

Instant Absorption of Immigrants and Persistent Exclusion of Arab Citizens in Israel

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Summary: In contrast to most of the other countries presented in this volume, in Israel there is no 'host' group; all but a small fraction of the population are either immigrants, children of immigrants or members of an excluded indigenous minority. Moreover Israel is stratified not only along ethno-national lines dividing Jews from the indigenous Palestinian population but also between Ashkenazi (predominantly originating from Europe) and Sephardim (predominantly from North Africa and the Middle East). Regarding unemployment, our findings reveal that all male immigrant groups, as well as Palestinians, have higher probabilities than third-generation Jews of being unemployed. These results possibly reflect the advantage enjoyed by the founding generation and their offspring in terms of both residence in proximity to large labour markets and greater access to the more secure public sector jobs. This difficulty is reflected in the high odds of first-generation immigrants from the former USSR of being unemployed, while there is no generational difference in the likelihood of being unemployed for all other ethnic groups. The multivariate analyses revealed that, even after controlling for education and demographic attributes, Jews of Middle Eastern and North African origins had lower odds of attaining higher class positions than second-generation Israelis and Jewish immigrants of European descent. The odds of Palestinian men attaining such class positions were even lower. Similar patterns were found for the class position of women. The above patterns of differential ethnic advantage are further amplified by the

greater sensitivity of the odds of obtaining higher class occupations to education, among Palestinians and to a lesser extent among Mizrahi Jews, compared with Jews of European origin. Put differently, Palestinians (and to some extent Mizrahim) must have higher education on average than their 'co-workers' of Jewish European origin to attain the same class positions.

Ethnic divides

ISRAELI SOCIETY IS SMALL (6.5 MILLION RESIDENTS) and ethnically diverse. Over the years numerous studies have documented the structure of ethnic stratification in Israel. Its central features include an acute divide along ethno-national lines separating Jews and Palestinians¹, and cultural as well as socio-economic distinctions based on ancestral origin within the Jewish population. With respect to the ethno-national divide, Palestinian Arabs are disadvantaged on every dimension of stratification. They have little political power, relatively low educational achievements, they are more likely to hold low status jobs, and have a standard of living that is substantially lower than that enjoyed by Jews (Al-Haj 1996; Lewin-Epstein and Semyonov 1993; Sa'di 1995). Within the Jewish population, ethnicity is an important stratifying factor as well. As an immigrant society the place from which one's family emigrated and the timing of migration have played a central role in determining the distribution of symbolic as well as material rewards among Jews, and life chances are strongly associated with one's ancestry (Cohen and Haberfeld 1998; Kraus and Hodge 1990; Lewin-Epstein and Semyonov 2000).

In order to comprehend the structure of inequality in Israel, and ethnic stratification in particular, it is necessary to bear in mind the historical processes that shaped Israeli society and its population composition during the second half of the twentieth century. The Jewish population, which numbered approximately 650,000 when the State of Israel was established in 1948, recently crossed the five million mark. The eight-fold increase was largely due to the continuous flow of immigrants. Indeed, immigration accounts for approximately 50% of the growth of the Jewish population.

¹ We use the term Palestinians, which is currently preferred by most Arab citizens of Israel. The reader should be aware, however, that our study does not include the Palestinian population residing in the West Bank and Gaza.

Jews migrated to Israel from practically every country on the globe. They were a diverse population in terms of their personal and family characteristics as well as the environments from which they emigrated (e.g., Semyonov and Lerenthal 1991; Khazzoom 1998). Modern Jewish migration to Israel (Palestine, at that time) began over a century ago. The first wave came mainly from East European countries, inspired by the Zionist vision of establishing a national home for the Jewish people in the Biblical Land of Israel. Additional waves followed in the early decades of the twentieth century consisting of Jews who feared the surge of anti-Semitism in Europe and hoping to build a Jewish society in the historic homeland. These immigrants established the pre-state political, economic and civil institutions, which were in place at the time of Israel's independence. Mass migration began only after the establishment of the State of Israel. European Jews—many Holocaust survivors—began arriving in 1947 and their numbers increased dramatically in 1948 and 1949.² Concomitant with the Jewish exodus from Europe, large numbers of immigrants arrived from Middle Eastern countries (primarily Iraq and Yemen) followed by immigrants from North Africa. This wave of mass migration was characterised by the uprooting and resettling of entire Jewish communities in Israel; most immigrants were refugees that arrived with only few belongings (Dominitz 1997; Semyonov and Lewin-Epstein 2002).

The decades following these mass movements were characterised by sporadic migration. The level of immigration depended mainly upon the degree of restrictions imposed upon Jewish emigration in source countries or upon various conditions that determined the desirability of Israel as a destination. In addition to political events in Israel itself, these included such developments as the Iranian revolution, unrest in South America, and the collapse of the Soviet Union which unleashed, by the end of the 1980s, the second major wave of Jewish immigration to Israel. During the last decade of the twentieth century over one million immigrants arrived in Israel, mostly from the former USSR, increasing its population by nearly 20%.

Although they came from diverse places, Jews residing in Israel have been categorised mostly according to their continent of origin—European Jews (and their descendants who arrived in Israel via the Americas); and Jews from Muslim countries. This division largely coincides

² For the annual numbers and origin distribution of immigrants since 1948, see <http://www.cbs.gov.il/shnaton53/dia04_01h.shtml>.

with a cultural distinction between the Ashkenazi and Sephardim religious traditions, which evolved over the centuries and was reinforced by the different environments in which Jews resided. Most European Jews are Ashkenazi and most Jews from Muslim countries, also referred to as Mizrahim (literally, Eastern), are Sephardim. From early settlement in Israel this categorisation of Jews has constituted a central fault line of Jewish Israeli society.

A combination of historical processes resulted in social and economic inequality and competition among the immigrant groups and their descendants. Due to the scope of this project we cannot discuss these in great detail. Nonetheless, it is essential to note the strong overlap between ethnic origin and class position. Ashkenazim had several advantages that gave them a head start. As a rule immigrants from Europe were relatively well educated, and were disproportionately represented in white-collar occupations. When they first arrived they established political, social and economic institutions that were modelled, for the most part, on (East) European societies. When additional waves of Ashkenazi immigrants arrived, these early immigrants used their dominant position in the political institutions and state bureaucracies to incorporate the newcomers into the evolving society. At the same time the policies they shaped and implemented upheld their advantages, often to the detriment of other groups such as immigrants from the Muslim countries and the indigenous Arab population (Segev 1991; Shohat 1988). Additionally, many immigrants from Europe received reparation payments from Germany after the Holocaust at a time when financial resources were scarce. Many of them used the funds they received to better their living conditions, establish small businesses and to ensure the material future of their offspring. As a consequence of the developments just described, Jews of European origins have dominated the social and economic order, and their advantaged position is still manifested in higher levels of education, occupational prestige and economic well being.

While most researchers of Israeli society used the dichotomous distinction between Ashkenazim and Mizrahim when studying the Jewish population, some studies have noted the heterogeneity of the Mizrahi category and underscored the need to distinguish between North African Jews who came primarily from Morocco, Algiers and Tunisia; and Middle Eastern Jews most of whom arrived from Iraq, Iran and Yemen (Nahon 1987; Elmelech and Lewin-Epstein 1998). Some students of Israeli ethnicity have also argued that the broad categories that coincide with continent of origin mask significant social differences that derive largely from

the specific countries from which Jews emigrated. This is true for Jews who migrated from Europe as well as immigrants from the Middle East. These scholars argue that the use of a more refined classification of ethnic origin provides additional insight into the dynamic process of ethnic stratification in Israel (Semyonov and Lerenthal 1991; Khazzoom 1998). In a recent Ph.D. dissertation, Karin Amit (2002) evaluated the costs and benefits of using detailed rather than aggregate classifications of ethnicity in models of occupational attainment and earnings. Like Nahon (1987) before her, she found that during the 1970s and 1980s there was a convergence of the attainments of ethnic groups defined by country of origin within the two main blocks—Ashkenazim and Mizrahim. Among the sons and daughters of immigrants this crude classification of ethnicity captures nearly all of the variance between groups in occupation and earnings. However, using data collected in 1995 Amit then discovers the beginnings of a divergence of groups within the Mizrahi cluster during the 1990s. This result is consistent with findings reported by Shavit and his associates (Shavit *et al.* 1999) that the educational attainment of Middle Eastern Jews, but not that of North Africans, tends to converge with the educational attainment of Ashkenazim. As a group, Jews of North African origins have lower standing than those originating in the Middle East who, in turn, have lower education and socio-economic attainment than Ashkenazim. The present study employs data for the entire 1990s and one of our objectives will be to assess the degree of divergence in the occupational attainment of Mizrahim.

Immigration policy—ethnic inclusion and exclusion

Israel's immigration policy differs from that of other migrant societies (e.g., USA, Canada, and Australia) which control immigration through the establishment of priorities and preferences, quotas, and other means that limit immigrant entry. Israel defines itself as the State of the Jewish people and was established as a haven for all Jews, a place where they will be safe from persecution and discrimination. In accordance with this, the State of Israel views Jewish immigrants as a returning diaspora and sees the return to their historic homeland as the given right of all Jews. Consequently, ever since its establishment the state has practised an 'open door' policy accepting all Jews (but only Jews) who wanted to settle in Israel.

