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Alberto Bisin^{a,b}, Eleonora Patacchini^{c,d,e}, Thierry Verdier^{f,e}, Yves Zenou^{g,h,e,*}

^a New York University, USA

^b NBER, USA

^c Cornell University, USA

^d Sapienza University of Rome and EIEF, Italy

^e CEPR, UK

^f Paris School of Economics, France

^g Stockholm University, Sweden

^h IFN, Sweden

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ABSTRACT

We propose a theoretical framework to study the determinants of ethnic and religious identity along two distinct motivational processes: *cultural distinction* and *cultural conformity*. Under cultural conformity, ethnic identity is reduced by neighborhood integration, which weakens group loyalties and prejudices. On the contrary, under cultural distinction, ethnic minorities are more motivated in retaining their own distinctive cultural heritage the more integrated are the neighborhoods where they reside and work. Using data on ethnic preferences and attitudes provided by the Fourth National Survey of Ethnic Minorities in the UK we find evidence that might be consistent with intense ethnic and religious identity mostly formed as a *cultural distinction* mechanism. Consistently, we document that ethnic identities might be more intense in mixed than in segregated neighborhoods.

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Bengali, bengali / Bengali, bengali / No no no / He does not want to depress you/ Oh no no no no / He only wants to impress you / Oh.. Bengali in platforms / He only wants to embrace your culture / And to be your friend forever. ['Bengali in Platform,' Morissey, Viva Hate, 1988, Reprise/Wea]¹

1. Introduction

In the last decades, immigration into western countries has become an important facet of globalization. This phenomenon has induced renewed interest on the rise of ethnic diversity in the host countries.² While cultural diversity is generally seen as a desirable societal trait, the persistence of ethnic identities on the part of minorities is often perceived by natives as a threat or as a source of potential problems (see Alba, 1990, 2005). This is well illustrated, for instance, by the recent

* Corresponding author.

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E-mail addresses: alberto.bisin@nyu.edu (A. Bisin), ep454@cornell.edu (E. Patacchini), verdier@pse.ens.fr (T. Verdier), yves.zenou@ne.su.se (Y. Zenou).

¹ Thanks to Andrew Clark for Morissey's quote.

² Alesina and La Ferrara (2005) provide a general discussion of the economic effects of increased ethnic diversity.

passionate debates all over Europe about the building of mosques or the public display of religious attire on the part of Muslim women. As Putnam (2007) put it in his John Skytte Price Lecture, "the increase in ethnic and social heterogeneity in virtually all advanced countries is one of the most important challenges facing modern societies, and at the same time one of our most significant opportunities".

Two opposing views characterize the conceptual analysis of identity formation mechanisms in the social sciences.³ The first view is characterized by the postulation that ethnic identity is reduced by assimilation and by the blurring of groups' boundaries. *Assimilation theories* in political science and sociology (Gordon, 1964; Moghaddam and Solliday, 1991) and *contact theory* in social psychology (Allport, 1954) are the prominent manifestations of this line of thought. Underlying these theories is the principle that group identity is driven by a preference for inclusiveness and *cultural conformity*.⁴ The alternative view represents instead ethnic minorities as motivated in keeping their own distinctive cultural heritage, in identifying themselves with an ethnic/social group to generate a sense of positive *distinctiveness* from the cultural predispositions of the majority (Abrams and Hogg, 1988; Turner, 1982). These ideas compose the core of theories of *multiculturalism* (Glazer and Moynihan, 1970; Taylor and Lambert, 1996), and *conflict* (Bobo, 1999).⁵ The fundamental principle of these theories is that group identity formation is driven by a preference for *cultural distinction*.

In this paper, we propose a simple model of identity formation that is able to accommodate both cultural conformity and cultural distinction provide distinct empirical implications on the way neighborhood segregation interacts with the process of ethnic integration. When *cultural conformity* is the main motivational process of identity formation, we expect neighborhood segregation to act as a *complement* to ethnic assimilation. On the contrary, when *cultural distinction* is at work, neighborhood segregation might *substitute* for ethnic assimilation.⁶

