Migrant and Native Interaction: Labor Market and Marriage Market

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Introduction

The more we study the migration phenomenon the more we understand how deep rooted in its understanding is the sentence: “countries of destination thought they had let in workers and they discovered instead that they had let in human beings”.

Much attention is paid to the economic effects of migrants in countries of destination. But relatively little attention is paid to extremely important socio-political and demographic effects. Migration and integration policies are, also, evaluated in economic terms: do migrants increase welfare costs; do they displace native workers; do they favor economic growth etc. European researchers have neglected many key aspects of family-related migration, lagging behind, in this respect, North American and Latin American research (e.g., Boyle 2002; Falicov 2007; Glick 2010).

With this policy brief, we would like to point out the multiple effects that foreign workers can have in non-economic areas. In particular, we would like to point out that a policy designed to take care, for instance, of the elderly through foreign labor can have externalities on the marriage market. Hence, a correct evaluation of a policy needs to be more comprehensive and to look at all the implications of a given decision.

* This sentence is always quoted in all the European countries in the national language and likely it refers to the German gastarbeiter worker program, but unfortunately we were not able to find the precise reference.

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1 - Labor market and migrants

Over the last decades, policy makers and economic researchers have focused on the effect of migrants in the formal labor market. They paid special attention to the potential competitive role of migrants who could displace natives in wage or employment, or who could complement the native labour force. Research has shown that, whereas a certain replacement effect in the labor market was found for the lower levels of skills and education (Haisken-DeNew, Zimmermann, 1995; Venturini and Villosio 2006, Dalla Zuanna and Weber 2011; Ottaviano and Peri 2012; Dustmann et al. 2013), migrants do not necessarily affect native workers’ wages negatively, nor, for that matter, their transition from unemployment to employment. A few specific cases of competition have been found, but in general the aggregate effect of migrant labor on native wages was either positive or zero (Borjas, et al., 1997; Gavosto et al., 1999; Venturini et al. 2006; Borjas 2006; Ottaviano and Peri, 2012). Researchers and policy makers have, however, continued to focus on immigrant competition in the labor market and more detailed migration policies were implemented – or, at least, advocated – to select migrants according to labor market needs (i.e. open vacancies). A system that gives priority to the workers in demand (a point system or such like) was considered more favorable and coherent with a migration policy aiming to favor native and foreign interests together.

Researchers have recently explored the effect of migrants (in general women) working as housekeepers or as care workers on the labor market participation of native women. They found that migrant women provide, for native highly-skilled working women, the flexibility needed to invest more hours in paid work and reduce their early retirement practice to take care of elderly parents (Cortes Tessada, 2011; Barone and Mocetti 2010; Romiti and Rossi 2011, Farre’, Gonzales, Ortega 2011). Clearly, this effect is more important in countries where welfare is based on the family unit as the provider and producer of services – e.g., caring for children and elderly relatives, cooking, washing clothes, ironing, and cleaning – where men still invest little time in housework and care activities, as is shown by the amount of time women work at home (Anzo et al. 2014). These demands become even more pressing in the context of a rapidly ageing society and with the need for a second income in the household for day-to-day expenses.

This strand of research is relevant because it shows how labor market choices have implications for family organization and give room to a socio-economic interpretation. A society that is unable to adjust to new service demands by providing them through a public or private external supply of services can cope with the new demand by reorganizing family production and by introducing an additional labor force. This additional labor force, external to the household, typically integrates or replaces internal female work absorbed by paid employment in the labour market.

According to Rumbaut, “The family is perhaps the strategic research site for understanding the dynamics of immigration flows (legal and illegal) and of immigrant adaptation processes as well as long-term consequences for sending and especially for receiving countries” (Rumbaut 1997, p. 6). Within families, gender equality between women and men has increased because both partners work in the paid labor market, but house and care work is still unequally distributed. Men do not seem to adapt to the new role of women outside the home and the contribution of men to household activities remains very limited (Anxo et al. 2014). Migrants, then, do not only affect the paid native labor market, but also the organization of the native family, which is another type of production unit. Until now, very little attention has been devoted to the effects that immigration is producing by changing family structure and organization.
2 - Marriage market and migrants: a formal view

Migration literature on family formation or union dissolution is still inadequate for Europe, and it is practically absent for more recent immigration countries such as those in southern Europe. Instead, new inflows of women first movers may produce changes in the previous equilibrium. Let us take a formal perspective here.