The centrepiece of Israel's ethnicity-based immigration policy is the Law of Return. The law, passed in 1950, states that every Jew has the right

to settle in Israel, unless s/he has committed acts against the Jewish people or is liable to endanger public health and state security. Jews who immigrate to Israel acquire Israeli citizenship upon arrival and are entitled to all benefits conferred by this status (Horowitz 1996). Jewish identity of immigrants supersedes other considerations such as age, profession and financial status, or any other entrance requirements (Geva-May 1998; Dominitz 1997).³ Throughout the years, Israeli governments have considered Jewish immigration a demographic imperative for the Jewish state in light of the rapid natural growth of the Arab population within Israel and around its borders. Hence, immigrant absorption is considered a fundamental responsibility of the state. Employment, language learning and social absorption are regarded as interwoven, and actions are undertaken by the government in these realms to facilitate absorption goals.

While Israel applies generous inclusionary practices to encourage the immigration of Jews from around the world, its policies toward non-Jews are generally exclusionary. There are no standard procedures for immigration to Israel for people who are non-Jewish. Indeed, it is all but impossible for non-Jews to gain permanent residence or Israeli citizenship. During the last decade of the twentieth century immigration policy was adapted to the needs of employers (especially in agriculture and construction) and thousands of migrant labourers entered the country. At present an estimated 250,000 foreigners reside in Israel as legal and illegal migrant workers. They have limited access to state and welfare institutions, are vulnerable to various forms of exploitation and are constantly under threat of expulsion. Most illegal migrant workers try to avoid surveys and are not likely to be represented in the Labour Force Surveys employed in the study; thus we are unable to study them distinctly.⁴ This is unfortunate because many other studies in this volume discuss in detail labour immigrants and their descendants.

While Israel's immigration policy has so far prevented large numbers of non-Jews from establishing a permanent home in Israel, Palestinian Arabs who were living in Israel at the time the State was established were

³ *Halakha* (Jewish religious law) defines a Jew as any person born to a Jewish mother or converted to Judaism. Immigration to Israel determines eligibility for citizenship by means of an ascriptive, ethno-religious, criterion based on identification, which includes Jews, children and grandchildren of Jews and their nuclear families (even if the latter are not Jewish). Inclusion of non-Jewish spouses and descendants to the third generation was recognised by an amendment to the Law of Return passed in 1970 (Horowitz 1999; Shuval and Leshem 1998; Dominitz 1997).

⁴ See Kemp *et al.* (2000) and Rozenhek (2000) for research on migrant workers in Israel.

granted citizenship and have been partially integrated into Israeli society. Of the 600,000 Palestinians who in 1947 resided in the territory that became the State of Israel, only 156,000 remained by 1949. The others fled or were driven out during the 1948 war and not permitted to return. Hence, the growth of this population, which now exceeds 1.2 million, represents natural growth.⁵ The Arab residents that remained in Israel were mostly villagers, cut off from their political, intellectual and economic leadership that fled (or was driven out) during the war. Over the years the status of Arabs in Israel has been determined by a combination of factors. Most prominent among them are the Zionist definition of Israel as a Jewish homeland, the broader Arab-Israeli conflict and the security considerations it entails, and the democratic character of the state (Al-Haj 2002; Smoocha 1990; Rouhana and Ghanem 1998). When these factors are in conflict it is the latter that most often gives way.

Then and now Arabs are highly segregated from the Jewish population and most Arabs still reside in over-grown and overcrowded villages that offer few employment opportunities. Most of these communities were under military rule until the mid-1960s and their development was hindered as a result of, on the one hand, constraints imposed by the State and, on the other, wilful neglect (Khalidi 1988; Lewin-Epstein and Semyonov 1993; Lustick 1980). The Arab population is not homogenous: 80% are Sunni Muslims, slightly over 10% are Christians (of several denominations), and less than 10% are Druse. Although the Arab population grew almost eight-fold during the fifty years following Israel's independence, they constituted approximately 17% of Israel's population throughout the period. The combination of spatial segregation and political and economic domination by the Jewish majority has marginalised the Arab population and rendered its communities to a socio-economic periphery (Al-Haj and Rosenfeld 1990; Sa'di 1995; Yiftachel 1997; Lustick 1980).

Research question

In this chapter we hope to meet several research objectives. The first is to provide descriptive data on differences in education, labour-force participation and occupational attainment between detailed ethnic groups and

⁵ One sixth of this population (slightly over 200,000) reside in East Jerusalem which was annexed following the 1967 war.

generations of immigration. Second, we aim to estimate change across generations of immigration in ethnic differences in labour-force participation and occupational attainment. Our third objective is methodological: to evaluate the extent to which a detailed classification of ethnic groups adds to our understanding of ethnic stratification in Israel, above and beyond the use of the standard classification that distinguishes between Palestinians, Ashkenazim, North Africans and Middle Easterners.

Data and variables

We utilise a compiled file of Labour Force Surveys for the years 1992–2000. For the years 1992–4 we include all individuals aged 25–59 and for the years 1995–2000 all individuals aged 21–59 are included in the sample.⁶ The advantages of the labour-force surveys are their large sample sizes, good quality data on labour-force participation and ethnic origins, and their continuous availability. The major drawback of these data is the absence of information on social background and their rather crude measures of education. The files include information on the duration of education in years and the type of school last attended but no information is available on whether or not respondents graduated.

Variables

The models presented in this chapter follow the guidelines laid out in the introductory chapter of this volume, with the following modifications.

Year: This variable represents the year of the LFS and ranges from 1992 to 2000. In preliminary analyses we coded year as a set of dummy variables but since their effects were quite linear and in the interest of parsimony, we present models that employ the continuous version

Ancestry: The following categories have been distinguished in the analyses, including respondents who were born (or whose parents were born) in the following areas:

- *Palestinians:* All Muslim, Christians and Druse who were born in Israel;
- *Third Generation Jews:* Native Jews whose parents were also born in Israel; this category will serve as the reference category in the majority of analyses;
- *Middle East:* Iran, Iraq, Turkey, Lebanon or Egypt;
- *North Africa:* Morocco, Algeria, Libya and Tunisia;
- *South Asia:* India and Pakistan;
- *East Europe:* Former East European Soviet Bloc countries;
- *West Europe:* Other European countries;
- *North America and Oceania:* USA, Canada and Oceania;
- *Latin America:* All Latin American countries.

Several very small groups were excluded from the analysis, including Ethiopians and respondents of mixed ethnic origins.⁷ In earlier (unreported) analyses we attempted to include them but encountered problems in estimating some of their effects. In all, we excluded at this stage about 4% of the sample.

Finally, a dichotomous variable entitled 'generation' has also been included, with the purpose of identifying first-generation immigrants, or persons who immigrated to Israel after the age of six.⁸

Descriptive analysis

We already noted that Israel is a society of immigrants. This is seen in Table 8.1 which presents the distribution of the population by immigration generation for the years 1992 to 2000. About one-third of the population are first-generation, or immigrants who were older than six upon arrival; an additional 40% are second-generation immigrants, who are native children of immigrants or who immigrated themselves prior to age six. The proportion of the third-generation (i.e., the sons and daughters of native parents) is 20% to 30%, most of whom are Palestinians. Thus, and by contrast to the other countries presented in this volume, in Israel there is no 'host' group; all but a small fraction of the population are either immigrants, children of immigrants or members of an excluded

⁶ Since most young adults in Israel are subject to two to three years of compulsory military service at the age of 18, we decided on age 21 as the lower cut-off point for the study. Up to 1994, however, all persons aged 18–24 were grouped together in official statistics. Hence, for these years only people aged 25 or older are included in the data set.

⁷ The LFS files for 1992 through 1994 do not include information on mother's country of birth and immigration status. Therefore, for these years we cannot distinguish mixed origins.

⁸ As in other chapters in this volume, we have excluded respondents whose parents were of different immigration generations.

Table 8.1. Generational composition of the Israeli Population, 1992–2000 (column percentages).

	1992	1993	1994	1995	1996	1997	1998	1999	2000
First generation	32.2	32.1	32.0	31.2	31.2	30.6	29.2	29.2	29.1
Second generation	45.9	46.1	45.9	40.9	41.3	41.1	41.7	40.5	40.3
Third-generation	6.4	6.4	6.6	6.1	6.4	7.1	8.3	9.0	9.0
Jews									
Palestinians	14.4	14.3	14.5	16.9	16.8	17.3	18.8	19.6	19.9
Unknown	1.2	1.0	1.0	5.0	4.3	4.0	1.9	1.7	1.6
N	54,361	53,007	57,580	57,376	58,214	56,893	60,530	60,385	59,632

Note: For surveys from 1992 to 1994, includes adult population aged 24 to 59; otherwise inclusive of ages 21 to 59.

indigenous minority. This configuration suggests that an analysis of ethnic stratification in Israel should not focus on the incorporation of ethnic and immigration groups into the host group but rather study change across time and generations of immigration in the pattern of association between group membership and position within social hierarchies.

The proportions of first- and second-generation immigrants in the year 2000 are shown by ethnicity in Table 8.2. As seen, the most recent arrivals are the East Europeans, most of whom arrived after 1989 from the former USSR, North Americans and Latin Americans. The latter two groups immigrated primarily during the late 1960s and 1970s.

Table 8.3 presents the distribution of ethnic origins in 2000. The largest groups, in the following order, are: East Europeans, third-generation

Table 8.2. Relative size of population in 2000, by area of origin (row percentages).

	Second generation	First generation	N
Middle East	84.1	15.9	8,906
South Asia	61.5	38.5	671
North Africa	78.1	21.9	8,496
Eastern Europe	31.3	68.7	16,222
Western Europe	64.3	35.7	2,591
North America and Oceania	23.7	76.3	1,046
Latin America	26.0	74.0	863
Middle East and North Africa	100.0	0.0	620
Middle East and Europe ^a	100.0	0.0	674
North Africa and Europe	100.0	0.0	444
Europe and Europe	100.0	0.0	967
Palestinian	100.0	0.0	2,776
Israel	100.0	0.0	14,690

Notes: Inclusive of adult population aged 21 to 59.