Nonetheless, identifying empirically *cultural conformity* and *cultural distinction* by studying the interaction between neighborhood segregation and ethnic integration is complicated for two reasons. First of all, *cultural conformity* and *cultural distinction* are specific dimensions of individuals' preferences whose manifestation in their choices is mediated by the characteristics of the choice environment itself. For instance, while cultural distinction reduces the "demand" for homogamous marriages (an indicator of identity) in segregated neighborhoods, this effect is confounded by a "supply" effect: homogamous marriages are facilitated, simply as a consequence of random matching, in segregated neighborhoods where a single ethnic group is relatively dominant. Secondly, the distribution of the population by ethnic trait across neighborhoods is not exogenous. Individuals choose where to live depending also on their preferences for ethnic identity. Without a natural experiment, the endogeneity of the neighborhood distribution of the population by ethnic trait is, in principle, an even harder problem to deal with.

In this paper, we use data from the UK Fourth National Survey of Ethnic Minorities (FNSEM) to provide some descriptive evidence. The FNSEM over-samples ethnic minority groups and provides a wealth of information about different dimensions of identity and aspects of individual's ethnic preferences. In addition, the data is merged with Census information, so that it is possible to obtain the percentage of residents belonging to the different ethnic groups at a very high level of spatial disaggregation. The data reveal evidence consistent with ethnic identity to be formed as a *cultural distinction* mechanism rather than due to *cultural conformity*. Indeed, a cultural conformity mechanism in our context would in fact generate the implication that individuals with stronger preferences for ethnic identity locate in more ethnically segregated neighborhoods. Although our data are limited to make conclusive statements, they do not show any clear trend of this sort. In conclusion, we cannot answer causal questions like "how much more/less identity would an individual with given characteristics form when moved from a neighborhood A to a neighborhood B?". Nonetheless, under our modeling assumptions, we can evaluate the relative likelihood of the data with respect to *cultural distinction* vs. *cultural conformity*.

The evidence for *cultural distinction* fits well with several other empirical studies on the link between identity and segregation. Fryer and Torelli (2010), using data from the National Longitudinal Study of Adolescent Health, find that "acting white" behavior among blacks is more developed in racially mixed schools.⁷ Also, Bisin et al. (2004) document that, in General Social Survey data, religious socialization across US states is more intense when a religious faith is in minority.⁸ Finally, Munshi and Wilson (2011) combine data from the US census and the National Longitudinal Survey of Youth to identify a negative relationship across counties in the Midwest of the United States between ethnic fractionalization in 1860 and the probability that individuals have professional jobs or migrated out of the county by 2000.

³ The study of ethnic identity formation has a long theoretical and empirical tradition in social sciences with Cross (1991), Phinney (1990), Ferdman (1995) in developmental psychology, Stryker (1980) in symbolic interactionist sociology, Tajfel (1981), Tajfel and Turner (1979), Turner et al. (1987) in social psychology, and Brewer (2001) in political psychology.

⁴ See Bernheim (1994), Akerlof (1997) and Patacchini and Zenou (2012) for formal economic analyses of conformity.

⁵ At a broader level, this view is also related to the social identity theory in social psychology (Tajfel, 1981; Turner, 1982).

⁶ In economics, the distinction between *cultural conformity* and *cultural distinction* is also related to the notion of cultural complementarity and cultural substitutability between socialization mechanisms. This has been defined formally by Bisin and Verdier (2000). Indeed, in Bisin and Verdier (2000), when family and role models tend to be substitutes in the process of socialization, families with a relatively minoritarian cultural trait have larger incentives to spend resources socializing their children to their trait in order to ensure its persistence. Conversely, under cultural complementarity, the more minoritarian is a family's cultural trait, the lower are the family's incentives to socialize their children to the trait and hence to limit cultural assimilation. For empirical tests of cultural substitutability and cultural complementarity in the Bisin-Verdier framework, see, in particular, Bisin et al. (2004), Patacchini and Zenou (2011, 2016b).

⁷ Anthropologists have also observed that social groups seek to preserve their identity, an activity that accelerates when threats to internal cohesion intensify. Thus, groups may try to reinforce their identity by penalizing members for differentiating themselves from the group. The penalties are likely to increase whenever the threats to group cohesion intensify; for an early analysis of this issues, see Whyte (1943).

⁸ Relatedly, Bisin and Verdier (2000) provide many examples of the resilience of ethnic and other cultural traits that can be explained by a similar mechanism, from the case of Orthodox Jews in Brooklyn to the case of aristocrats in France.

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