2 and 4, refers to the inclusion of a person into a group or a society. Within the setting of immigration, inclusion into the receiving society can take two forms: assimilation and multiple inclusion (Esser 2006, p. 25). I proposed to link the investigation of transnational involvement directly to the investigation of immigrant integration, arguing that while the latter focuses on the immigrant's position in and interactions with the receiving society, the former emerges (partially) out of the opportunities and motives structured partly through the selfsame position and interactions. So, how are transnational involvement and immigrant integration linked? As argued earlier, one of the most pertinent questions in this context is whether transnational involvement and integration into the receiving society are concurrent or competitive processes. An assimilationist framework may conceive of transnational involvement as opposing integration if both processes compete for time and resources. To investigate this link, this work has split the overall question on the relation of transnational activities and immigrant integration into two sub-questions: What are the determinants of transnational activities? What are the consequences of transnational activities?

What are the main findings concerning the first of these two sub-questions? The answer is not straightforward. Regardless of what aspect of transnational involvement we look at, a simplistic conception that draws a dividing line between factors that promote or are already an aspect of integration into the receiving society, on the

one hand, and immigrants' border-crossing involvement, on the other hand, finds little support. In that sense, the results of this work mirror findings of earlier studies which conclude that predictions from a simple assimilationist perspective have to be rejected (Waldinger 2008, p. 25; Guarnizo et al. 2003, p. 1233, 1238; Itzigsohn and Giorguli-Saucedo 2005, p. 917; Portes et al. 2002, pp. 289–290). The main findings can be summarized in three points:

*First*, there are few uniform effects across the different aspects of transnational involvement. That is to say, a factor that promotes remitting (for instance, financial capital) does not necessarily have the same effect on visits to the country of origin. Thus, we have to conclude that just because these activities share one important trait—they link receiving and sending country—it does not necessarily imply that they are equal manifestations of an immigrant's degree of transnational involvement. This conforms to previous research (Haller and Landolt 2005; Portes 2003; Waldinger 2008) and underscores the need to investigate in more detail how different types of transnational activities (e.g. Portes 2003) relate to immigrant integration.

There are, however, important conclusions to be drawn from the results. Remittances appear to be structured by family ties and obligations and are thus probably only partially voluntary (Taylor et al. 1996). This result is certainly all but surprising considering that the initial migration is often based on a household decision (Landolt 2001; Massey 1990; Stark 1991; Stark and Bloom 1985). It helps us understand, however, why we observe a stark inter-generational decline in remittances, but not in visits. Obligatory transnational involvement does not seem to extend across generations; more voluntary involvement, such as visiting the (parents') country of origin, does. Yet, the results have also shown that conditions in the receiving country—foremost an immigrant's labor market integration and the available financial capital—determine the material opportunities and restrictions of this type of border-crossing activity.

*Second*, however, this does not imply that there are no overall patterns. Quite the opposite is true. This applies foremost with regard to the temporal aspects of the integration process. Over time, i.e. with increasing years of residence, transnational involvement declines. This holds for both (the number of) visits to the country of origin and for sending remittances. Coming back to the earlier question of concurrent or competitive processes, this finding suggests that, over time, integration into the receiving society and transnational involvement do not go hand in hand. A uniform decline over time is not always found in other studies (Guarnizo et al. 2003; Itzigsohn and Giorguli-Saucedo 2002; Portes 2003; Snel et al. 2006; Waldinger 2008). It can, of course, be that this relates to differences in the sending and receiving contexts—a point I will pick up again later. But the longitudinal data of this study arguably allows for better inference regarding the temporal development of transnational activities than the cross-sectional data of aforementioned studies. What is more, there seem to be different trajectories of integration that are associated with different levels of transnational involvement (see also Haller and Landolt 2005, p. 1203).