^a Including Other developed and Latin America with Europe.

Table 8.3. Distribution of ethnic origins in Israel, 2000.

	Per cent
South Asian	1.18
Latin American	1.51
North American and Oceanic	1.83
West European	4.63
Palestinian	21.44
North African	15.09
Middle Eastern	15.84
Third-generation Jewish	9.7
East European	28.77

Jews, Middle Easterners, North Africans and Palestinians. The other groups are numerically quite small. This is significant because it suggests that the standard classification of ethnicity employed by most previous studies probably captures much of the variation between persons in social resources and achievements. As noted, the standard classification distinguishes between Ashkenazim (most of whom are of East European origins), North Africans, Middle Eastern Jews and Palestinians. Third-generation Jews are usually grouped together with Ashkenazim on the assumption that most of them are descendants of the Russian and Polish immigrants who arrived in the late nineteenth and early twentieth centuries.

Ethnic inequalities in education are shown in Tables 8.4A and 8.4B for men and women respectively. As can be seen, Palestinians and Jews of North African, Middle Eastern and South Asian origins attain lower levels of education than Europeans, third-generation Jews and the American groups. Interestingly, within most ethnic groups only small differences appear between the first and second generations. If anything, in the advantaged groups, the second-generation seems to attain lower educational levels than the immigrant generation. Evidently, immigration from developed countries to Israel entails a small 'educational penalty'. The educational aspirations of European Jews are said to be very high by comparison to both the general population in their countries of residence, and to non-European Jews. When living in developed countries they take advantage of the available educational opportunities and realise these aspirations. Where Jews are a small minority many of them can pursue professional careers through higher education. However, in Israel, where Jews are the majority, not all can find employment in the professions. In addition, the economy cannot sustain universal higher education. Therefore, immigration to Israel 'normalised' the educational

Table 8.4A. Highest education qualification, by ancestry: Males (row percentages).

	Primary or less	Lower secondary	Upper secondary	Some tertiary	Full tertiary	Unknown	N
First generation							
North African	23.3	27.7	19.1	11.9	11.3	6.6	1,567
Middle Eastern	25.3	20.5	18.9	11.8	14.2	9.2	1,283
South Asian	21.4	22.3	33.0	5.4	15.2	2.7	112
East European	7.2	12.3	16.2	21.8	39.9	2.7	5,925
West European	4.5	13.1	21.5	13.9	42.4	4.7	519
Latin American	3.3	10.6	17.2	21.5	46.4	1.1	414
North American and Oceanic	0.0	3.3	29.9	6.3	59.5	1.1	499
Second generation							
North African	11.6	39.5	21.4	10.6	12.2	4.7	4,144
Middle Eastern	11.2	37.0	20.2	11.1	16.3	4.2	5,231
South Asian	11.2	38.8	17.0	12.1	14.1	6.8	206
East European	4.5	20.2	15.8	14.8	40.8	4.0	3,827
West European	5.3	16.7	22.5	15.0	37.1	3.3	1,387
Latin American	0.0	15.7	16.5	15.7	46.3	5.8	121
North American and Oceanic	0.0	4.1	41.3	6.6	47.9	0.0	137
Third generation or indigenous							
Palestinian	42.8	8.3	26.2	6.0	10.9	5.8	6,185
Jewish	3.7	17.8	34.1	10.9	30.7	3.1	2,851

distribution of Ashkenazim in the sense that it is more similar to those of other populations in advanced societies than is their educational distribution pre-immigration. Among the Mizrahi (Middle Eastern and North African) groups differences between generations are not systematic.

Tables 8.5A and 8.5B present the distributions of economic activity for men and women respectively. The data reveal some expected patterns: among men, the labour-force participation rates of Latin Americans and Europeans are higher than among Palestinians and first-generation Mizrahim. A somewhat unexpected finding, however, is the high proportion of men of North American origins and third-generation Jews who are inactive. These are highly educated groups that do not suffer from discrimination or exclusion in the labour market; why are so many of them (over 20%) inactive? We hypothesise that the answer is related to the disproportionate concentration of ultra-orthodox Jews among immigrants originating in North America and among Jews who have lived in Israel and Palestine for several generations. Many ultra-orthodox Jewish men devote their life to religious study rather than gainful employment. They subsist on charity, family assistance and social security. Most survey

Table 8.4B. Highest education qualification, by ancestry: Females (row percentages).

	Primary or less	Lower secondary	Upper secondary	Some tertiary	Full tertiary	Unknown	N
First generation							
North African	34.5	18.5	25.3	10.6	8.0	3.1	1,777
Middle Eastern	6.3	33.3	26.1	12.1	13.5	8.7	1,305
South Asian	10.3	30.0	24.4	15.4	15.7	4.3	193
East European	3.7	5.1	15.6	25.7	42.1	7.7	7,039
West European	5.3	8.6	14.5	25.7	43.3	2.6	750
Latin American	1.9	7.8	14.6	23.3	51.5	1.0	465
North American and Oceanic	0.2	1.2	12.3	17.9	66.0	2.3	499
Second generation							
North African	32.8	13.9	27.8	10.5	8.3	6.7	3,798
Middle Eastern	12.2	27.6	24.2	13.8	17.4	4.6	5,161
South Asian	24.0	19.2	30.1	6.8	13.0	6.8	146
East European	2.1	12.0	22.8	17.7	42.8	2.6	750
West European	3.7	12.8	19.7	20.5	39.8	3.5	1,419
Latin American	2.2	6.0	19.2	20.0	50.7	1.9	125
North American and Oceanic	0.0	3.1	13.4	22.8	59.1	1.6	218
Third generation or indigenous							
Palestinian	58.8	1.7	25.1	6.3	5.9	2.2	6,174
Jewish	3.7	9.6	19.0	28.3	35.0	4.5	2,559

datasets do not include information on religious orthodoxy and do not permit the identification of the ultra-orthodox. However, one can employ an indirect crude measure to distinguish between orthodox and non-religious respondents. The Labour Force Survey requests respondents to identify the type of school last attended. One of the response categories to the question is 'Yeshiva', an institute of higher religious studies that is often attended by Orthodox Jews. Amongst North Americans and third-generation Jews nearly 8% and 6%, respectively, attended Yeshiva, in contrast to a rate of less than 2% amongst the total male sample. These figures lend some credence to our hypothesis that the low participation rates of North Americans and third-generation Jews are attributable to the high prevalence among them of ultra-orthodoxy. The hypothesis is also supported by the gender difference in labour-force participation rates in these groups: among women, who are not expected to devote many years to religious study, the labour-force participation rates for these groups are substantially higher than among men.

The class distributions of the ethnic and immigration groups are shown in Tables 8.6A and 8.6B. The distributions are consistent with

Table 8.5A. Economic activity in 2000, by ancestry: Males (row percentages).

	Economically active	Student	Other Inactive	N
First generation				
North African	68.7	2.0	29.2	883
Middle Eastern	68.7	1.3	30.0	703
South Asian	76.8	1.8	21.4	112
East European	82.2	2.1	15.7	5,121
West European	69.1	6.0	24.9	382
Latin American	85.4	3.6	10.9	274
North American and Oceanic	62.2	17.4	20.4	368
Second generation				
North African	75.0	4.6	20.3	3,321
Middle Eastern	79.1	4.6	16.3	3,692
South Asian	74.3	6.8	18.9	206
East European	82.6	4.2	13.2	2,511
West European	81.5	6.4	12.1	844
Latin American	76.0	14.9	9.1	121
North American and Oceanic	58.7	19.8	21.5	121
Third generation and indigenous				
Palestinian	68.4	3.2	28.4	5,917
Jewish	66.3	10.5	23.1	2,742

Note: Inclusive of adults aged 21 to 59.

those seen for education: for both men and women, the proportion in the salariat is higher in the European and American groups than among the Mizrahim and Palestinian groups.

Multivariate analysis

In the following sections we report the results of logistic analyses of unemployment and multivariate analyses of labour-force participation and occupational attainment. We analyse the same data set employed so far but exclude cases with missing values on any of the variables. To expedite the analysis we select a random sample of 15% of the remaining cases, resulting in sample sizes of 33,781 and 34,858 for men and women respectively.

Table 8.5B. Economic activity in 2000, by ancestry: Females (row percentages).

	Economically active	Student	Other Inactive	N
First generation				
North African	52.4	0.7	46.9	976
Middle Eastern	50.5	0.1	49.4	713
South Asian	63.0	1.4	35.6	146
East European	74.8	2.0	23.2	6,031
West European	64.2	2.8	33.1	544
Latin American	78.6	6.8	14.6	367
North American and Oceanic	64.4	4.2	31.4	430
Second generation				
North African	69.3	3.4	27.3	3,316
Middle Eastern	71.7	2.4	25.9	3,798
South Asian	75.8	1.4	22.7	207
East European	77.6	3.0	19.4	2,559
West European	78.0	2.6	19.5	821
Latin American	80.5	2.5	17.0	103
North American and Oceanic	70.9	6.3	22.8	127
Third generation and indigenous				
Palestinian	19.0	2.4	78.6	6,174
Jewish	74.1	7.3	18.6	2,700

Ethnicity, immigration generation and labour-force participation

In this section we model the relationship between ethnicity, immigration, demographic characteristics and labour-force participation. In line with the descriptive analysis, we do this separately for men and women. Labour-force participation—the dependent variable—comprises three categories: employed and those who are unemployed (the reference category), out of the labour force but in an educational institution, and not employed and not studying. The independent variables in the models are ethnicity (with third-generation Jews serving as the reference category), whether or not the respondent is a first-generation immigrant, educational attainment (with primary as the reference category), age and marital status. We also include survey year in order to control for changes over-time in the labour market.

