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The Immigration from the former Soviet Union to Israel:
Evidence and Interpretation

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Abstract

This paper provides a descriptive summary of the integration process of the large exogenous wave of immigrants from the Former Soviet-Union (FSU) who arrived in Israel in 1989-91, and which we follow for almost two decades until 2009. We discuss the integration of these immigrants in both the labor and marriage markets for different age and education groups. We show that immigrants who came at the young ages of 15-18 behave like natives in the labor market but have patterns of marriage that are more similar to their source country. This surprising finding indicates an important role to cultural values in the marriage market that was feasible given the large size of immigration from the FSU relative to the local population. In addition, we document low remigration rates among these immigrants. All these indicators suggest that the large scale of this wave acted to create a relatively supportive environment for FSU immigrants in Israel, which enabled them to continue using the Russian language and to maintain cultural traditions.

1 Introduction

The unexpected collapse of the Soviet regime in 1989 led to a dramatic change in the country's emigration policy, which now permitted its citizens to emigrate freely. In particular, Jews in the Former Soviet Union (FSU) were now able to immigrate to Israel without restriction. Jews arriving in Israel were automatically entitled to become Israeli citizens with access to a generous package of benefits, including subsidized mortgages or rental assistance, language courses and vocational training. They also gained access to a labor market which is characterized by much higher wages than those in the FSU. Over the next 10 years, Israel absorbed approximately 900,000 immigrants from the FSU (which constituted about 20% of the Israeli population), with about half of them arriving during the first three years. The change in emigration policy was exogenous to the economic conditions in Israel and to the pre-emigration accumulation of human capital by the immigrants. As such, it provides a unique platform for evaluating basic issues in the economics of immigration.

The two main features of this wave are its extraordinary magnitude relative to the native population (almost 1 million immigrants over a decade versus a 1989 Israeli population of about 4.6 million) and the immigrants' exceptionally high level of education. Those who arrived until January 1992 possessed an average of 14.5 years of schooling and 68% (76%) of the men (women) held academic and managerial positions before immigrating. In contrast, 69 percent of native Israelis worked in blue-collar occupations in 1991.

The Israeli government tried to aid immigrants' integration by providing them a package of benefits that included a free Hebrew language course (called Ulpan) and made them eligible to participate in government-sponsored vocational-training courses. However, there was minimal intervention by the government in the immigrants' absorption process within the labor market. Thus, occupation, residential location, the Ulpan course and government-provided vocational training courses were chosen by the immigrants with minimal restrictions or criteria.

The purpose of this paper is to describe the process of integration of these immigrants by following the large group of immigrants who came in the first wave of 1989-91. We record their employment and wage history over almost two decades in Israel until 2009. We shall also describe changes in marital status and how they interact with employment. Throughout the paper, we compare the achievement of immigrants to comparable native Israeli workers in the same age group and with the same schooling.

2 The Data

Our main source of data is repeated cross sections from the Israeli Labor Force and the Income Survey for the years 1989-2009. We follow immigrants who arrived in 1989-1991 in three age groups 15-18, 25-40 and 41-55, and native Israelis who were in

the same age groups in 1989-1991.¹ We shall use this data to describe labor market outcomes. We also use administrative panel data that allows us to follow individuals from the same cohort from 1995 to 2006. We shall also use panel data to examine marriage patterns and return migration.

Table 1 provides summary statistics for natives and immigrants from the Labor Force Survey.² For both natives and immigrants we present mean attributes as of 1989-1991. The age distribution of natives and immigrants is quite different. Youngsters aged 15-18 constitute 22% of the native population aged 15-55 and only 10% of the immigrant population in the same age range. The group aged 25-40 constitutes about half among both natives and immigrants but the group 41-55 is relatively larger among immigrants. Hence, immigrants are older than natives on average. The percentage of women among immigrants is 53.7%, compared to 50.8% among natives. The percentage of adult immigrants with college education is much higher than among comparable natives, 55.17% versus 29.96% in the 25-40 age group and 58.13% versus 24.38% in the 41-55 age group. Most immigrants from the FSU came married. The percentage of those married on arrival is higher among male immigrants than among female immigrants and this gap is larger in the 41-55 age group at arrival. In the age group 25-40, the proportion of married men exceeds that of natives, reflecting the fact men marry at a younger age in the FSU. Over all, the marriage rates of immigrants are similar to those of Israeli natives but far exceed those of "normal" selective migrations, where young single individuals are more likely to migrate.³

¹For the purpose of this study, native Israelis are those born in Israel or immigrated before 1989.

