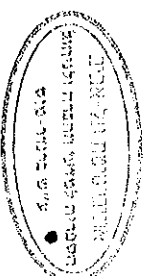


DIASPORAS AND  
ETHNIC MIGRANTS

Germany, Israel and  
Post-Soviet Successor States in  
Comparative Perspective

*Editors*

RAINER MÜNZ  
AND  
RAINER OHLIGER



FRANK CASS  
LONDON • PORTLAND, OR

## Immigration and Ethnicity in Israel: Returning Diaspora and Nation-Building

*Moshe Semyonov and Noah Lewin-Epstein*

Israel is a multiethnic society inhabited by Jews and Arabs. The Arab minority constitutes approximately 18 per cent of the population of Israel. While Arabs have lived in this region for generations, the settlement of Jews in Palestine began at the turn of the century. In 2000, approximately 40 per cent of the Jewish population in Israel were first-generation immigrants and most of the remaining population were sons and daughters of immigrants. Jews migrated to Israel from practically every corner of the globe. Some arrived from highly developed, industrialized countries such as the United States, England, France and Germany, while others came from less developed and traditional societies, such as Ethiopia, Yemen, India and Libya.

Between the years 1948 and 1995, immigration accounted for over 40 per cent of Israel's population growth and for approximately 50 per cent of the increase in the Jewish population (Della Pergola 1998). The importance of migration for Israeli society is not only in its immense effect on the size of the Jewish population, but also on the character, structure and essence of Israeli society. That is, migration patterns have constituted a central defining characteristic of Israeli society in general and its stratification system in particular. Since migration is so central to the emergence of Israeli society and is a major component of its collective identity, one cannot understand stratification patterns within the Jewish population without considering the role played by the immigration process and immigration policies. Thus this chapter focuses on the impact of immigration on nation-building and patterns of ethnic inequality in Israeli society.

### MIGRATION AND POPULATION COMPOSITION

Migration to Israel has several unique features. Unlike most migratory movements, migration to Israel can be characterized as a returning

1948-1952  
1953-1989  
1990-1995  
1996-2000

diaspora. Such migration is distinguished by two complementary features: first, the immigrants feel an affinity with the destination society even prior to migration and they exhibit feelings of homecoming upon arrival. Second, the host society and receiving institutions grant the newly arrived immediate and unconditional acceptance. Indeed, throughout the years, the state of Israel has been ideologically committed to the successful integration of immigrants into the society. This is most evident in the Law of Return, according to which every Jew has a right to settle in Israel, and citizenship is conferred automatically upon arrival. Furthermore, immigrants can benefit from state support in the transition from country of origin to country of destination.

Jewish immigrants arrived in Israel in a sequence of currents beginning at the end of the nineteenth century and continuing through to the present. It is useful to distinguish among four major and meaningful periods of immigration: immigration prior to statehood (1948), mass immigration immediately after the establishment of the state (1948-52), sporadic migration during the following three decades (1953-89), and mass exodus from the former Soviet Union (1989-95). Changes in migration flows to Israel are quite evident from Figure 19.1. The periods immediately after statehood (1948) as well as the period between 1990 and 1995 are periods of peak migration. The periods between the two peaks, however, are characterized by a low-level, fluctuating migration rate.

Figure 19.2 displays the immigration rate to Israel by the geo-cultural regions of the world from which immigrants arrived. Thus it provides information on the changes in the social and ethnic composition of the Israeli population. Two major geo-cultural groups

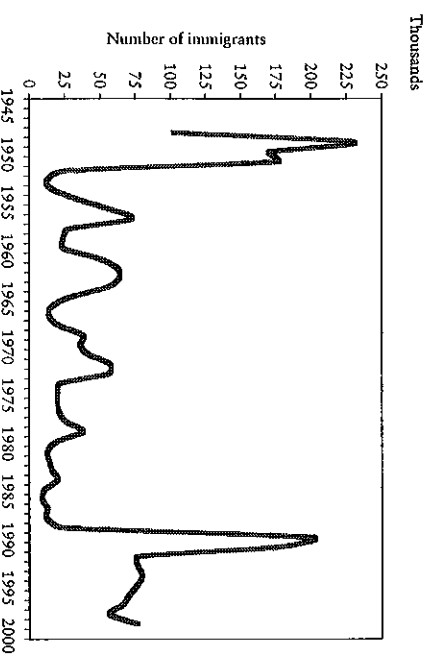


Figure 19.1 Number of immigrants to Israel by year, 1948-99  
Source: State of Israel, Central Bureau of Statistics.