This brings us to the *third* point. The analyses have shown that it is not sufficient to consider simple additive effects of factors that may determine transnational involvement. In particular, in the theoretical chapter, I argued that it is necessary to consider

how configurations of different dimensions of integration (cultural, structural, social, and emotional) create particular opportunities and motives for transnational involvement. The main idea behind this reasoning is that aspects of structural integration (or assimilation), such as financial capital, will have differential effects, depending on the immigrant's degree of integration on other dimensions. For instance, if integration on the structural dimension coincides with assimilation on another dimension, this will make transnational involvement less likely, whereas if structural integration coincides with segmentation on another dimension, this will make transnational involvement more likely. As the example of financial capital and network composition shows, this is indeed the case: Financial capital increases transnational involvement if immigrants have co-ethnically homogenous networks, but it decreases transnational involvement if their networks are heterogeneous (or comprise only Germans). Similar results are obtained on the interaction between citizenship acquisition and financial capital and it is important to note that this extends intergenerationally. As a consequence, although transnational involvement and integration into the receiving society may not be directly competitive processes, it looks as though there is a selective affinity between integration into the receiving society and lower levels of transnational involvement. Over time and with increasing integration into the receiving society, ties to the country of origin become weaker.

After having established how levels of integration can be determinants of transnational involvement, the next logical step is to investigate the second sub-question on the consequences of transnational involvement. This may be even more important, because it investigates if transnational involvement has consequences for the immigrants' life chances in the receiving society. A general, and in a sense traditional, null-hypothesis is that transnational involvement itself will make integration into the receiving country (i.e. through multiple inclusion or assimilation) less likely. What are the results of this investigation?

Concerning first generation immigrants in Germany, there is little evidence that transnational involvement hinders integration. It seems as though immigrants' integration is largely independent from their border-crossing activities. Other individual aspects, such as the stock of human and cultural capital, play a much more important role than transnational activities (Dustmann and van Soest 2001, 2002; Esser 2006; Kalter 2005, 2006; Tubergen et al. 2004). This is an important result. Not only does it show that loyalties to and engagements with the country of origin do not negatively impact integration, but also that integration is still heavily structured by the resources immigrants bring with them and the conditions they face in the receiving country. Thus, despite claims that focusing on the nation-state is inadequate when we attempt to understand and explain today's migration and integration processes (Levitt and Jaworsky 2007; Pries 2005; Wimmer and Glick Schiller 2002a, b, 2003), selfsame nation-state is still of great importance. For second generation immigrants, the results are more ambiguous. They indicate that integration and transnational involvement may become competitive processes. There seems to be a negative impact of visits to the parents' country of origin on the second generation immigrants' structural integration.

Overall, this study's main findings can thus be summarized as follows: (1) *Most first and second generation immigrants in Germany engage in transnational activities. Regular and occasional visits to the (parents') country of origin are rather common among both generations, sending remittances is less common among first generation immigrants and rare among second generation immigrants.* (2) *First generation immigrants' transnational involvement declines over time with increasing integration into the receiving society.* (3) *There seems to be a selective affinity between segmentation and transnational involvement, although this is not necessarily a causal relationship.* (4) *The first generation's transnational involvement appears additionally structured by family ties and obligations.* (5) *The first generation's transnational involvement does not seem to lower its propensity of becoming integrated into the receiving society.* (6) *Regarding the second generation, there is some evidence that transnational involvement may impair integration into the German society.*