²Information on marital status in 1989-91 is only for those who were surveyed in these year. Information on schooling and age at arrival in 1989 -91 is obtained retrospectively also from immigrants who were surveyed in later years.

³A recent study by Simon, Ramos and Sanroma (2010) on immigrants who arrived to Spain in 1997-2007 shows that, among those who were 16-55 old on arrival, the average age at entry was 30 and only half of these immigrants were married in 2007.

Table 1: Attributes of Immigrants and Natives at 1989-1991*						
Variable	Immigrants**			Natives***		
	Aged 15-18 on Arrival	Aged 25-40 on Arrival	Aged 41-55 on Arrival	1971-76 Cohorts (Aged 15-18 in 1989-91)	1949-66 Cohorts (Aged 25-40 in 1989-91)	1934-48 Cohorts (Aged 41-55 in 1989-91)
Females	47.81%	55.35%	53.07%	48.05%	51.48%	51.63%
Age on Arrival	16.52	32.92	47.24			
Years of Schooling:	12.75	14.25	14.35	12.49	12.59	11.35
0-12	52.11%	27.42%	25.18%	61.98%	57.85%	63.92%
13-14	22.83%	17.03%	15.84%	15.36%	11.39%	9.38%
15+	24.53%	55.17%	58.13%	22.02%	29.96%	24.38%
Number of Observations	6,220	32,602	22,988	207,640	478,331	263,569
Marital Status on Arrival - Males:						
Married	0.00%	85.04%	85.40%	0.18%	75.52%	91.16%
Never Married	100.00%	12.35%	7.62%	99.81%	22.04%	3.77%
Divorced	0.00%	1.43%	5.71%	0.01%	1.95%	3.54%
Widowed	0.00%	1.19%	0.32%	0.00%	0.12%	0.87%
Living Separately	0.00%	0.00%	0.95%	0.00%	0.37%	0.66%
Marital Status on Arrival - Females:						
Married	0.00%	79.44%	75.28%	0.15%	80.99%	82.61%
Never Married	98.95%	9.09%	2.22%	99.85%	13.28%	3.56%
Divorced	0.00%	9.74%	15.56%	0.00%	4.27%	6.72%
Widowed	0.00%	1.52%	6.94%	0.00%	0.74%	5.96%
Living Separately	1.05%	0.22%	0.00%	0.00%	0.71%	1.16%
Number of Observations	193	883	675	23,202	75,586	44,648
* Marriage at arrival is obtained only for immigrants surveyed in their immigration year, and natives surveys in 1989-91. Age at arrival and education are obtained retrospectively also from those surveyed in later years						
** Immigrated during 1989-91.						
*** Born in Israel or immigrated prior to 1989.						
Source: CBS Labor Force Survey.						

3 Employment, Occupation and Wages

In this section, we describe the process of integration into the Israeli labor market for immigrants from the FSU who arrived to Israel in the first large wave of 1989-91 and whom we follow for almost two decades. The employment, occupation and wage profiles of FSU immigrants in Israel vary by their gender, level education and age at entry.⁴

We begin with the cohort that arrived at age 25-40. This cohort acquired its education in the FSU and most of its work experience was acquired in Israel. For both males and females of this cohort, we observe high participation and employment soon after arrival, with gradual occupational upgrading (see Figures 1A, 1B). The proportion of those working in blue collar jobs went up initially, as immigrants entered from unemployment to blue collar jobs and then declined, as some blue collar workers moved into white collar jobs. The proportion of immigrants working in white collar jobs has increased steadily. Female immigrants had initially lower participation rates and higher unemployment rates than male immigrants.