We first estimate several competing multinomial models and, based on their goodness-of-fit statistics, we select the one that best balances fit and parsimony. We then report the coefficient estimates for the selected model and discuss the findings in light of the propositions put forward at

Table 8.6A. Occupational class in 2000, by ancestry: Males (row percentages).

	Salariat	Routine Non-manual	Petty Bourgeoisie	Skilled Manual	Semi- and Unskilled Manual	Unemployed	N
First generation							
North African	8.4	10.4	17.2	32.4	22.8	8.8	651
Middle Eastern	10.5	7.5	18.0	34.9	21.8	7.3	519
South Asian	7.3	11.0	12.2	38.9	27.9	2.7	111
East European	13.8	6.8	5.0	46.5	20.6	7.3	4,661
West European	32.9	13.6	10.9	21.9	17.5	3.1	351
Latin American	23.2	13.4	9.9	24.7	25.8	3.0	301
North American and Oceanic	35.4	6.8	8.5	30.3	15.2	3.8	237
Second generation							
North African	7.3	14.3	16.3	35.9	18.2	8.1	3,040
Middle Eastern	9.0	14.1	17.7	34.8	18.3	6.1	3,007
South Asian	4.7	12.9	14.8	33.1	29.0	5.5	201
East European	27.6	16.0	13.4	26.6	11.6	4.7	1,926
West European	26.1	15.6	16.4	23.5	14.3	4.0	650
Latin American	22.3	15.4	8.4	26.5	25.2	2.2	91
North American and Oceanic	41.9	14.2	4.3	19.3	9.0	11.4	88
Third generation and indigenous							
Palestinian	6.4	8.1	13.5	41.4	20.5	10.2	4,612
Jewish	17.0	16.5	12.9	26.9	20.8	6.0	1,819

Table 8.6B. Occupational class in 2000, by ancestry: Females (row percentages).

	Salariat	Routine Non-manual	Petty Bourgeoisie	Skilled Manual	Semi- and Unskilled Manual	Unemployed	N
First generation							
North African	8.4	10.4	17.1	32.3	22.7	9.1	560
Middle Eastern	10.5	7.5	18.0	34.9	21.8	7.4	363
South Asian	7.8	15.2	9.0	32.8	23.0	12.3	114
East European	13.6	6.7	4.9	45.8	20.2	8.8	4,904
West European	32.7	13.5	10.9	21.7	17.4	3.8	447
Latin American	22.7	13.1	9.7	24.2	25.2	5.2	307
North American and Oceanic	45.0	15.2	4.6	20.8	9.6	4.9	309
Second generation							
North African	7.1	14.0	15.9	35.0	17.8	10.2	2,640
Middle Eastern	9.4	29.3	6.8	12.0	33.5	8.9	2,528
South Asian	6.8	10.2	11.3	36.0	25.8	9.9	151
East European	32.3	12.7	11.1	23.9	13.2	6.8	1,918
West European	27.8	16.1	13.5	26.7	11.7	4.3	702
Latin American	21.4	14.7	8.1	25.4	24.1	6.3	80
North American and Oceanic	25.9	15.5	16.3	23.3	14.2	4.7	85
Third generation and indigenous							
Palestinian	4.5	12.3	14.2	31.6	27.7	9.8	1,117
Jewish	16.1	29.3	4.1	8.9	35.4	6.2	1,880

the outset of the chapter. Given the large samples employed we use the BIC statistic (Raftery 1986) as the criterion for selecting the preferred model⁹. Generally speaking the model to be preferred is the one with the lowest positive value of BIC (the largest distance from the null model).

Goodness-of-fit statistics for various models are presented in Table 8.7. The top panel presents models for men and the bottom panel presents models for women. The null model (listed as Model 0) serves as a baseline for the evaluation of subsequent models.

Model 1 includes the main effects of ethnicity and education, as well as the control variables—marital status, age and year. In this model we assume no difference between first and second-generation immigrants. When generation is added to the model (Model 2), the BIC statistic

Table 8.7. Goodness of fit statistics for models of labour-force participation.

Model	Variables (categories included in model)	Parameters	-2LogL	BIC
Men (n=33,781)				
0	Intercept only	2	46,837.1	46,858.0
1	Marital Status (2), Education (4), Age (1), Year (1), Ethnicity (8)	34	38,992.9	39,347.4
2	1+Generation (1)	36	38,960.2	39,335.6
3	2+Interactions of Generation with (Mid-East, N. Africa, E. Europe, W. Europe, N. America)	46	38,831.5	39,311.2
4	2+Interaction of Generation with (E. Europe)	38	38,857.9	39,254.2
5	4+Constraint: (Mid-East=N. Africa)	36	38,903.9	39,279.3
6	4-E. Europe=W. Europe=L. America=0	32	38,934.6	39,268.3
7	4+Interactions of Education with (Palestinians, Mizrahim, N. America)	44	38,573.5	39,032.3
Women (n=34,858)				
0	Intercept only	2	55,436.8	55,457.7
1	Marital Status (2), Education (4), Age (1), Year (1), Ethnicity (8)	34	42,531.8	42,887.4
2	1+Generation (1)	36	42,423.0	42,799.5
3	2+Interactions of Generation with (Mid-East, N. Africa, E. Europe, W. Europe, N. America)	46	42,352.5	42,833.6
4	2+Constraint: (Mid-East=N. Africa)	34	42,436.8	42,792.4
5	4-E. Europe=W. Europe=L. America=0	28	42,457.2	42,750.1
6	5+Interactions of Education with (Palestinians, Mizrahim, N. America)	34	42,204.0	42,559.1
7	5+Interactions of Education with (Palestinians, Mizrahim)	32	42,207.9	42,542.6

⁹ With large samples the conventional tests of significance based on mean differences in deviance per degrees of freedom are often conservative, returning verdicts of significance for even the smallest of coefficients. The STATA formula for BIC is: $BIC = -2L^2 + (df)(\log n)$

declines a bit for men and considerably for women. In both cases Model 2, which assumes a generation effect, is preferable to Model 1. Model 3 evaluates the extent to which ethnic groups differ in their generation effects. It includes interactions of generation with each of the five large ethnic groups. The other origin groups are small and we could not test their specific interactions with Generation. The fit statistics reveal different patterns for men and women. Among men, Model 3 is preferable to model 2 indicating generational differences in the case of (at least) some ethnic groups. In the case of women, there are no significant interactions and Model 2 is preferred to Model 3. A closer examination of the coefficients in Model 3 for men (not shown) revealed that only one of the five interactions is significant—that between generation and East European origin. Hence, in Model 4 we re-estimate the model with only one interaction term and find, based on the fit statistics, that it is preferable to Model 3.

In general then there seem to be no generational differences in patterns of labour-force participation with the exception of East European men. The general absence of generation effects indicates that immigrants are quickly absorbed by the Israeli labour market. The exceptional group of East Europeans includes many recent immigrants from the former Soviet Union, who arrived within a decade of data collection and are still negotiating their way into the local labour market.

Models 5, 6 and 7 for men and Models 4 through 7 for women test the hypotheses that the ethnic blocks of Ashkenazi and Mizrahi are homogenous with respect to their association with labour-force participation. In Model 5 for men and Model 4 for women we impose an equality constraint on the effects of Middle Eastern and North African Jews. For men, the fit statistics reject this hypothesis; however for women it is sustained and Model 4 is preferred to previous models.

The specification of Model 6 for men and 5 for women is meant to test the proposition that the European groups and the Latin Americans are not significantly different from third-generation Jews with regard to labour-force participation. In other words, these models test for the homogeneity of the Ashkenazi groups. Note that the models allow North Americans to differ from other Ashkenazim—a result that we already noted in the descriptive part of the analysis. Once again, for men it appears that the model with full ethnic specification (Model 4) is preferable to Model 6. For women, the fit statistics confirm that the effects of ethnicity on labour-force participation is homogenous within broad eth-

nic blocks with one exception—immigrants from North America, who are distinct from other Ashkenazim (analysis not shown).

The final models (Model 7 for men and Models 6 and 7 for women) test the interaction effects of ethnicity and education on labour-force participation patterns. For men, the continuous measure of education¹⁰ is interacted with each of the following groups: Palestinians, Mizrahi, and North Americans. For the sake of parsimony we assume that the effects of education do not vary for the distinct Mizrahi groups and for the European groups (including third-generation Jews). Including the interaction terms in the models for men improves the fit and we conclude that there are significant differences between groups in the effects of education. In the case of women, the preferred model (Model 7) allows education to interact with Palestinians and with Mizrahi but not with North Americans.

The parameter estimates of the two best models are shown in Tables 8.8A and 8.8B. Beginning with Table 8.8A we see that single men are more likely than ever-married men (married, divorced and widowed) to be out of the labour force (whether as students or otherwise). Older respondents are less likely to be students and are more likely to be out of the labour force than younger ones.

Turning to the effects of ethnicity, we find that most immigrant groups differ from third generation Jews in their labour-force participation patterns. Overall, ethnic differences in the left column of the table are larger than they are in the right-hand column. Palestinians, and to a lesser extent Mizrahi, are less likely to be students than Ashkenazim. Otherwise, among Jews there are small differences in labour-force participation, as indicated in the right-hand column. While first-generation immigrants are more likely than Israeli-born Jews to attend an educational institution, there is no generational difference in the likelihood of being out of the labour force except for the case of East Europeans where the recent immigrants (overwhelmingly from the republics of the former Soviet Union) are less likely to be in school or in the labour force. Finally, educated men are less likely than men with only primary education to be out of the labour force, and they are generally more likely to be students (except for men with some secondary education who exhibit a lower likelihood than the least educated to be in education).