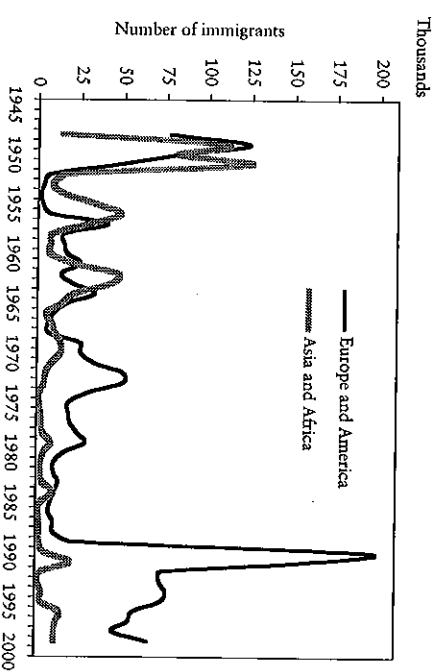


Figure 19.2 Number of immigrants to Israel by geographic origin, 1948-99  
Source: State of Israel, Central Bureau of Statistics.

are commonly distinguished within the Jewish population of Israel: Jews of Asian or North African (AA) descent and Jews of European or American (EA) origin. The latter group is advantaged in every aspect of social stratification, including education, occupational status and income (see Ben-Rafael 1982; Haberfeld 1993; Sennyonov 1996; Smooha 1978).

The first wave of migration to Palestine came mostly from Central and East European countries at the turn of the nineteenth century. This was largely an ideological migration, whose members had the goal of establishing a homeland for Jews. These immigrants established the pre-state political, economic and civil institutions which were in place at the time the State of Israel came into being. These early immigrants occupied the upper echelons of the social and economic institutions and constituted the elite of the newly founded state (Matras 1965).

The second period of migration pertains to the immigrants who arrived in Israel immediately following the establishment of the State. This wave was characterized by a massive immigration of refugees from the Muslim countries in the Middle East and North Africa, along with European survivors of the Holocaust. To appreciate the size of this immigration, it should be noted that during the first five years of independence, the Jewish population of Israel more than doubled, from 600,000 to over 1.5 million. The combination of the massive and heterogeneous immigration and the scarcity of resources in the post-war period had a detrimental effect on the socio-economic achievements of these immigrants, the consequences of which are still evident in the stratification system of contemporary Israel (Smooha

1978; Spilerman and Habb 1976; Semyonov 1996).

Immigration during the following three decades was scattered and sporadic. It was mostly the result of political, social and economic events in specific countries of origin (political unrest in South American countries, the Iranian revolution, famine in Ethiopia, and so on). The rate of migration during these years was rather low and did not strain the resources of the receiving society.

The year 1988 marks a turning point in immigration to Israel. Following the gradual erosion of the former Soviet Union, a mass of emigrants began an exodus from the Soviet republics. Israel was the primary viable destination for Jewish emigrants leaving the former Soviet Union. As a result, Israel, a country of 4.5 million, was faced with over 700,000 immigrants (400,000 of whom arrived between 1989 and 1991). Although the overwhelming majority of these immigrants were of Jewish ancestry, non-Jewish family members have also arrived as immigrants.<sup>1</sup> This new current comprised highly educated immigrants, most of whom had academic and professional training (Rajzman and Semyonov 1995; Lewin-Epstein et al. 1997).