After a short period of adjustment, the participation rates of both male and female immigrants who arrived at age 25-40 reached a high level of 90% which far exceeds the participation rates of natives in the same age group, about 75%. The high participation rates of immigrants from the FSU is consistent with the high participation rates of males and females FSU in 1989, 87% and 80 % respectively (see Vishnevsky, 1992).⁵

Immigrants from the FSU had initially much higher unemployment rates than comparable natives, but eventually they had overtook natives and have somewhat lower unemployment rates (Figures 2A, 2B). Immigrants with college education had initially the same high unemployment rates in Israel as immigrants with lower education. However, with time in Israel, college educated immigrants tend to have lower unemployment rates than less educated immigrants, as is the case among native Israelis.

We now focus on the employment and wage profiles for college educated immigrants distinguished by their age at arrival. This allows us to discuss the impact of location in which education and work experience were acquired on occupational upgrading and wage growth in Israel. We shall show that education acquired in Israel has higher return in Israel than schooling acquired in the FSU, while experience acquired abroad had negative return in Israel. (See also Cohen-Goldner, Eckstein and Weiss, 2012, ch. 7)

We first note that college educated immigrants who arrive at a late age of 41-55 have lower proportion in WC jobs than younger immigrants with the same education

⁴Cohen Goldner and Weiss (2011) provide further analysis based on panel data provided by the Brookdale Institute.

⁵Immigrants from the FSU in Germany also report high participation rates 87% and 78% for men and women, respectively. See Cohen Goldner and Epstein, 2012).

(Figures 3A, 3B). Immigrants who arrived at late ages of 41-55 display a slower rate of occupational upgrading. Only these 41% of men and women had a WC occupation after 19 years in Israel. In contrast, immigrants who came at young age of 15-18 and acquired their college education in Israel, have a higher proportion in white collar occupation that is the same as for native Israelis. These patterns hold for both men and women (see Figures 3A and 3B).

Immigrants have lower wages than natives with the same education throughout the period, except for those that came at age 15-18 who have the same level of wages as natives (see Figures 4A and 4B). For those who arrived at later ages, the wage gap declines with time in Israel but convergence was not attained. The highest wage gap is for immigrants who came at late age of 41-55. These patterns are similar for males and for females. The lack of convergence in wages for immigrants with college degree displayed in these figures is more pronounced than for immigrants with lesser education. College educated immigrants enjoyed a substantially higher wage growth than less educated immigrants or college educated native Israelis. However, because the wage of native Israelis with low education have not risen much, while the wage of native Israelis with college degree have risen substantially, educated immigrants had less success in catching up with natives than less educated immigrants.

The process of occupational upgrading results in a rise in both the average wage and in the variance of wages among immigrants (see Figures 5A and 5B). Following arrival, most of the immigrants worked in low-paying low-skilled jobs and we observe low average wages and low variance according to schooling and experience acquired in the FSU. Sorting was more important for immigrants with a high level of imported schooling. The variance of log wages of immigrants increases with level of schooling, while the variance of the log wage for natives is almost independent of schooling. In addition, for immigrants with 15+ years of schooling it increases with time in Israel. This increase is in part because of employers' uncertainty about the schooling quality in different regions of the FSU and in part because educated workers were more choosy and willing to wait for a good job offer.

The variance of wages of educated male immigrants converges to that of educated native men, while the variance of wages of educated female immigrants exceeds that of comparable native women (see Figures 5A and 5B).⁶

⁶A similar finding regarding convergence is reported in Eckstein and Weiss (2004).