However, these results should be treated as preliminary, since this study has a number of shortcomings. *First*, in light of conflicting, i.e. disconfirming and confirming, evidence, the theoretical model's validity is, of course, called into question. A crude assertion that transnational involvement and immigrant integration simply oppose each other cannot be upheld, despite the fact that there seems to be a negative association between these two aspects of the migration process. Such an assessment appears too simplistic. Inclusion into the receiving society theoretically does not oppose simultaneous inclusion into the ethnic group (as argued in Chaps. 2 and 4). Theoretically, there are good reasons to argue that, just as the different dimensions of integration are positively linked, transnational involvement and integration are linked negatively. But this rests on some assumptions. We have to assume that transnational involvement actually hinders investments into receiving country capitals. This would be the case if transnational involvement and ethnic capital investments went hand in hand and if ethnic capital investments and receiving country capital investments were mutually exclusive. If the cultural distance between sending and receiving country is large—and thus the social production functions (Lindenberg 1996; Ormel et al. 1999) differ greatly—we have ample reason to assume that this is the case. Transnational involvement may then hinder integration into the receiving society, as it reinforces ethnic modes of production. However, if the cultural distance between sending and receiving country is small—and thus the social productions functions (Lindenberg 1996; Ormel et al. 1999) are rather similar—transnational involvement may not hinder integration into the receiving society. Vice versa, in a situation of lacking integration into the receiving society (i.e. segmentation), transnational involvement may be more likely. However, I would not say that this is the case. It rather seems as if ties to the country of origin are something very normal for first generation immigrants. They may wither with time and the intensity of these ties may systematically relate to how immigrants fare in the receiving country, but overall, these border-crossing ties and activities have a limited influence on immigrant integration.

Thus, the overall impression is that the theory performed moderately. Quite a number of hypotheses are not supported by the analyses. So what does that mean? Is the theory falsified? A model of intentional actions that tries to explain behavioral outcomes by focusing on how opportunities and motives structure trajectories of

integration and transnational activities still seems very appropriate. However, in its present formulation it seems inadequate. If we are to draw one overall lesson from the analyses, it seems that the theory is too static. When it comes to the specification of the bridge hypotheses (Esser 1999), the model would profit from a stronger focus on the temporal aspects of immigrant integration and transnational involvement. The empirical analyses have clearly shown that both integration and transnational involvement depend on time. Years of residence or age at migration are but two prominent examples. In its current formulation, the theoretical model does not sufficiently account for the time-dependency of the processes investigated. But since time itself is unlikely to be a causal factor in the process of integration (Esser 1981), it lends itself to investigate how (individual decisions on) integration and transnational involvement are structured over the *life course* (Elder and Giele 2009; Diewald and Mayer 2009; Heinz et al. 2009; Huinink and Schröder 2008; Wingens et al. 2011; Schunck 2011). Up to now, most models of immigrant integration and transnational involvement—and this holds for this work's model, too—have paid little attention to the fact that the life course structures the timing of events (exceptions are Levitt 2002; Smith 2002; Kobayashi and Preston 2007; Schunck 2011). From a theoretical point of view, it thus appears promising and necessary to bring together models of immigrant integration, transnational involvement, and life course research. Fortunately, we do not have to start from scratch. These bodies of research are well compatible (Heinz et al. 2009, p. 25; Kley 2010; Huinink and Schröder 2008) and using this compatibility to create a more dynamic theory on immigrant integration and transnational involvement could provide us with a better understanding on how both processes are linked. The link between these three bodies of research, moreover, has already existed from the beginning. In the introduction, I pointed to Thomas and Znaniecki's *The Polish Peasant* (1919) arguing that one of the first sociological inquiries on immigrant integration already focused on border-crossing activities. But Thomas and Znaniecki's work also inspired life course research (Elder 1985, p. 25).

*Second*, and this extends to theoretical as well as empirical issues, this work investigated only two aspects of transnational involvement, visiting the country of origin and sending remittances. Having only these two indicators of transnational involvement is surely a drawback. What is more, throughout the work, both examples of transnational activities have been treated as similar manifestations of immigrant transnational involvement. As the analyses have shown, this is not the case. Sending remittances, for example, seems less voluntary than visiting the country of origin. At this point, it should be clear that a stronger theoretical differentiation regarding the different transnational activities would benefit the investigation.