¹⁰ Based on the categorical measurement of CASMIN (scored -2, -1, 0, 1, 2 where 0 is full secondary). Thus, the categorical measure is independent of the continuous one.

Table 8.8A. Logistic regression of labour-force participation: Males (parameter estimates, contrasts with economically active).

	Student		Not Active	
Intercept	2.77	(0.21)	-0.19	(0.10)
Ancestry				
Third-generation Jewish	0.0		0.0	
Palestinian	-1.87	(0.12)	-0.36	(0.07)
Middle-Eastern	-0.52	(0.09)	-0.37	(0.07)
North African	-0.16	(0.08)	-0.08	(0.07)
South Asian	-1.26	(0.62)	0.21	(0.20)
West European	0.23	(0.11)	-0.49	(0.10)
East European	-0.17	(0.09)	-0.56	(0.08)
North American (and Oceanic)	1.64	(0.18)	0.65	(0.18)
Latin American	-0.47	(0.20)	-0.61	(0.17)
First Generation	0.33	(0.10)	0.01	(0.06)
Age	-0.10	(0.01)	0.02	(0.00)
Education				
Primary	0.0		0.0	
Some Secondary	-0.16	(0.15)	-1.09	(0.06)
Full Secondary	1.25	(0.15)	-0.62	(0.06)
Some Tertiary	0.06	(0.18)	-1.22	(0.08)
Full Tertiary	0.40	(0.17)	-1.57	(0.08)
Marital Status				
Single	0.0		0.0	
Married	-1.48	(0.06)	-1.31	(0.04)
Other	-1.28	(0.23)	-0.42	(0.08)
Year	-0.24	(0.01)	-0.01	(0.01)
Interaction of East European with				
First Generation	-1.24	(0.15)	0.42	(0.09)
Interactions of Ethnicity with				
Education				
Palestinian	1.02	(0.08)	-0.10	(0.04)
Mizrahim	0.14	(0.05)	0.03	(0.03)
North American (and Oceanic)	-1.07	(0.14)	-0.53	(0.12)

The interactions between ethnicity and education reveal a number of patterns. Better educated Palestinians are less likely than third-generation Jews with similar education to be out of the labour force and more likely to be in school. Education has a stronger positive effect on the likelihood of being in school (than in the labour force) for Mizrahim, but there are no differences in the effect of education on the likelihood of being out of the labour force. In the case of North American Jews the interaction terms are both negative and significant. Since education generally exerts a negative effect on the likelihood of being out of the labour force the negative interaction term for North-American immigrants can be interpreted to mean that their labour-force participation is more sensitive to level of education than that of third generation Israeli-born.

The results for women are presented in Table 8.8B. Since the best fitting model for women, as we saw in Table 8.7, is more parsimonious than the model for men, interpreting the coefficients is somewhat simpler. As is usually the case (and in contrast to men), married, divorced and widowed women are more likely than single women to be out of the labour force. They are also less likely than single women to be students. Evidently, many ever-married women are busy with home and family work.

The ethnic categorisation distinguishes Palestinian women, Mizrahi women, North American women versus all other women (overwhelmingly European immigrants and their offspring as well as other third-generation Israeli-born women). There are significant differences in labour-force behaviour between Palestinian women and the reference group. The former are more likely to be out of the labour force, but are

Table 8.8B. Logistic regression of labour-force participation: Females (parameter estimates, contrasts with economically active).

	Student		Not Active	
Intercept	2.09	(0.33)	-0.61	(0.09)
Ancestry				
Third-generation Jewish	0.0		0.0	
Palestinian	-0.45	(0.22)	1.85	(0.05)
Mizrahim	0.66	(0.10)	-0.01	(0.03)
South Asian	-0.30	(1.04)	-0.11	(0.16)
North American (and Oceanic)	0.48	(0.21)	0.41	(0.10)
First Generation	0.04	(0.093)	0.35	(0.03)
Age	-0.13	(0.01)	0.01	(0.00)
Education				
Primary	0.0		0.0	
Some Secondary	-0.49	(0.23)	-0.78	(0.05)
Full Secondary	0.07	(0.25)	-0.72	(0.06)
Some Tertiary	0.78	(0.27)	-1.40	(0.07)
Full Tertiary	1.18	(0.27)	-1.84	(0.07)
Marital Status				
Single	0.0		0.0	
Married	-1.64	(0.08)	0.83	(0.04)
Other	-0.89	(0.16)	0.75	(0.06)
Year	-0.15	(0.01)	-0.06	(0.01)
Interaction of East European with				
First Generation				
Interactions of Ethnicity with				
Education				
Palestinian	0.74	(0.13)	-0.44	(0.04)
Mizrahim	-0.24	(0.07)	-0.12	(0.03)
North American (and Oceanic)				

less likely to be students. This reflects the more traditional social position of Palestinian women as compared with Jews. Whereas Mizrahi men (immigrants from the Middle East and North Africa) are more likely to be in the labour force than the reference group, *Mizrahiot* do not differ from third-generation women in the odds of labour-force participation. But it is somewhat surprising that, other things being equal, the likelihood of being a student is higher for Mizrahi women than for the reference group.

The effect of immigration status differs for men and women. Whereas first-generation immigrant men did not differ from others in the likelihood of being out of the labour force, first-generation immigrant women are more likely to be out of the labour force, possibly reflecting the greater difficulty faced by women in entering the labour market. Contrary to the findings for men, recent immigrant women do not differ in this respect from other women.

As we found in the case of men, educated women are less likely than women with only primary education to be out of the labour force, and they are generally more likely to be students (except for women with some secondary education who exhibit a lower likelihood than the least educated to be in education). Age also makes a difference, with older women more likely to be out of the labour force and less likely to be in education.

As in the case for men, the interactions between education on the one hand and Palestinians and Mizrahim on the other are significant. The results indicate that among Palestinian women labour-force participation is more sensitive to education than is the case for Jewish women. As for educated Mizrahi women—they are less likely than other educated women to still be in school and are more likely to be in the labour force.

To summarise then, with regard to the particular interest of the present paper it would seem that the following findings are of special interest.

- First, among men most groups do not differ greatly in the odds of being out the labour force. There is one exception to this generalisation: North Americans' odds of labour-force participation are very low, probably reflecting wilful abstention that is made possible by the de-commodification of ultra-orthodox labour.¹¹

¹¹ Israel's welfare state supports yeshiva students and enables them to subsist, albeit in poverty, through study rather than employment. The State is much less generous vis-à-vis other students. Although some members of all Jewish groups choose this path, they comprise a relatively high proportion only among those who emigrated from North America.

- Second, the Israeli labour market absorbs male immigrants rather quickly, as indicated by the null effect of the generation variable on the odds of labour-force participation. The exceptions are the very recent immigrants from the former USSR who still suffer from lower than average rates of labour-force participation. By 2001, 37.6% were still out of the civilian labour force (CBS 2003).
- Third, regarding women, conditional on not being in school, the main Jewish ethnic groups do not differ in their odds of labour-force participation.
- Fourth, Palestinian women show very low rates of both schooling and labour-force participation, both of which reflect constraints that are often imposed by families on Muslim women.
- Fifth, the labour-force participation rates of first-generation immigrant women are somewhat lower than those of second-generation immigrants and veterans and do not seem to vary by ethnic group. Evidently, the incorporation of immigrant women into the labour force is more difficult than that of men.

Ethnicity, generation and avoidance of unemployment

Our next objective is to model the relationship between ethnicity, generation of immigration, demographic characteristics and the avoidance of unemployment. The relevant population includes all persons in the labour force and the independent variables in the models are the same ones used in the analysis of labour-force participation. As in the previous analysis of labour-force participation, we first estimate several competing models of the association and, based on their goodness-of-fit statistics, select the one that best balances fit and parsimony. Goodness-of-fit statistics for various models are presented, for men and women in Table 8.9.

Model 8 is our preferred model for both sexes. For men, the model includes the control variables, generational effects and the interaction between generation and East European origin (the only interaction that was significant). The model also includes the main effects of ethnicity, except for those from East Europe, West Europe and Latin America. In a closer examination we found that these ethnic groups do not differ significantly from either one another or from third-generation Jews. Model 8 for men also interacts the continuous measure of education with North

Table 8.9. Goodness of fit statistics for models of unemployment.

Model	Variables (categories included in model)	Parameters	-2LogL	BIC
Men (n=26,204)				
0	Intercept only	1	12,920.9	12,931.1
1	Marital Status (2), Education (4), Age (1), Year (1), Ethnicity (8)	17	12,388.3	12,561.3
2	1+Generation (1)	18	12,361.3	12,544.4
3	2+Interactions of Generation with (Mid-East, N. Africa, E. Europe, W. Europe) (4)	22	12,307.1	12,530.9
4	3-Interactions of Generation with (Mid-East, N. Africa, W. Europe)	19	12,317.1	12,510.4
5	4-E. Europe, W. Europe, L. America	16	12,318.8	12,481.6
6	5+Constraint: (Mid-East=N. Africa)	15	12,329.4	12,482.0
7	5+Interactions of Education with (Ethnicity(8))	24	12,298.2	12,542.4
8	5+Interactions of Education with (N. Africa)	17	12,311.1	12,484.1
Women (n=21,027)				
0	Intercept only	1	12,711.8	12,721.8
1	Marital Status (2), Education (4), Age (1), Year (1), Ethnicity (8)	17	12,368.7	12,537.9
2	1+ Generation (1)	18	12,337.9	12,517.1
3	2+Interactions of Generation with (Mid-East, N. Africa, E. Europe, W. Europe) (4)	22	12,280.9	12,499.8
4	3-Interactions of Generation with (Mid-East, N. Africa, W. Europe)	19	12,285.1	12,474.3
5	4-E. Europe, W. Europe, N. America, L. America	15	12,287.2	12,436.5
6	5+Constraint: (Mid-East=N. Africa)	14	12,303.9	12,443.2
8	5+Interactions of Education with (E. Europe)	16	12,243.8	12,403.1

African ethnicity.¹² In model 8 for women, the Ashkenazi groups do not differ significantly neither from one another nor from third-generation Jews, and thus the model allows education to interact only with East European ancestry. The parameter estimates for the preferred models (model 8) for both sexes are shown in Tables 8.10A and 8.10B.