Figure 1A: Labor Market Integration of Male Immigrants
Repeated Cross-Section Data

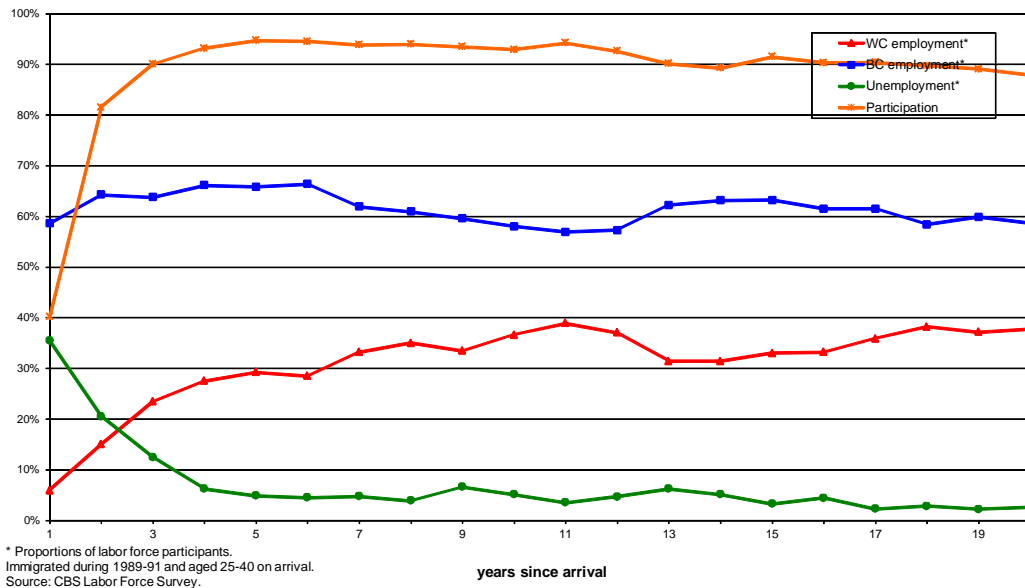


Figure 1B: Labor Market Integration of Female Immigrants
Repeated Cross-Section Data