*Third*, regarding this work's methodological approach, there are two main conclusions to be drawn. First, longitudinal data analysis with a focus on unobserved heterogeneity is a necessary endeavor. Second, longitudinal data analysis with a focus on unobserved heterogeneity is an insufficient endeavor. Let us consider the first point. After the lengthy discussion on (statistical) methodology, I hope that the reader is now as convinced as I am that Hausman and Wise (1981, p. 365) are correct when they state that the attempt to obtain unbiased parameter estimates is an illusionary endeavor in survey data analysis. Nevertheless, statistical models which

control for time-constant unobserved heterogeneity are a great advantage—in particular, if we use hybrid or correlated random effect models (Allison 2009; Schunck 2013) that allow us to compare between- and within-person differences. As the analyses have definitely shown, a lot of what appears to be a causal effect is actually due to unobserved, time-constant factors. That is, quite a few associations we can observe cross-sectionally and even longitudinally, for instance between the intention to stay permanently and transnational involvement, are actually spurious.

At the same time, however, this works' theoretical and empirical parts unmistakably presume a dynamic, bidirectional relation between immigrant integration and transnational involvement. An immigrant's integration into the receiving society brings about specific opportunities and motivations for transnational involvement and, vice versa, transnational involvement is likely to influence individual decisions that shape integration outcomes. In other words, integration influences transnational involvement and transnational involvement influences integration. But this calls the statistical models into question. Fixed effects regression models (just as random effects models) assume that the independent variables are strictly exogenous. So what can be done about this? We could employ a related class of models that uses instruments (Arellano and Bond 1991; Wooldridge 2002, p. 299 ff.) to replace the respective predictors. This could be achieved through using first-difference models instead of fixed effects models. But is this really sufficient? If we in fact assume that immigrant integration and transnational involvement are dynamically linked, then the next step would require modeling these processes simultaneously. This would bring us to a very different class of models, i.e. structural equation models (Bollen 1989; Engel and Reinecke 1994), which at first may appear at odds with the models discussed and used in this work. Admittedly, structural equation models are motivated by very different problems of data analyses. But recent work (Allison 2009, p. 87 ff.; Giesselmann and Windzio 2012, p. 184 ff.; Bollen and Brand 2010; England et al. 2007) has demonstrated that both approaches are compatible. Combining these two approaches would bring about the great advantage of direct empirical assessment of the interdependencies between immigrant integration and transnational involvement. But, alas, this is beyond the scope of this work.

*Fourth* and lastly, despite its great advantages, the data used in this study has its particularities. The first generation immigrant population in the SOEP is rather mature. Most of these immigrants have lived in Germany for a considerable time before they became part of the SOEP. What is more, we are likely looking at a positive selection when it comes to integration outcomes, as argued in Chap. 5. Therefore, it might be that differences in transnational activities relate to the German context, but it might also be that immigrants in the German data are at a later stage in the life courses, which may impact activities linking receiving and sending country.

We have seen throughout the book that transnational involvement among immigrants in Germany in many instances resembles transnational involvement among immigrants in other receiving countries. But can we compare the results in such a simple manner? There are many differences between the studies and the data used,

on the one hand, and between the receiving and sending countries and their migration regimes on the other. Without comparable data, as I have argued before, it is hard to compare the results. But even if we had comparable data, the question on how different contexts of reception (Portes and Rumbaut 2001, p. 46 f.) mutually shape immigrant integration and transnational activities would be a topic by itself. If we briefly consider a few contextual aspects in Germany, this becomes evident. Germany is a conservative welfare state (Esping-Andersen 1990) and this has been shown to shape integration outcomes (see for instance Kogan 2006). Moreover, German immigration policies, such as restrictive citizenship laws (Kivisto and Faist 2010, p. 68; Brubaker 1992), may increase the hurdles for immigrant integration (Kogan 2007) and create additional motives for transnational involvement. Germany is located within the European Union, which grants its members relatively large freedoms regarding movement and settlement within its boundaries while, at the same time, trying to seal its outer borders (Kivisto and Faist 2010, p. 67 ff., 253 ff.). This may result in reduced costs for intra-European transnational involvement, but may increase costs for border-crossing activities that transcend the EU's borders. These are but a few points. A coherent investigation into the influence national and supra-national contexts exert on immigrants' transnational involvement begs for a stringent, comparative research design, which, obviously, is a promising avenue for future research.