We can usefully compare the marriage market to the labor market. Let us imagine that there are goods and services provided in a marriage, e.g., shirt ironing, food preparation, company, protection, sexual intercourse, and so forth. Within this market, there are two types of agents: the first who demands marriage services; and the second who provides marriage services. In our model, the first are men and the second are women. There are admittedly limitations to this traditional model. There may be cases where women demand and men provide; there are same sex couples; but this stylized way of looking at marriage should help in depicting the dynamics of couples.

To get marriage services, the demander has to provide remuneration R. The higher the remuneration needed, the lower the demand. The demand function is thus down sloping:

\[ Q_{msD} = Q_0 - aR \quad \text{with } a, Q_0, R > 0 \]  

where \( Q_{msD} \) are the marriage services demanded, which depend on \( Q_0 \), the level of marriage services demanded when the remuneration \( R \) is set at 0, and \( a \), a propensity to consume marriage services that multiplies the remuneration \( R \).

The supply of marriage services, provided by women, increases with the remuneration granted by marriage. The decision to abandon single life and enter into marriage implies new duties – such as ironing, cooking and having sex – that may be differently valued by different women, i.e. they have different reservation costs. Hence, some women will be ready to enter the marriage market with a lower remuneration than others. Indicating with \( b \) the propensity to offer marriage services, and with \( Q_i \) the level of marriage services offered when the remuneration is set to 0, the total quantity of marriages supplied \( Q_{msS} \) is equal to:

\[ Q_{msS} = Q_i + bR \quad \text{with } b, R, Q_i > 0 \]  

The higher the remuneration, the larger the supply. The match between supply and demand determines the equilibrium level of marriages \( Q_e \) and the equilibrium market remuneration \( R_e \). Formally:

\[ R_e = \left( Q_0 - Q_i \right) / (a + b) \]

The demander is not discriminating among suppliers, thus he is unable to provide different returns for different suppliers, and the market defines both the equilibrium return \( R_e \), which implies the remuneration \( R_e \), and the level of equilibrium marriages \( Q_e \) (Figure 1).

Figure 1. Stylized representation of the marriage market

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1 For a more detailed presentation of the marriage market from an economic point of view, see, for instance, Shoshana Grossbard-Shechtman 2003. While the author refers to a model similar to ours, she did not analyze the effect of migration. Imbalances in the marriage market were considered by Guttemberg and Secord, 1983.
It is straightforward to extend this stylized representation of the marriage market to include the dynamics linked to marital dissolution, which eventually leaves space for a new union. Within this system, we expect that the changing levels of equilibrium remuneration facilitate the disruption of established couples. We hypothesize that for an established match (a marriage), as the aspirations of women increase, there is an increase in their reservation remuneration: in Figure 1 imagine an uplift in the supply $S_m$, the benefits that some man receives from that union become lower than the remuneration that they have to provide, thus the number of total marriage decreases ($<Q_e$) and the remuneration exchanged will be higher ($>R_e$). In this changing scenario of costs and opportunities, the demander of marriage services – here the man – may decide to interrupt the match.

What happens if the suppliers of marriage services increase, for instance, following an increase in female migration? An increase in suppliers of marriage services determines a shift to the right of the supply function $S_m$ ($S'_m$), and thus a new equilibrium point $E'_e$ as well as a new remuneration equilibrium $R'_e$ (Figure 2). This corresponds to an increase in the total amount of marriage services to $Q'_e$. The new equilibrium remuneration $R'_e$, which is lower than that of the previous situation, will not be sufficient for some native women with high reservation remuneration. Hence, some of them may decide to abandon the match, or the male partner may decide not to provide such high remuneration, choosing a more affordable option. This changed scenario implies that the total number of native marriages will decline from $Q_e$ to $Q'_e$. This shift represents marriage disruption. Conversely, the difference between $Q'_e$ and $Q_e$ represents new (mixed) matches.

Note that in Figure 2 foreign women hold the same reservation remuneration distribution as native women, thus the new supply function of marriage services $S'_m$ has the same slope as the previous one. Nevertheless, the reservation remuneration of foreign women might be more accurately set at a lower level than that of the native women, because they are more in need of remuneration. In this case, the new supply function will be steeper, the reduction of the equilibrium remuneration larger, and the displacement of native women in the marriage market even greater.