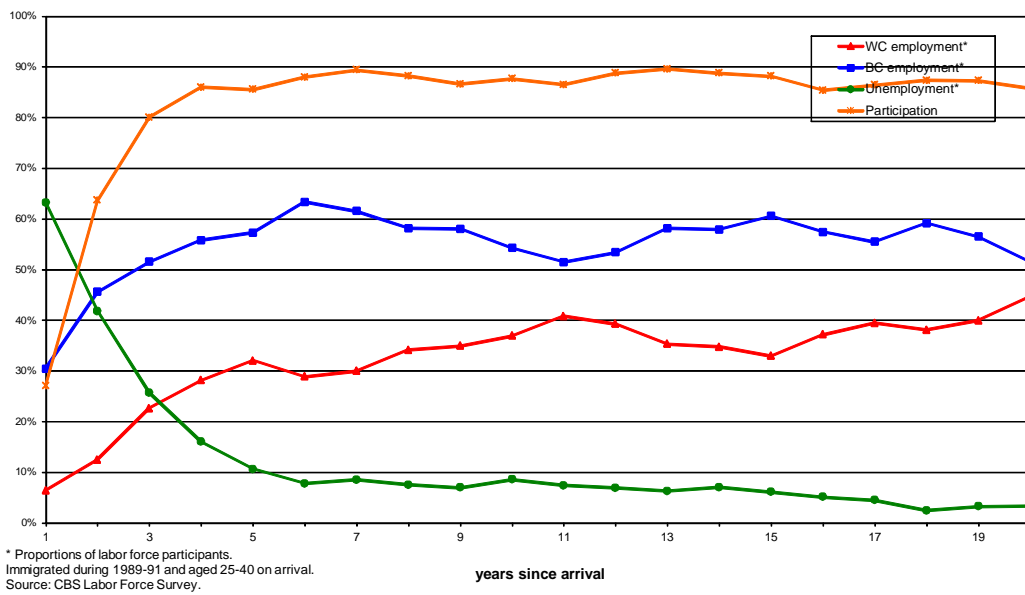


Figure 2A: Unemployment Rate by Schooling - Males

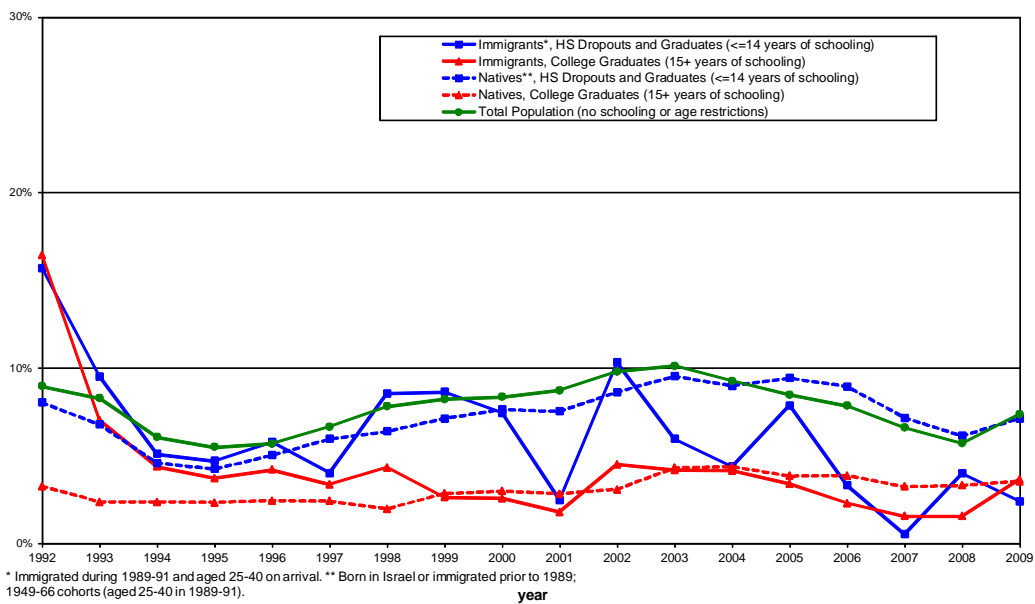


Figure 2B: Unemployment Rate by Schooling - Females

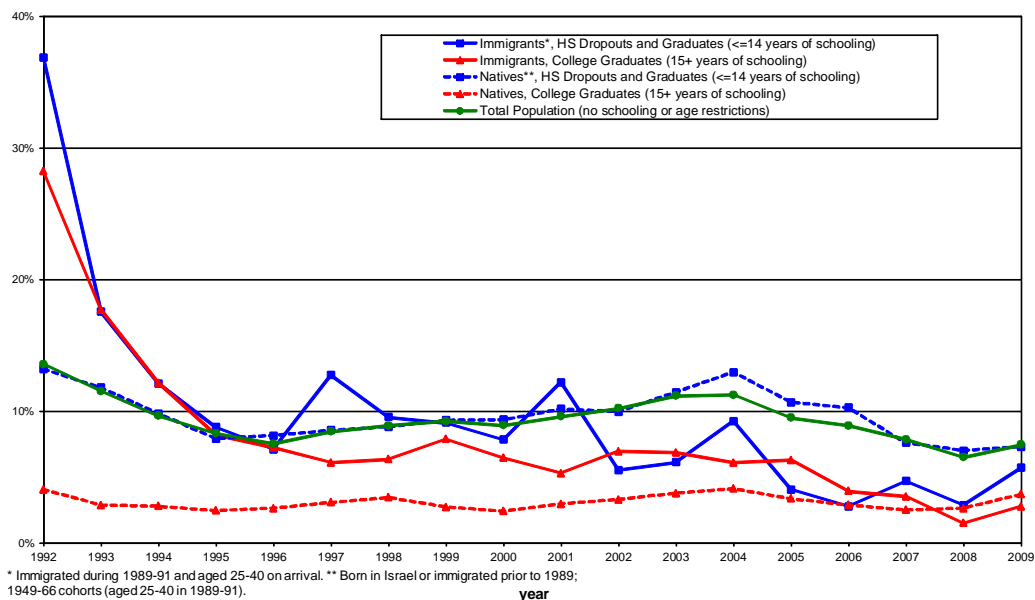


Figure 3A: Workers in WC Jobs - Males, College Graduates (15+ years of schooling)