#### COMPARING IMMIGRANT GROUPS BY SOCIO-ECONOMIC CHARACTERISTICS

Table 19.1 displays the basic characteristics of the Israeli labour force by time of immigration and by geo-cultural origin in 1974 and 1994 in order to examine the impact of immigration on patterns of ethnic stratification in Israel. The data presented in the table reveal that in each wave the immigrants from Asia or North Africa are younger and have lower levels of education than do immigrants from Europe or the United States. Asians and Africans are also characterized by lower levels of occupational status and lower levels of earnings. When the different groups of immigrants are compared over time, it becomes clear that all immigrants improved their educational levels over the years in Israel but the improvement among Jews from Asia and North Africa was much more dramatic. Nevertheless, Jews of Asian and North African descent were less successful in converting their improvement in education into occupational status and earnings. That is, the relative gaps in occupational status and earnings between immigrants from Asia/Africa and Europe/United States have not diminished. It seems that the improvement in education levels among Jews from Asia and Africa took place at the lowest end of the distribution, through educational programmes that eliminated illiteracy, but did not take place at the upper levels of the educational distribution.

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Table 19.1  
Socio-economic characteristics (mean and standard deviations) of immigrant population by period of immigration and geo-cultural origin, 1974 and 1994

Variable	Foreign-born (1974) Immigrant:						Foreign-born (1994) Immigrant:						
	Before 1948	1948-1952	1953-1974	Before 1948	1948-1952	1953-1989	Before 1948	1948-1952	1953-1989	1989-			
Age (in years)	49.0 (12.5)	56.0 (10.8)	44.0 (12.8)	51.0 (13.8)	43.4 (14.3)	48.5 (11.3)	64.7 (11.0)	71.4 (10.9)	65.0 (12.8)	50.1 (14.0)	52.8 (17.3)	54.2 (19.1)	53.4 (18.9)
Education (in years)*	6.6 (4.6)	10.3 (3.5)	6.3 (4.6)	9.7 (3.9)	10.4 (4.5)	9.2 (3.8)	10.8 (3.6)	10.7 (3.7)	10.7 (4.0)	10.7 (3.6)	12.7 (4.1)	7.4 (5.4)	12.7 (3.9)
Occupational Status**	34.9 (16.1)	43.0 (18.4)	33.6 (15.2)	42.6 (18.2)	32.5 (15.0)	43.2 (17.2)	39.7 (19.1)	45.7 (18.1)	50.3 (20.0)	40.2 (18.1)	51.8 (21.7)	32.8 (21.3)	38.2 (21.3)
Earnings (in Israeli shekels)	2,043 (1,022)	2,356 (1,221)	1,915 (988)	2,242 (1,206)	1,988 (977)	3,896 (3,313)	5,219 (4,831)	3,820 (3,511)	6,137 (5,429)	4,150 (3,480)	4,521 (3,480)	1,742 (1,803)	2,345 (1,803)

AA: Jews of Asian or (North) African origin.

EA: Jews of European or American (EA) origin.

\* Years of formal schooling.

\*\* 100-point scale for occupational status in Israel.

Source: Israel Central Bureau of Statistics: Labour Force Surveys and Income Surveys.

In this regard, it is important to note that the gaps between Asians and Africans and Europeans and Americans are most pronounced among those that arrived during the period of mass immigration, right after statehood. Furthermore, in 1994 the gaps between these immigrants had not declined but rather had increased. Apparently, almost fifty years after statehood, Asian and African immigrants who arrived in the second wave could not close the socio-economic gap. In effect, they, unlike Jews of European origin, are still victims of the special circumstances and the context of their immigration. In any event, the data show that the occupational status and earnings of all immigrants tend to improve over the years, but the disparities between immigrants of different ethnic groups have not declined.