Table 8.10A reveals that married men have a lower probability than single men or other unmarried men of being unemployed. Likewise, older respondents are less likely to be unemployed. (We also ran analyses including age squared but this term was not statistically significant.)

¹² Actually, according to BIC statistic Model 5 for men is the formally preferred model. Nevertheless, we will focus on Model 8 because the difference is very small and the interaction in Model 8 is significant.

Turning to the effects of ethnicity and generation, we find that most Jewish groups, as well as Palestinians, have higher probabilities than third-generation Jews¹³ of being unemployed. These results most likely reflect the advantage enjoyed by the founding generation and their offspring in terms of both residence in proximity to large labour markets, and greater access to the more secure public sector jobs. No generational differences were observed in the likelihood of unemployment, except for first-generation immigrants from the former Soviet Union.¹⁴ Evidently, these recent immigrants, most of whom arrived in the 1990s, have not yet been fully absorbed into the labour market, as evidenced by their relatively high unemployment rate.

Table 8.10A. Logistic regression of employment and unemployment: Males (parameter estimates, contrasts with unemployment).

Intercept	1.71	(0.15)
Ancestry		
Third-generation Jewish	0.0	
Palestinian	-0.54	(0.09)
Middle-Eastern	-0.50	(0.09)
North African	-0.65	(0.10)
South Asian	-1.02	(0.35)
West European	0.0	
East European	0.0	
North American (and Oceanic)	-0.95	(0.22)
Latin American	0.0	
First Generation	0.07	(0.10)
Age	0.01	(0.00)
Education		
Primary	0.0	
Some Secondary	0.63	(0.08)
Full Secondary	0.41	(0.08)
Some Tertiary	0.75	(0.10)
Full Tertiary	1.01	(0.09)
Marital Status		
Single	0.0	
Married	0.78	(0.07)
Other	0.03	(0.13)
Year	-0.01	(0.01)
Interaction of East European with First Generation	-0.99	(0.12)
Interactions of Ethnicity with Education		
North African	0.17	(0.06)

¹³ As well as West European, East European and Latin American Jews whom we found to be no different from one another and from third Generation Jews.

¹⁴ The major group of immigrants from East Europe (about 84%) is from the former Soviet Union (CBS 2003), and they comprise an even higher proportion among recent (post-1989) immigrants from East European countries.

The effects of education reveal that, as expected, educated men are less likely than men with only primary education to be unemployed. Finally, the interaction between North African ancestry and education reveals that better educated North Africans are less likely than third-generation Jews with similar education to be unemployed. The positive interaction term for North African immigrants can be interpreted to mean that their employment is more sensitive to the level of education than that of third-generation Israeli-born.

The results for women are presented in Table 8.10B. Similarly to men, when married women enter the labour force, they have better odds of being employed, compared with non-married women (divorced, widowed and singles). Educated women are less likely than women with only primary education to be unemployed (except for women with some secondary education who do not differ in their odds of unemployment from the least educated). Age also makes a difference, with older women more likely to be employed. (As with men, the parameter estimate for age squared was not statistically significant.)

The ethnic categorisation distinguishes Palestinian women, Middle Eastern, North African and South Asian women versus all other women (North Americans and overwhelmingly European immigrants and their offspring as well as other third generation Israeli-born women).

Surprisingly, Palestinian women do not differ statistically in their odds of being unemployed from Ashkenazi women and third-generation Jews. This might be explained by the particular features of Palestinian female employment which is very selective. Women who enter the labour force tend to be employed in the Arab labour market where they face little competition (Semyonov *et al.* 1999). As with Mizrahi men, Mizrahi women (Middle Eastern, North Africa and South Asian) are more likely to be unemployed compared with the Ashkenazi women bloc. Also, there is a significant difference between Middle Eastern and North African women in their odds of avoiding unemployment. The latter are significantly more likely to be unemployed than the former. We propose the following explanation for this result. About half of the North Africans live in 'development towns' (Adler, Lewin-Epstein and Shavit 2003), which are socially peripheral communities in which economic opportunities are rather scarce. Middle Easterners, by contrast, are more evenly spread among the different community types, including the large cities with their superior employment opportunities. Women, especially mothers of young children, seek employment in the immediate vicinity of the home and are confined by opportunities in local labour markets

Table 8.10B. Logistic regression of employment and unemployment: Females (parameter estimates, contrasts with unemployment).

Intercept	1.04	(0.16)
Ancestry		
Third-generation Jewish	0.0	
Palestinian	-0.21	(0.12)
Middle-Eastern	-0.29	(0.08)
North African	-0.59	(0.08)
South Asian	-1.04	(0.28)
West European	0.0	
East European	0.0	
North American (and Oceanic)	0.0	
Latin America	0.0	
First Generation	0.10	(0.09)
Age	0.03	(0.00)
Education		
Primary	0.0	
Some Secondary	0.06	(0.10)
Full Secondary	0.26	(0.10)
Some Tertiary	0.71	(0.11)
Full Tertiary	0.99	(0.13)
Marital Status		
Single	0.0	
Married	0.28	(0.07)
Other	-0.13	(0.09)
Year	0.03	(0.01)
Interaction of East European with First Generation	-0.84	(0.11)
Interactions of Ethnicity with Education		
East European	-0.26	(0.04)

(Semyonov and Lewin-Epstein 1991). We suggest that the greater odds of unemployment seen for North African women reflect the confining effect of residence in development towns.

Similarly to men, first-generation immigrant women do not differ from others in the likelihood of being unemployed. The exception is immigrant women from the former USSR who have a higher probability of being unemployed, and their (un)employment is less sensitive to education, as indicated in the interaction with education. The results possibly reflect the greater difficulty faced by immigrant women when entering the labour market: they enter into lower occupational classes and face a higher risk of unemployment.

Ethnicity, generation and class

We now model the association between ethnicity, immigrant generation and class. For this analysis we focus on the employed population. Class is

measured as a five-category variable, the distribution of which can be seen in Tables 8.6A and 8.6B. The independent variables in the models are the same as used in the prior analysis. As before, we first estimate several competing models of the association and, based on their goodness-of-fit statistics, select the one that best balances fit and parsimony. Goodness-of-fit statistics for various models are presented, for men and women in Table 8.11.

Model 8 is our preferred model for both sexes. It includes the control variables, generation, and the interaction between generation and East European origin. The model also includes the main effects of ethnicity, except that of East Europe, West Europe and Latin America, for men, and the whole Ashkenazi block for women. The model interacts the con-

Table 8.11. Goodness-of-fit statistics for models of models of occupational class.

Model	Variables (categories included in model)	Parameters	-2LogL	BIC
Men (n=24,441)				
0	Intercept only	4	72,743.1	72,783.5
1	Marital Status (2), Education (4), Age (1), Year (1), Ethnicity (8)	68	63,390.0	64,077.1
2	1+Generation (1)	72	62,622.0	63,349.5
3	2+Interactions of Generation with (Mid-East, N. Africa, E. Europe, W. Europe) (4)	88	62,096.6	62,985.8
4	3-Interactions of Generation with (Mid-East, N. Africa, W. Europe)	76	62,121.6	62,889.6
5	4-E. Europe, W. Europe, L. America	64	62,145.3	62,791.9
6	5+Constraint: (Mid-East=N. Africa)	60	66,728.4	67,334.7
7	5+Interactions of Education with (Palestinians, Mid-East, N. Africa, N. America)	80	61,913.2	62,739.5
8	7+ Constraint: Interactions of Education on Classes III and IV	72	61,955.9	62,683.4
Women (n=19,138)				
0	Intercept only	4	52,117.4	52,156.8
1	Marital Status (2), Education (4), Age (1), Year (1), Ethnicity (8)	68	44,720.7	45,391.1
2	1+ Generation (1)	72	44,020.7	44,730.6
3	2+Interactions of Generation with (Mid-East, N. Africa, E. Europe, W. Europe) (4)	88	43,726.8	44,594.4
4	3-Interactions of Generation with (Mid-East, N. Africa, W. Europe)-	76	43,759.2	44,508.6
5	4-E. Europe, W. Europe, N. America, L. America	60	43,788.6	44,380.2
6	5+Constraint: (Mid-East=N. Africa)	56	46,304.5	46,856.6
7	5+Interactions of Education with (Palestinians)	64	43,737.6	44,368.7
8	7+Constraint: Interactions of Education on Class III	63	43,737.8	44,359.0

tinuous measure of education with Palestinians for women (constraining for the petty bourgeoisie), and also with Middle East, North Africans and North Americans, for men (constraining for the petty bourgeoisie and for unskilled workers).

The parameter estimates for the preferred models (model 8) for both sexes are shown in Tables 8.12A and 8.12B, for men and women respectively.¹⁵ Turning first to Table 8.12A and inspecting the effects of ethnicity, we see the significant disadvantages of Mizrahim, South Asians and especially of Palestinians in the odds of gaining access to the salariat and petty bourgeoisie. Interestingly, net of education and the other control variables, these minorities enjoy a relative advantage in the odds of employment as skilled (the reference category) rather than unskilled workers. Jews of North American origin are more likely than all other groups to enter the salariat class and the petty bourgeoisie.

