



Acculturational homophily[☆]

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ABSTRACT

Economists have long recognized the influence of friends on various outcomes among immigrants, and also observed the benefit of acculturation. This paper lies at the intersection of the above two topics: by focusing on a typical behavior of acculturation, namely English-name usage, I examine the extent of acculturational homophily among Chinese students. Specifically, I investigate the relationship between self English-name usage and English-name usage of close friends using online social networking data on students who receive undergraduate education in China and graduate education in the U.S. The empirical analysis relies on an instrumental variable strategy: I use the indicator of the difficulty of pronouncing the Chinese name in English to instrument for English-name usage. Results suggest the presence of acculturational homophily: students with English-name usage have more close friends who are also English-name users, and the relationship is not based on the number of close friends overall.

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1. Introduction

Economists have long recognized the huge influence of friends.¹ For example, ethnic social networks affect immigrants' earnings (e.g., Åslund, Hensvik, & Skans, 2014; Munshi, 2003), productivity (e.g., Freeman & Huang, 2014, 2015), and test scores (e.g., Hoxby, 2000). Sociologists propose the theory of homophily, i.e., the tendency that people bond with similar others (McPherson, Smith-Lovin, & Cook, 2001), to explain how ethnic friendships are formed.

Economists have also studied the effect of culture on immigrants. As the first stage of assimilation (Gordon, 1964), accultura-

tion can lead to economic (e.g., Arai & Thoursie, 2009) and social assimilation (e.g., Bleakley & Chin, 2010).

This paper lies at the intersection of the above two topics. I study a typical behavior of acculturation—English-name usage—and estimate the extent of *acculturational homophily* based on it. I use online social networking data on Chinese students in the U.S. to study the relationship between self English-name usage and English-name usage of close friends.² Specifically, I study the following empirical question: is self English-name usage correlated with the number of close friends who use the English name? Here, the extent of homophily is quantified by the magnitude of the relationship between self English-name usage and the number of close friends with English-name usage.

Scholars believe that name assimilation among minorities could help improve their socioeconomic outcomes (e.g., Arai & Thoursie, 2009; Bertrand & Mullainathan, 2004), even for high-skilled immigrants (Oreopoulos, 2011). On the other hand, some immigrants prefer keeping own cultural identities for non-pecuniary reasons

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¹ Some related studies focus on network effects, among the general population, on labor market outcomes (e.g., Beaman & Magruder, 2012; Beaman, 2012; Damm, 2009; Gee, Jones, & Burke, 2017a; Montgomery, 1991), test scores (e.g., Babcock, 2008; Zimmerman, 2003), behaviors (e.g., Gaviria & Raphael, 2001; Kremer & Lavy, 2008), and financial support (e.g., Blumenstock, Eagle, & Fafchamps, 2016).

² This paper focuses on friends in online networks. Similar to Facebook friends, *online* friends studied in this paper might not be friends in real life; however, I restrict the friend sample by only studying self-reported close friends in online networks, who are arguably also real life friends. This is also the common assumption in similar network studies that use Facebook data (e.g., Gee et al., forthcoming). Also, all individuals and friends in the sample are Chinese students as I focus on homophily based on acculturational behaviors.

(Battu, Mwale, & Zenou, 2007) and refuse to acculturate in terms of name. In either case, names could provide a signal of socioeconomic status and well-being. Furthermore, name-based homophily could generate the social multiplier (Glaeser, Scheinkman, & Sacerdote, 2003) and make the effect of name larger. It is thus useful to examine whether name-based homophily really exists. This paper also sheds light on friendship segregation within one single ethnic group by discussing whether immigrants sharing similar demographic, human capital, and migratory characteristics could still choose different paths of acculturation and, based on this, end up being in different types of friendships.

This paper attempts to tackle two major challenges of estimating the relationship between self English-name usage and English-name usage of close friends. The first challenge is about data. Many surveys do not provide information about friends' characteristics. The advantage of using online networking data (e.g., Gee, Jones, Fariss, Burke, & Fowler, 2017b) is that I observe information about individuals' self-nominated friends, as well as their English-name usage. The second challenge is methodological: English-name usage can be endogenous for various reasons. The analysis relies on an instrumental variable strategy: I design a "pronunciation-difficulty" indicator for the Chinese name and use it to instrument for English-name usage. Chinese and English have different phonetic systems, and some Chinese names sound differently in two languages and are thus difficult to be pronounced in English. A student with a "difficult-to-pronounce" Chinese name is more likely to use an English name. Moreover, this pronunciation-difficulty indicator arguably satisfies the exclusion restriction due to the long linguistic distance between two languages.