The socio-economic differences between immigrants from different regions of the world can be explained, to some extent, by different levels of human resources and skills (that is, education) and by different cultural orientations. The data show that, regardless of the period of arrival, Jewish immigrants of Asian and African origin were characterized by lower levels of formal schooling than were Jewish immigrants of European and American origin. Even though the former group has considerably increased their level of education over the years, the gap has remained substantial. In addition, one should consider that immigrants from Asia and North Africa arrived from societies with traditional orientation, culture and values. Such sociocultural orientation is, indeed, a disadvantage in a society whose ties and connections are with the West, and which is committed to modern Western values and

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orientation (Ben Rafafel 1982; Eisenstadt 1954). However, it is reasonable to expect that the impact of cultural orientation that was so pronounced in the first generation of immigrants would diminish in the second generation. The mean socio-economic attributes of the Israeli-born labour force population, classified by geo-cultural origin of the father, are presented in Table 19.2.

Table 19.2  
Socio-economic characteristics (mean and standard deviations) of Israeli-born by geo-cultural origin, 1994

Variable	Native-born (1994) - father born in:			
	Asia or Africa	Europe or America	Israel	
	F	M	F	M
Age (in years)	35.7 (9.0)	35.4 (9.0)	42.7 (11.0)	41.7 (11.2)
Education (in years)*	11.9 (2.7)	11.7 (2.8)	13.9 (3.2)	14.0 (3.5)
Occupational status**	43.8 (18.4)	41.4 (16.5)	54.5 (18.7)	54.7 (19.2)
Earnings (in Israeli shekels)	2,877 (1,815)	4,474 (2,773)	7,166 (2,769)	7,166 (5,572)
				3,326 (3,220)
				6,110 (4,998)

\* Years of formal schooling.

\*\* 100-point scale for occupational status in Israel.

Source: Israel Central Bureau of Statistics: Labour Force Surveys and Income Surveys.

The figures show that the ethnic disparities among sons and daughters of immigrants - second-generation immigrants - have not vanished. That is, the gaps between Israelis of Asian or African origin and European or American origin have not declined. In fact, for the most part, the occupational and earnings gaps are more pronounced among second-generation immigrants than among first-generation immigrants, and several researchers suggest that the gaps have systematically increased (Habertfeld 1993). An explanation of this finding is rather complex. It is important to emphasize, however, that occupational and economic gaps between ethnic groups are mostly due to educational gaps, to some extent due to differential opportunity structure (Spilerman and Habib 1976) and even to some prejudice and discrimination (Smoocha 1978; Swirski 1995).

#### ECONOMIC COSTS AS AN INDICATION OF INTEGRATION

Israel is committed to nation-building and thus to the successful integration and absorption of its immigrants into the social and economic system. Immigrants tend to lose socio-economic status upon arrival to the new country but improve this status over the years due to better integration. One way to examine the extent to which immigrant

integration has been successful is to estimate the economic 'costs' immigrants pay when compared to the native-born population and the extent to which such costs decrease with the passage of time in the new country. Such estimates can be obtained by deriving the expected earnings of an immigrant group, had their earnings been determined exactly like the Israeli-born population with similar characteristics. The difference between actual and expected earnings serves as an estimation of 'cost' or the 'loss' experienced by immigrants (for further details on the estimation procedure, see Semyonov 1996).

The 'cost' of being an immigrant (in terms of earnings), as compared to being Israeli-born, was estimated for various immigrant groups, classified by geo-cultural groups, by gender and by time in Israel. The results (presented in Table 19.3) indicate that, regardless of country of origin and regardless of gender, the costs are substantial upon arrival, but small - even negligible - after more than twenty years in the new country. That is, the economic disadvantage of immigrants tends to decline with the passage of time in the host society.

Table 19.3  
Earnings costs\* for immigrants by gender, geo-cultural origin and time since immigration: Israeli labour force, age 25-64, 1991-93

Geo-cultural origin and time in Israel	Men		Cost	Women		Cost
	Ln(0) Observed earnings	Ln(E) Expected earnings**		Ln(0) Observed earnings	Ln(E) Expected earnings**	
Asian and African						
Under 5 years	7.533	7.945	0.412	6.823	6.998	0.175
5-10 years	7.489	7.881	0.392	7.110	7.196	0.086
10-20 years	7.903	8.081	0.178	7.249	7.514	0.065
20+ years	7.817	8.052	0.235	7.085	7.144	0.059
European and American						
Under 5 years	7.557	8.001	0.444	7.209	7.540	0.331
5-10 years	8.067	8.298	0.231	7.392	7.583	0.191
10-20 years	8.265	8.353	0.088	7.523	7.629	0.106
20+ years	8.199	8.252	0.053	7.487	7.593	0.106
Former Soviet Union						
Under 5 years	7.527	8.061	0.534	7.004	7.493	0.488
10-20 years	8.071	8.196	0.125	7.630	7.664	0.034
20+ years	8.223	8.275	0.052	7.663	7.652	-0.001