First-generation immigrants are at a handicap with regard to entry into higher-level classes. The handicap is much larger for recent immigrants from Eastern Europe who are less likely than other groups to enter the salariat, but also less likely, *ceteris paribus*, to enter the lower class (semi- and unskilled). Finally, the interactions between ethnicity and education indicate that for Palestinians to gain entry to the top two classes they are required to exhibit higher educational credentials than are third-generation Jews (the reference category). A similar but more modest pattern is seen for Mizrahim. Interestingly, North Americans enjoy an educational 'discount' and can access the salariat and routine non-manual classes with lower educational levels than other groups.

This educational 'discount' enjoyed by North Americans can be seen in more straightforward way in the plotted fitted probabilities for access to the salariat and to the routine non-manual classes¹⁶ (Figures 8.1 and 8.2, respectively). The probabilities were computed for married male respondents of the (mean) age of 38.4 years, by different levels of education. In general, higher educational credentials are required for access to the upper classes. One exception is the odds of entry into the routine non-manual class where those with some tertiary education are at a disadvantage relative to those with general secondary education. As to ethnicity, North Americans are the advantaged group and they enjoy

¹⁵ As before we have carried out supplementary analyses including a term for age squared. This proved to be statistically significant but did not affect the parameter estimates associated with the ethnicity variables in any material way.

¹⁶ Compared with accessing the skilled class.

Table 8.12A. Logistic regression of occupational class: Males (parameter estimates, contrasts with skilled manual class).

	Salarial		Routine non-manual		Petty bourgeoisie		Semi- and unskilled manual	
Intercept	-3.18	(0.18)	-1.71	(0.21)	-2.46	(0.13)	0.40	(0.11)
Ancestry								
Third-generation Jewish	0.0		0.0		0.0		0.0	
Palestinian	-1.37	(0.09)	-0.90	(0.10)	-0.33	(0.07)	-0.40	(0.07)
Middle-Eastern	-0.66	(0.07)	-0.30	(0.08)	-0.20	(0.06)	-0.11	(0.06)
North African	-0.68	(0.07)	-0.50	(0.09)	-0.15	(0.07)	-0.22	(0.07)
South Asian	-2.34	(0.41)	-0.73	(0.36)	-1.52	(0.39)	-0.25	(0.24)
West European	0.0		0.0		0.0		0.0	
East European	0.0		0.0		0.0		0.0	
North American and Oceanic	1.36	(0.28)	0.60	(0.40)	0.80	(0.28)	0.34	(0.28)
Latin American								
First Generation	-0.20	(0.07)	-0.16	(0.09)	-0.26	(0.07)	0.15	(0.07)
Age	0.03	(0.00)	0.01	(0.00)	0.04	(0.00)	0.00	(0.00)
Education								
Primary	0.0		0.0		0.0		0.0	
Some Secondary	0.91	(0.14)	0.65	(0.15)	0.19	(0.07)	-0.57	(0.06)
Full Secondary	1.73	(0.14)	1.29	(0.16)	0.43	(0.07)	-0.15	(0.06)
Some Tertiary	1.79	(0.15)	0.62	(0.18)	-0.11	(0.09)	-0.97	(0.08)
Full Tertiary	3.87	(0.15)	1.73	(0.18)	0.60	(0.09)	-0.30	(0.07)
Marital Status								
Single	0.0		0.0		0.0		0.0	
Married	0.50	(0.07)	-0.07	(0.08)	0.52	(0.08)	-0.52	(0.05)
Other	0.49	(0.13)	-0.27	(0.20)	0.62	(0.14)	-0.09	(0.12)
Year	-0.03	(0.01)	-0.11	(0.01)	-0.04	(0.01)	-0.03	(0.01)
Interaction of East European with First Generation	-1.80	(0.09)	-1.66	(0.13)	-1.60	(0.10)	-0.43	(0.09)
Interactions of Ethnicity with Education								
Palestinian	0.75	(0.07)	0.58	(0.08)	—		—	
Middle-Eastern	0.16	(0.04)	0.25	(0.06)	—		—	
North African	0.17	(0.05)	0.22	(0.07)	—		—	
North American and Oceanic	-0.25	(0.13)	0.32	(0.21)	—		—	

higher probabilities of entry to both the salariat and the routine non-manual classes at every educational level. The figures also show the similarity between the Mizrahi groups (North Africans and Middle Easterners) and the disadvantage of the Palestinians. Nevertheless, it is worth noticing the relative advantage of the most educated Palestinians over the Mizrahi groups in entering both classes.

The results for women largely mirror those seen for men. Similar are the disadvantages of the Palestinians, Mizrahim and first-generation

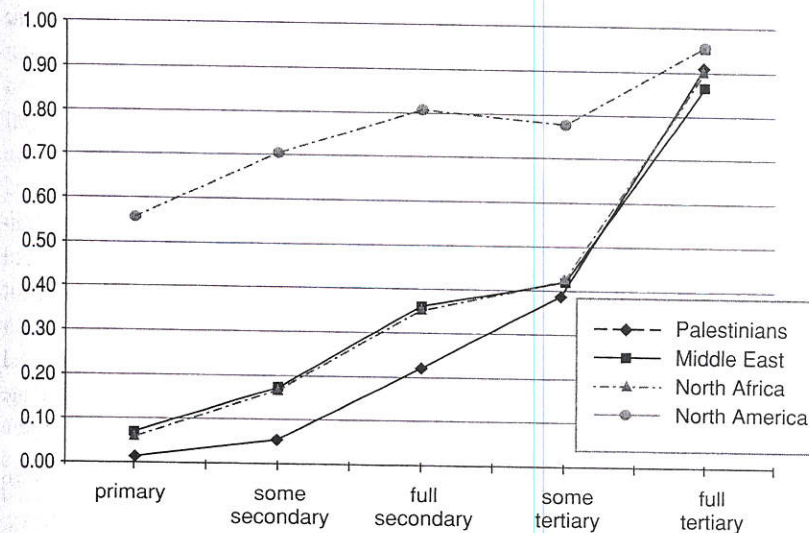


Figure 8.1. Probabilities of accessing the salariat, by ancestry: Men.

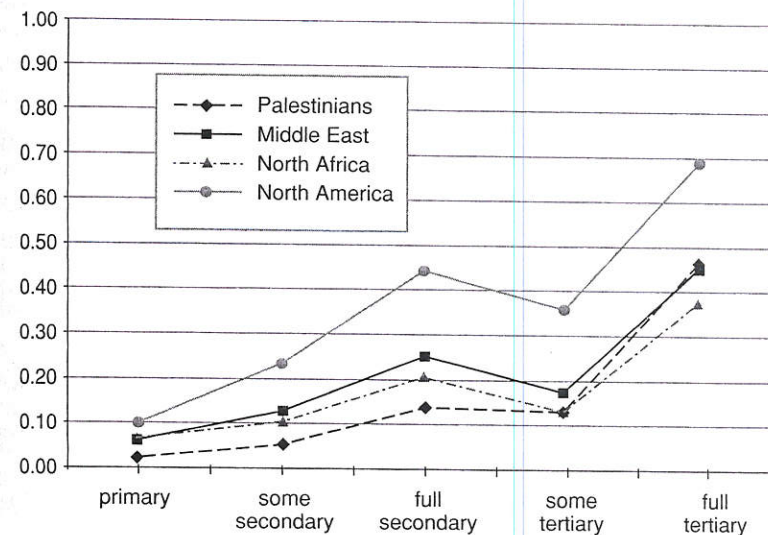


Figure 8.2. Probabilities of accessing the routine non-manual class, by ancestry: Men.

immigrants, especially among East Europeans. As in the case for men, the interactions between education and Palestinian ancestry are positive.

Summary and discussion

In line with the general question raised in this volume, regarding the 'ethnic penalties' experienced by immigrant groups in western advanced economies, this chapter set out to accomplish several objectives. First, it provided a detailed description of the ethnic composition of Israeli society in the last decade of the twentieth century and the educational and occupational position of the various groups. Second, it aimed to evaluate

Table 8.12B. Logistic regression of occupational class: Females (parameter estimates, contrasts with skilled manual class).

	Salaried		Routine non-manual		Petty bourgeoisie		Semi- and unskilled manual	
Intercept	-2.35	(0.26)	-1.85	(0.27)	-4.03	(0.31)	1.43	(0.18)
Ancestry								
Third-generation Jewish	0.0		0.0		0.0		0.0	
Palestinian	-0.49	(0.17)	-1.40	(0.19)	0.02	(0.19)	-0.96	(0.14)
Middle-Eastern	-0.32	(0.10)	-0.05	(0.11)	-0.53	(0.14)	0.05	(0.10)
North African	-0.30	(0.11)	-0.06	(0.11)	-0.13	(0.14)	0.21	(0.10)
South Asian	-1.77	(0.41)	-2.22	(0.51)	-2.44	(0.75)	-1.07	(0.26)
West European	0.0				0.0		0.0	
East European	0.0				0.0		0.0	
North American and Oceanic	0.0				0.0		0.0	
Latin American	0.0				0.0		0.0	
First Generation	-0.66	(0.11)	-0.39	(0.11)	-0.36	(0.14)	-0.30	(0.10)
Age	0.03	(0.01)	0.01	(0.00)	0.05	(0.01)	0.01	(0.00)
Education								
Primary	0.0		0.0		0.0		0.0	
Some Secondary	1.22	(0.22)	1.97	(0.21)	0.46	(0.21)	-0.10	(0.11)
Full Secondary	2.02	(0.21)	2.45	(0.21)	0.91	(0.18)	0.23	(0.11)
Some Tertiary	3.85	(0.21)	2.79	(0.22)	1.16	(0.17)	-0.28	(0.12)
Full Tertiary	4.60	(0.21)	2.74	(0.22)	1.28	(0.18)	-0.22	(0.11)
Marital Status								
Single	0.0		0.0		0.0		0.0	
Married	0.73	(0.09)	0.26	(0.09)	1.08	(0.17)	-0.05	(0.08)
Other	0.79	(0.12)	0.30	(0.14)	1.41	(0.21)	0.36	(0.12)
Year	-0.05	(0.01)	0.03	(0.01)	0.04	(0.02)	0.03	(0.01)
Interaction of East								
European with First Generation	-2.05	(0.12)	-1.25	(0.13)	-2.15	(0.17)	-0.86	(0.11)
Interactions of Ethnicity with Education								
Palestinian	0.56	(0.12)	0.97	(0.16)	—		0.34	(0.08)

the extent of convergence among ethnic groups as exemplified by differences in labour-market participation and occupational attainment between first and second generations of immigrants. More specifically in this regard, the analyses in this chapter examined the extent to which advantages or disadvantages associated with ethnicity are explained by recency of arrival in Israel (first- or second-generation) and the demographic and human capital characteristics of the groups.