Future research could thus: (1) Pay more heed to the dynamic relation between immigrant integration and transnational involvement; (2) Investigate more closely how different forms of transnational involvement relate to immigrant integration; (3) Investigate from a comparative perspective if and how transnational involvement, in its scope, determinants, and consequences varies with different contexts of reception.

I hope I have convinced the reader that it is worthwhile to study immigrant integration and immigrant transnational involvement jointly. Both are different sides of the same coin: migration. A division thus seems defective. It is counterproductive to investigate immigrants' border-crossing activities without relating them to the nation-state(s) and the communities they are embedded in. But it is equally counterproductive to investigate immigrant integration without paying attention to the fact that immigrants' embeddedness may span across borders.

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# Appendix

**Table A.1** Operationalization. (Source: author's illustration)

| Construct | | Description (SOEP variable-name latest available wave) | Scale | Categories/Values | Years in the SOEP |
|---|---|---|---|---|---|
| Migration background | Immigrant | Differentiates between autochthonous, first and further generation immigrants (migback) | Categorical, recoded into dummies | 0 "Autochthonous"<br>1 "First generation"<br>2 "Second (and following) generation" | Time-constant (available for all years) |
| | Country of origin | (corigin) | Categorical, recoded into dummies | 1 "Germany"<br>2 "Turkey"<br>3 "Ex-Yugoslavia"<br>4 "Greece"<br>5 "Italy"<br>6 "Spain and Portugal"<br>7 "Poland"<br>8 "Other West-Europe"<br>9 "Other East-Europe (incl. Russia etc.)2<br>10 "Other country of origin"<br>11 "No answer" | Time-constant (available for all years) |

**Table A.1** (continued)

| Construct | | Description (SOEP variable-name latest available wave) | Scale | Categories/Values | Years in the SOEP |
|---|---|---|---|---|---|
| | Nationality/citizenship | (nation) | Categorical, recoded into dummies | 1 "German"<br>2 "Turkish"<br>3 "Ex-Yugoslavian"<br>4 "Greek"<br>5 "Italian"<br>6 "Spanish and Portuguese"<br>7 "Polish"<br>8 "Other West-European"<br>9 "Other East-European (incl. Russian etc.)"<br>10 "Other country of origin nationality" | Annually |
| Transnational activities | Remittances | Whether or not respondents have sent remittances to friends/relatives abroad last year (zp15401–zp15421) | Dummy | 0 "No"<br>1 "Yes" | Annually |
| | Amount remitted | Amount in Euro remitted last year (zp15401–zp15421) | Metric | 0–200,000 | Annually |
| | Visits to the country of origin | Visits to and duration of stay in the country of origin in last two years (yp146, yp147) | Categorical, recoded into dummies | 1. "Has not visited"<br>2. "Up to 3 weeks"<br>3. "1–3 months"<br>4. "4–6 months"<br>5. "longer" | 1996–, biennially |