The main empirical results can be summarized as follows. Acculturational homophily based on English-name usage does exist among Chinese students: Conditional on nominating³ nonzero close friends, a student with English-name usage has nearly one more close friend who uses an English name. Overall, the presence of homophily does not rely on the total number of close friends nominated, and results are robust across subpopulations and for alternative measures of the extent of homophily or the pronunciation difficulty.

The rest of the paper is structured as follows. Section 2 introduces the background. Section 3 discusses data and methods. Section 4 reports the results. Section 5 concludes.

2. Background

This section introduces the background of this paper. I first review the general literature on local-name usage among immigrants, and analyze the potential consequences of name-based homophily. I then focus specifically on English-name usage among Chinese students in the U.S. and analyze the determinants of English-name usage.

2.1. English-name usage and immigrants' socioeconomic outcomes

Along with many measures such as language attainment and schooling (Gordon, 1964; Mouw & Xie, 1999; Portes & Zhou, 1993), local-name usage and naming convergence with natives are widely used to measure acculturation (Abramitzky, Boustan, & Eriksson, 2016). It is not surprising that acculturation efforts involving human capital investments (e.g., language attainment and schooling) are closely correlated with immigrants' socioeconomic status. However, local-name usage—even unrelated to job skills at first glance—could still affect socioeconomic consequences.

³ In this sample, students on the social network has the option to nominate and show close friends. This empirical conclusion is based on the sub-sample in which students nominate at least one close friend.

Fryer and Levitt (2004) pioneer the economic analysis of name by focusing on the effect of using the typical Black name. They find the name is a robust predictor of socioeconomic status. Bertrand and Mullainathan (2004) study a similar topic and find White names receive 50 percent more callbacks for job interviews. This result holds even for high-skilled immigrants: in Canada, the callback rate for English-sounding names is 10 percentage points higher than that for foreign-sounding names, including Chinese names (Oreopoulos, 2011). Local-name usage also improves immigrants' earnings. Immigrants with Americanized names obtained gains in earnings of at least 14% (Biavaschi, Giuliatti, & Siddique, 2013) in the late 19th century. Similar results can be found in contemporary society: using Swedish data, (Arai & Thoursie, 2009) find the name effect on immigrants' earnings is over SEK 10,000. This magnitude almost exceeds half of the effect size of the labor market programs conducted concurrently in Sweden (Larsson, 2003), even if measuring the effect of labor market programs based on workers who benefit most from the programs.

Immigrants who use local names are more likely to actively develop characteristics that improve socioeconomic status. Local-name usage helps overcome "cultural barriers" (Belot & Ederveen, 2012). It also motivates language learning (e.g., Edwards, 2006). In addition, immigrants passively receive benefits from local-name usage: ethnic names are usually related to discrimination (Rubinstein & Brenner, 2014), and prior studies suggest local-name usage reduces name-based discrimination towards immigrants in the host country (e.g., Oreopoulos, 2011).

On the other hand, some immigrants refuse to acculturate, and in particular refuse to use the local name, in order to keep cultural identities: there is a strong association between name and identity (Edwards & Caballero, 2008; Larkey, Hecht, & Martin, 1993; Nicoll, Bassett, & Ulijaszek, 1986). Immigrants of certain origins (including Asian) are more likely to reject the dominant culture because by doing so, they are more likely to benefit from ethnic networks, which also reduces the cost of acculturation as they find it unlikely to be accepted by the host society anyway (Portes & Zhou, 1993). Even within the single ethnic group, it is possible that some individuals accept the dominant culture while others reject it (Battu, Mwale, & Zenou, 2007), although there is a lack of research on the criteria of within-group friendship segregation—which is exactly the broad question of this paper. In either case, name-based homophily leads to the "multiplier" (Glaeser, Scheinkman, & Sacerdote, 2003) of the name effect, as peer effects on assimilation-related outcomes (such as language skills) can be generated (e.g., Hoxby, 2000). Also, location-specific job information can be disseminated more effectively in specific types of friendships.

In theory, homophily could occur through two channels. Researchers have long observed peer effects in education (e.g., Calvo-Armengol, Patacchini, & Zenou, 2009; Foster, 2006; Zimmerman, 2003) and diffusion of English-name usage might similarly occur. Another possible mechanism is selection, i.e., students self select into the friendship with (or without) the characteristic of English-name usage. Both mechanisms are consistent with the benefit-cost analysis of English-name usage, and the presence of homophily can be due to a mixture of both, although prior studies argue that selection plays the more important role (Aral, Muchnik, & Sundararajan, 2009; Cohen, 1977; Kandel, 1978). Recent research revisits this question using online social networking data (Lewis, Gonzalez, & Kaufman, 2012) and again finds selection is a much more crucial generator of homophily in friendships.

2.2. English-name usage among chinese students

I now focus on English-name usage among Chinese graduate students. Due to the English education system in China, most students have English names in the classroom: since the early 2000s,

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