3– Marriage market and union formation

Migration has expanded the options in the marriage market. In general, migration has a first wave of single migrant men and women, then the family member are reunified and the community become more balanced. In the initial phase mixed marriage are inevitable, after some years they decline, and catch up again with the second generation (Paterno and Gabrielli 2015). The recent increase in migrant women has changed the pattern of assortative mating and the marriage market equilibrium in Italy, enlarging the possibilities of choice and creating new (mixed) matches.
opportunities for men previously excluded from the marriage market (Maffioli, Paterno, and Gabrielli, 2014).

Recalling Fig.2 this imply the increase of total marriage from $Q_e$ to $Q_e'$ as migration increase. Consequently, most research on intermarriage focuses on the societal, structural and individual factors that encourage immigrants to marry outside their group (Pagnini and Morgan 1990; Qian and Lichter 2001; Jacobs and Labov 2002, Paterno and Gabrielli 2015), while limited attention has been devoted to the factors that make natives marry outside their group (Glowsky 2007). Overall, if the female supply increases, men who were not able to find a partner are more likely to find one. At the same time, if this supply increases, the remuneration of the marriage decreases, and some native women may decide to leave the marriage market altogether.

The question is whether, say, native men who might be unattractive partners in the internal marriage market, or might seek a spouse with a traditional gender-role vision of marriage, could turn to foreign brides. In addition, for some foreign women marrying a native represents a social upgrade in the destination country, not least for the legal rights that are acquired. It is likely that, compared to immigrant women, immigrant men are less likely to possess characteristics that make them potential candidates for marriage, such as an adequate social position (Maffioli et al., 2014). In the model presented above in Figure 2 the increase number of marriages, after a shift of the supply due to migration, implies also a reduction of the remuneration provided to the mate, which is in line with the hypothesis that less attractive male are able to find a partner.

Educational attainment is a well-established marker of labor market status and prospects. Men with low levels of education will be more exposed to the risk of experiencing unemployment, being altogether less desirable in the national marriage market. On the other hand, these same men will have a more traditional gender-role vision on marriage than better-educated men. Less well-educated men may, then, be looking for a partner who is willing to accept a more traditionally oriented family model. They can overcome this obstacle marrying a foreign woman who find them attractive and/or share the same traditional views on marriage (Sarret and Vitali 2015).

A recent study of Sarret and Vitali (2015) analyzes intermarriage from the natives perspective in Spain and Italy, two countries of recent immigration that share many social and demographic characteristics. It used data from the official registers of marriages provided by the Italian and Spanish National Statistical Institutes on all marriages celebrated in the two countries during the period 1998-2010. Of all marriages celebrated in Italy and Spain at the end of the 2000s, respectively 10% and 15% were mixed marriages. Their results show that intermarriage is becoming a real option for men and women, some of whom may not be “attractive” partners on the native marriage market because of low educational attainment. In other words, the increase in supply of women on the marriage market, thanks to the increasing number of foreign women, promotes mixed marriages as in the model presented in the previous section. Italian and Spanish men with lower education, who have more difficulties in finding a native partner, may discover in women – especially those coming from Eastern Europe and Central and South America – a solution to their problem. Thus, these findings suggest that intermarriage can be seen as a response to the difficulties of finding partners on the national marriage market. Paterno and Gabrielli (2015) note that exogamy is more pronounced in Italy among Italian men: 82% of mixed couples have a foreign female; only 18% a foreign man. The reasons for this are many, but they mainly stem from preferences and religion; e.g., Muslim women should only marry Muslim men.
We extend this reasoning in order to include the dynamics of marital dissolution. Men may see a reduction in incentives and stimuli to continue the marriage, especially when the possibility of a “more advantageous match” appears on the horizon. Within this system, we expect that the increasing presence of female migrants facilitates the union disruption of established couples. The issue is whether the size and the composition of the female migrant population in a certain area affects the dissolution risk of established marriages.