\* Values are presented in terms of the natural logarithm of earnings (Israeli shekels).

\*\* Expected earnings were estimated through regression equations predicting earnings for the relevant Israeli-born labour force population, age 25-64. For more details see Semyonov 1996.

Source: Semyonov 1996.

The data reveal considerable variation in the size of the economic costs across geo-cultural groups. Whereas all 'new arrivals' (fewer than five years

in the country) experience economic disadvantage, the disparity between actual and expected earnings is most extreme among immigrants from the former Soviet Union. The earnings disadvantage of this group of immigrants can be attributed to the special circumstances of their arrival. They came to Israel in large masses in a very short period of time. They generated remarkable pressure on the Israeli economy. The labour market, in turn, was unable to produce suitable jobs for the 'too many' highly educated immigrants. Consequently, these immigrants faced considerable hardships in finding suitable and rewarding jobs in the Israeli labour market; hence, the dramatic economic disparity between actual and expected earnings. It is not yet clear to what extent the unique circumstances associated with this cohort of immigrants will have a lasting effect on their future status and economic outcomes in the Israeli labour market.

In general, the economic disadvantages of immigrants who have been in Israel more than twenty years are quite low. The only group that still faces considerable disadvantages in the Israeli labour market is the Asian and African group. These immigrants (most arrived shortly after statehood in large masses as refugees from the less developed countries of the Middle East and North Africa) cannot escape the detrimental consequences of their subordinate ethnic origin and the circumstances of their arrival in Israel. That is, even after more than twenty years in Israel, Asian and African immigrants still experience economic disadvantages in comparison to the Israeli-born. Researchers have explained these disadvantages as resulting from a combination of inferior opportunity structures, prejudice and institutional discrimination (Spileman and Habib 1976; Smoocha 1978; Swirski 1995).

The data suggest that those who stayed long enough in Israel (except for the Asians and Africans) were able to attain high status and more lucrative jobs. It should be noted, however, that immigrants from the highly developed countries in Europe or the United States are a select group. Unlike Asians and Africans or Russians, these immigrants can return to their country of origin if they are unsuccessful in Israel and are free to do so. That is, if unsuccessful, many of them can adopt the option of leaving Israel and returning to their home countries. Indeed, the groups of immigrants from Europe and the United States are those who have enjoyed economic success in Israel. They are the immigrants who show a steady improvement in earnings and decline in cost over time.

THE ROLE OF THE STATE

Research on migration to Israel has generally patterned itself on the study of migration in other immigrant societies, most notably the United States and to a lesser extent Canada and Australia. The basic

assumptions underlying these studies view the incorporation of immigrants into the host society in terms of assimilation. Immigrants tend to enter at the bottom of the stratification system of the host society and, with the passage of time, they acquire the social and cultural capital which enables them to improve their position. Eventually they achieve parity with native-born members of the society (that is, they receive equal returns on their work-related resources). These models assume, by and large, a market economy where rewards reflect the degree of assimilation in the host society. According to this model, the disparities among immigrants and native-born citizens should decline with the passage of time (see Semyonov 1996).

The market model of immigration as used in other societies is rather problematic when it comes to Israel. Throughout most of its history, decision-making in Israel has been highly centralized and the state has been intensively involved in shaping the opportunity structure and immigration policies. Indeed, one cannot ignore the major role played by the state in the incorporation and absorption of immigrants.