Finally, and more specifically to the Israeli case, the chapter intended to evaluate the extent to which detailed vs. broad groupings of immigrant groups in the analyses lead to different conclusions regarding ethnic differences. The latter issue derives its importance from the fact that ethnicity is an emergent phenomenon and ethnic boundaries are constructed and reconstructed in social contexts. Certain ethnic groups have more in common than others and their boundaries may be quite blurred and fluid. Other groups may stand apart and preserve their particular attributes. Additionally, in many cases non-members may treat certain groups as indistinguishable, in effect 'lumping' them in one category. This is consequential to the experiences of different ethnic groups and to their position in society.

In the case of Israel, all Jewish groups share an ancestry and important components of their cultural traditions and identity. Yet, the diverse histories experienced by Jews in disparate locations where they resided for centuries resulted in unique cultural components and diversity of social organisation. The establishment of the state of Israel and the extraordinary ingathering of the diaspora that ensued had a dual effect on Jewish immigrant groups. At one level, inclusionary rhetoric and practices were used emphasising the Jewish heritage and the unity of the people while excluding the Palestinian citizens of Israel. At another level, distinctions were made and maintained, especially between Jews of European origin (who were dominant numerically and socio-economically at the time Israel gained independence) and all others. This distinction coincided in large part with the Ashkenazi and Sephardic religious traditions which developed historically in different parts of the world. This two-category classification of the Jewish population, combined with the category of Palestinians, was the basis of the tripartite ethnic division of Israeli society. Yet, this broad classification masks potentially meaningful differences within categories which were examined more closely in this chapter.

The first important point to stem from the findings regarding the ethnic composition of Israeli society is that unlike most/all other societies taking part in this project, there is no obvious group to serve as a

'bench-mark' to which immigrant ethnic groups might be compared. In view of the extremely high proportion of first- and second-generation Jews in Israel and the fact that the indigenous group consists of Palestinians who are politically and economically subordinate to the Jewish population, we emphasised inter-group comparisons rather than using a particular comparison to evaluate the 'ethnic penalty'.

In the multivariate analyses our strategy was to test the extent to which labour-force patterns, unemployment and class position of all ethnic groups differ from that of third-generation Jews. Our findings in this respect reveal complex patterns of ethnic advantages and disadvantages. With regard to labour-force participation of men we found that most groups do not differ greatly in the odds of being out of rather than in the labour force. There is one exception to this generalisation: North Americans' odds of labour-force participation are low, probably reflecting wilful abstention that is made possible by the de-commodification of ultra-orthodox labour. Israel's welfare state supports yeshiva students and enables them to subsist, albeit in poverty, through study rather than employment. The state is much less generous vis-à-vis other students.

We also found that the Israeli labour market absorbs male immigrants rather quickly as is indicated by the null effect of generation on the odds of labour-force participation. The exceptions are the very recent immigrants from the former USSR who still suffer from higher than national rates of unemployment. By 2001 their unemployment rate was still 10.3%, as compared to the national rates of 8.8% (CBS 2003).

The results were different for women. Conditional on not being in school, the main Jewish ethnic groups do not differ in their odds of labour-force participation. In addition, Palestinian women show very low rates of both schooling and labour-force participation, both of which reflect constraints that are often imposed by families on Muslim women. Finally, the labour-force participation rates of first-generation immigrant women are somewhat lower than those of second-generation immigrants and veterans and do not seem to vary by ethnic group. Evidently, the incorporation of immigrant women into the labour force is more difficult than that of men.

Regarding unemployment, our findings reveal that all male immigrant groups, as well as Palestinians, have higher probabilities than third-generation Jews¹⁷ of being unemployed. These results possibly reflect the

¹⁷ As well as West European, East European and Latin American Jews whom we found to be no different from one another and from third-Generation Jews.

advantage enjoyed by the founding generation and their offspring in terms of both residence in proximity to large labour markets and greater access to the more secure public sector jobs. This difficulty is reflected in the high odds of first-generation immigrants from the former USSR of being unemployed, while there is no generational difference in the likelihood of being unemployed for all other ethnic groups. Our findings also reveal that North African immigrants' employment is more sensitive to level of education than that of the third-generation Israeli-born.

The results for women show that ethnic categorisation distinguishes Palestinian women, Middle Eastern, North African and South Asian women versus all other women. Surprisingly, Palestinian women do not differ statistically in their odds of being unemployed from Ashkenazi women and the third generation. We explain this finding by the particular employment features of the Palestinian women. Palestinian female employment is very selective and women who enter the labour force tend to be employed in the Arab labour market where they face little ethnic competition and discrimination (Semyonov *et al.* 1999).

We also found that there is a significant difference between Middle Eastern and North African women in the odds of unemployment. The latter are significantly more likely to be unemployed than the former. We propose the following explanation for this result. About half of the North Africans live in development towns (Adler, Lewin-Epstein and Shavit 2003). These are socially peripheral communities in which economic opportunities are rather scarce. Middle Easterners, by contrast, are more evenly spread among the different community types, including the large cities with their superior employment opportunities. Women, especially mothers of young children, seek employment in the immediate vicinity of the home and are constrained by the opportunities in local labour markets (Semyonov and Lewin-Epstein 1991). We hypothesise that the greater odds of unemployment seen for North African women reflect the confining effect of residence in development towns.

Finally, we found that, similarly to men, first-generation immigrant women do not differ from others in the likelihood of being unemployed. The exception is immigrant women from the former USSR who have a higher probability of being unemployed, and their (un)employment is more sensitive to education, as indicated in the interaction with education. The results possibly reflect the greater difficulty faced by immigrant women in entering the labour market.

Turning now to the analysis of class allocation, rather similar patterns of relations between ethnicity and class emerged for both men and

women. Specifically, models that did not group Jews of Middle Eastern and North African origins into one category of Mizrahim but did group most Jewish immigrants of European descent (except for immigrants from North America) fit the data as well or better than models that identified each of the groups separately. All analyses indicated that the Palestinians must be identified separately in order to achieve a good fit to the data.

The multivariate analyses revealed that even after controlling for education and demographic attributes, Jews of Middle Eastern and North African origins had lower odds of attaining higher class positions than second-generation Israelis and Jewish immigrants of European descent. The odds of Palestinian men attaining such class positions were even lower. While these findings in themselves do not demonstrate discrimination on the basis of ethnicity, they clearly underscore the pattern of advantages and disadvantages that various ethnic groups face.

Similar patterns were found for the class position of women. The above patterns of differential ethnic advantage are further amplified by the greater sensitivity of the odds of obtaining higher class occupations to education, among Palestinians and to a lesser extent among Mizrahi Jews, compared with Jews of European origin. Put differently, Palestinians (and to some extent Mizrahim) must have higher education on average than their 'co-workers' of Jewish European origin to attain the same class positions.

Finally, we found, for both men and women, that first-generation immigrants are heavily concentrated in the lower classes. When combined with the findings concerning generational differences in labour-force participation this result suggests that the Israeli labour market incorporates immigrants rather quickly, albeit at the bottom of the class structure. This pattern of results is reminiscent of a recent comparison of immigrant incorporation in the Israeli and Canadian labour markets in which it was found that in the former, new immigrants are quicker to find employment but in the latter they are quicker to attain an occupational status commensurate with their qualifications (Lewin-Epstein *et al.* 2003).

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Equal Opportunities or Social Closure in the Netherlands?

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Summary. There are four major ethnic minority groups in the Netherlands—labour migrants from Turkey and Morocco together with migrants from former Dutch colonies in the Caribbean, namely Antilles and Surinam. Men from all four groups have lower labour-market participation and higher unemployment than the indigenous Dutch, and this holds for the second generation as well as for the first. For women the patterns of participation and unemployment are more complex. While first generation Turkish and Moroccan women participate at considerably lower levels than indigenous women, Surinamese and Antillean women participate at higher levels than their indigenous peers. Among second-generation women, however, these differences in participation have largely disappeared. The distribution of ethnic minorities across occupational classes also reveals a major change between generations. The first-generation experience substantial disadvantages but the second generation, after controlling for level of education, age and economic fluctuations, have similar chances of being in a particular occupational class as the indigenous Dutch population, with the exception of the salariat which remains more closed to ethnic minorities. This result holds for men as well as for women. Overall, processes of social closure appear to continue to operate within Dutch society. Equal opportunities have not yet been achieved.