**Table A.1** (continued)

| Construct | | Description (SOEP variable-name latest available wave) | Scale | Categories/Values | Years in the SOEP |
|---|---|---|---|---|---|
| | Age at migration | (immiyear) | Metric | 0–87 | Annually |
| | Years of residence | (immiyear) | Metric | 0–97 | – |
| | Intention to stay | (zp143–zp14403) | Dummy | 0 "No" 1 "Yes" | Annually |
| Cultural dimension | Language proficiency (RC) | Differentiated for speaking and writing (zp13301, zp13302) | Dummy | 0 "Not at all—fairly"<br>1 "Very well—good" | 1995–2004, annually<br>2005–, biennially |
| | Language proficiency (SC) | Differentiated for speaking and writing (zp13303, zp13304) | Dummy | 0 "Not at all—fairly"<br>1 "Very well—good" | 1995–2004, annually<br>2005–, biennially |
| Structural dimension | Human capital | Years of education (bilzeit) | Metric | 7–15 | Annually |
| | Income | Annual net household income, inflation-adjusted, OECD equivalized divided by 1,000 (i11102009, d11106009, d11107009, d11101009) | Metric | 0–4,349.3 | Annually |
| | | Monthly gross labor income (labgro09) | Metric | 0–9,999 | Annually |
| | Labor force status | (lfs) | Categorical, recoded into dummies | 1. "Working"<br>2. "Retired"<br>3. "Unemployed"<br>4. "Other"<br>5. "Non-working" | Annually |

**Table A.1** (continued)

| Construct | | Description (SOEP variable-name latest available wave) | Scale | Categories/Values | Years in the SOEP |
|---|---|---|---|---|---|
| | Occupational status | ISEI | Metric | 16–90 | Annually |
| Social dimension | Social capital | Number of friends (wp11610–wp11615) | Metric | 0–3 | 1994, 1996, 2001, 2006, missing years filled in |
| | Social capital (EC) | Proportion of friends with same ethnic background (wp11610–wp11615) | Metric | 0–1 | 1994, 1996, 2001, 2006, missing years filled in |
| | Social capital (RC) | Proportion of German friends (wp11610–wp11615) | Metric | 0–1 | 1994, 1996, 2001, 2006, missing years filled in |
| | Social capital (TN) | Parents living abroad (wp11707–wp11709) | Dummy | 0 "No"<br>1 "Yes" | 1996, 2001, 2006, missing years filled in |
| | | Children living abroad (wp11716–wp11719) | Dummy | 0 "No"<br>1 "Yes" | 1996, 2001, 2006, missing years filled in |
| Contextual Aspects | Social distance | Perceived discrimination (zp142) | Dummy | 0 "Never/seldom"<br>1 "Often" | 1996–, annually |
| | Size of ethnic group/enclave | Perceived proportion of neighbors with foreign nationality/immigrants (zh59) | Dummy | 1 "Yes, many"<br>2 "None/a few"<br>3 "Do Not Know" | 1994, 1999, 2004, 2009, missing years filled in |
| | Embeddedness in ethnic group/ enclave | Visited (by) neighbors (zh60) | Dummy | 0 "Less often"<br>1 "Daily/weekly" | 1994, 1999, 2004, 2009, missing years filled in |

**Table A.1** (continued)

| Construct | | Description (SOEP variable-name latest available wave) | Scale | Categories/Values | Years in the SOEP |
|---|---|---|---|---|---|
| Sociodemograhic controls | Gender | (sex) | Dummy | 0 "Male"<br>1 "Female" | Time-constant (available for all years) |
| | Age | (d11101009) | Metric, recoded into dummies | 1 "up to 20 years"<br>2 "21–30 years"<br>3 "31–40 years"<br>4 "41–50 years"<br>5 "51–60 years"<br>6 "61 years and older" | Annually |
| | Number of persons in the household | (d11106009) | Metric | 1–17 | Annually |
| | Children under age 14 in household | (constructed) | Dummy | 0 "No"<br>1 "Yes" | Annually |
| | Marital status | (d1110408) | Categorical, recoded into dummies | 1 "Married"<br>2 "Single"<br>3 "Other (divorced/separated/widowed)" | |

Note: Names in parentheses in column "Description" indicate the name(s) of the original variables in the SOEP on which the study variables are based on in the last available year. In most cases this is 2009 or 2008, as indicated by the prefix z or y (or the postfix 09) of the variable-names. Scale refers to the coding of the variables in this study. The coding of the original variables is readily available at SOEPinfo: http://panel.gsoep.de/soepinfo2009/