The central role of the state is evident in all spheres of life. The state provides settlement assistance to new immigrants during the first years after arrival. The assistance includes stipends and language instruction, free housing for several months and subsidies for the purchase of homes, job training and employment services as well as tax exemptions. In that sense, the state of Israel has established a 'social contract' with the new immigrants.

While the involvement of the state is aimed at facilitating the transition to the host society, it also creates dependency. Furthermore, in many cases, state actions have had detrimental and long-term consequences for the social and economic status of immigrants. Thus, one has to consider two major factors when studying the impact of the state on the emergence of ethnic stratification in Israel: first, the rate of state control and the rate of immigrants' dependence on state authorities and agencies; and second, the amount of resources provided by the state to immigrants. These two factors have varied considerably throughout the years, hence shaping the system of ethnic stratification.

Figure 19.4

Typology of state involvement in immigrant absorption

Societal resources			
State control	Low	High	
Low	Period 1 Pre-state immigration	Period 4 Recent mass-immigration	
High	Period 2 Post-independence immigration	Period 3 Intermittent immigration	

In a somewhat simplified model, one can consider a two-dimensional table. The first dimension pertains to societal resources (differentiating between high and low). The second dimension represents the level of state control (as opposed to market control) which is also (inversely) related to the level of immigrants' dependency. According to this typology, the pre-state period is characterized by a low level of societal resources and a low level of centralized control.

The years immediately following Israel's independence, during which mass refugee migration took place, were characterized by scarce societal resources available for allocation and a high level of state control. During this period the immigrants became extremely dependent on state agencies and state policies. Early on, the state engaged in a rapid development of new housing projects. When this did not suffice, tent towns were erected on the outskirts of major cities and, finally, a policy of population dispersion was enacted. Immigrants were directed to newly created development towns in the peripheral regions of the state. Concomitantly, new industries were developed in these towns which offered primarily low-paying jobs in labour-intensive industries. To date, these towns are still characterized by limited industrial and occupational structure and a high concentration of a population that immigrated from North Africa. This pattern of settlement has long-lasting consequences, as observed in the data presented in the previous tables.

In the following years (1960s to 1980s), while immigration to Israel had actually declined, resources for immigrants' absorption substantially increased. At the same time, state involvement in policy on immigrants and the government's assistance services were intensive. During this period, there was much less pressure on the job and housing markets and immigrants faced substantially better opportunities for achievement and for socio-economic success in the new society.

Finally, after 1989, a large current of immigrants from the successor states of the former Soviet Union arrived in Israel. The period is characterized by a high level of resource availability to be allocated to the new immigrants, but low levels of state control over immigrants' absorption processes. A new policy of immigrants' absorption – 'direct absorption' – had been established. According to this policy, immigrants receive an 'absorption basket' – cash and services. Thus, new immigrants could adopt various strategies of absorption with state assistance. They could choose where to reside, they could study the labour market before taking a job or choose a job-retraining programme and the like. Although it is rather early to arrive at a conclusion regarding the last period of immigration, intermediate assessment shows that the position and status of recent Russian immigrants have improved considerably since their arrival. They are closing the gaps with Asian and African immigrants who arrived in earlier currents of immigration.

## CONCLUSION

The proposed model calls attention to the importance of the state and the role the state plays in shaping the system of stratification in immigrant societies. The model was illustrated with data on labour market outcomes among ethnic groups in Israel with specific reference to the returning diaspora in the process of nation-building. The data presented in this article underscore considerable socio-economic gaps between ethnic groups, not only in the first generation of immigrants, but also in the second generation. This model leads to a better understanding of the sources of socio-economic gaps by introducing social policies and the role played by the state. When considering the massive immigration to Israel and the fact that many of the immigrants are actually refugees, one has to entertain the possibility that without government help and support, the gaps observed between immigrant groups could have been even greater.

## NOTES

- 1 There are no accurate estimates of the number of non-Jewish family members in the last wave of immigrants from the former Soviet Union. Also, the definition of 'Jewish origin' used by the immigration authorities and the religious institutions differ considerably. In general, estimates of the non-Jewish immigrants range between 20 and 25 per cent of the total who arrived in this period.