A recent paper tested this hypothesis in a male-breadwinner, new immigration country, where family-related behavior is changing rapidly, Italy (Vignoli, Venturini and Pirani 2015). Migration toward Italy is relatively new; it became important in the 1970s, with the arrival of several hundred thousand migrants, mainly men coming from nearby Mediterranean countries. During the first decade of the new century, these figures have increased exponentially, and most recent data indicate the presence of more than 4.5 million migrants legally residing in Italy in 2011 (Istat 2012). In recent years, Italy has become a privileged destination for women, arriving for both family reunification reasons and as first movers. The increase in women first movers and their entrance for working reasons is explained by the growing demand for family services, in particular for the care of elderly and sick relatives. This sector has faced a meaningful expansion over the last decades, because in Italy the state welfare is delegated to the family, which serves as the primary social safety net (Ferrera and Rhodes 2000). The case of women’s migration toward Italy offers a crucial example of the double meaning of the “feminization of migration”. Feminization refers to the increase in the quantity of women who migrate; it points, too, to the transformation of female transnational mobility from women moving for family reunification to first mover single women looking for a job (Di Bartolomeo and Marchetti, 2013; Strozza, Paterno, Bernardi, and Gabrielli, 2013).

Research has noted that divorce rates tend to be higher when there is a surplus of marriageable women (Grossbard-Shechtman 1993). Migration often brings just such a surplus women, and these women may be a factor in the breakdown of native marriages. In line with the theoretical model

<table>
<thead>
<tr>
<th>Share of female resident foreigners (a, b, c) over total resident population</th>
<th>AME (p.p.)</th>
<th>p-value</th>
<th>AME (p.p.)</th>
<th>p-value</th>
<th>AME (p.p.)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. total stock</td>
<td>0.015</td>
<td>0.045</td>
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<td></td>
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<tr>
<td>b. from some countries of Central-South America</td>
<td>0.362</td>
<td>0.053</td>
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<td></td>
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<tr>
<td>c. from some countries of Eastern Europe</td>
<td>0.254</td>
<td>0.003</td>
<td></td>
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</tr>
</tbody>
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Note: Results are controlled for duration of marriage (baseline duration); gender; birth cohort; respondent’s level of education (time-varying); presence of children (time-varying); parental separation; individual religiosity; regional employment rate; regional long-term unemployment rate; regional gross domestic product. The aggregate-level indicators of female migration stemming from registry of foreign resident population. Robust standard errors to account for dependence among observations and among regions. An Average Marginal Effects expresses the effect on separation risk as a categorical covariate \( x \), changes from one category to another or as a continuous covariate increase of one unit, averaged across the values of the other covariates introduced in the model (i.e. population-averaged).
presented in Section 2, Vignoli, Venturini and Pirani (2015) – using data coming from the Italian Family and Social Subjects survey, carried out by the Italian National Statistical Office in 2009 – showed that by controlling both for individual and contextual variables the higher the foreign female presence in a certain area, the higher the dissolution risk of established marriages. Not only the size, but also the composition of migration matters then as Table 1. These outcomes suggest that the increasing presence of women first movers (especially those coming from Central and South America and Eastern Europe) is associated with increasing separation risks.

5 – Concluding remarks

The effect of migration on the marriage market is not considered by migration research, which focuses mainly on the labor market effect of additional workers but forgets additional important implication of the migration policy. The large debate on the cost of migration for the destination country leave out, all too often, the positive effect of new union formation. We would recommend considering the increasing foreign presence as a potential motor in the evolution of the family, at least for Italy.

The key contribution of our research brief is a new perspective on union dynamics, based on the characteristics of the natives, but also on the potential role of migrants. This perspective allows us to ask to what extent intermarriage should be considered as a substitute for marrying someone from the spouse’s own group by individuals who are less valuable on the marriage market because of their socio-demographic characteristics. At the same time, we would suggest that the size and the characteristics of the migrant population affect the total number of mixed marriages and the dissolution risk of established marriages.

Migration policy rarely distinguishes between labor migration and family-related migration: yet these findings suggest that there are important considerations here. The second is seen as part of the family formation process, while the first seems to affect only the labor market. Our research has shown, instead, that labor migrants affect the marriage market because they play an important role in the organization, creation and survival of the family. Labor migrants support the family unit by producing services, contribute to the creation of new (mixed) unions and may favor the dissolution of natives’ marriages, especially among low educated individuals.

We conclude that more reflection and more research is needed on the study of partnership dynamics in recent immigration countries. The role of migration can no longer be disregarded as its represents a key factor in shaping natives’ family life. Hence, the evaluation of the most appropriate instruments for the migration policy cannot be focused on the labor market profiles of migrants alone.

2 The methodology adopted is cross-section time series.
References


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