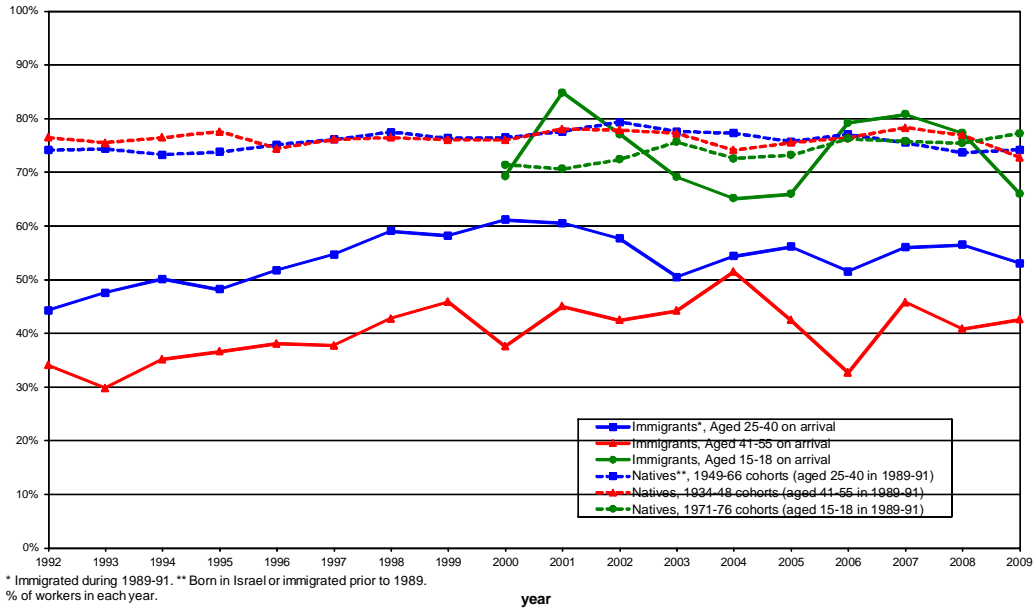


Figure 3B: Workers in WC Jobs - Females, College Graduates (15+ years of schooling)

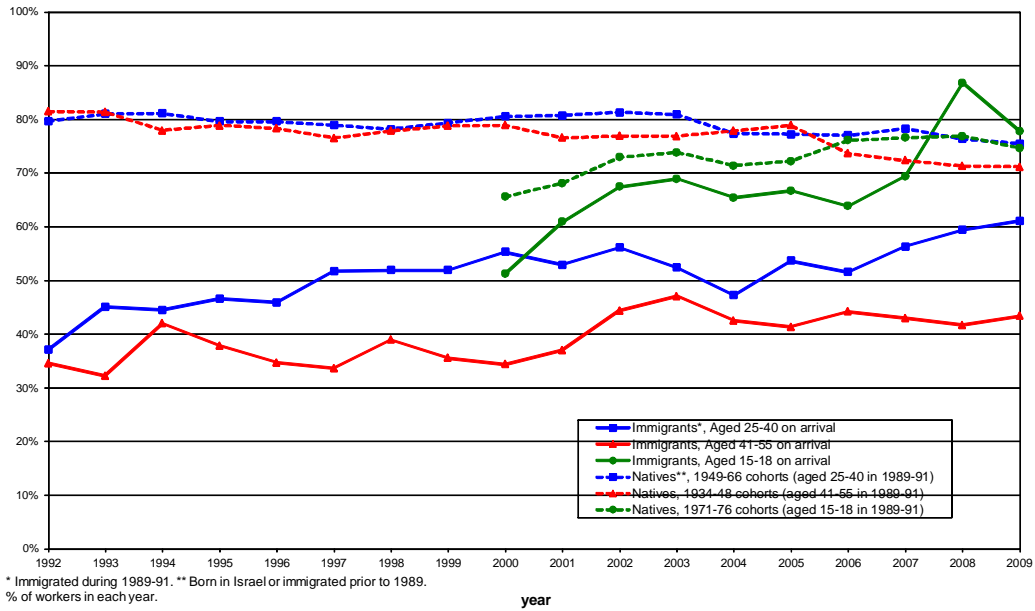


Figure 4A: Log Hourly Wages - Males, College Graduates (15+ years of schooling)

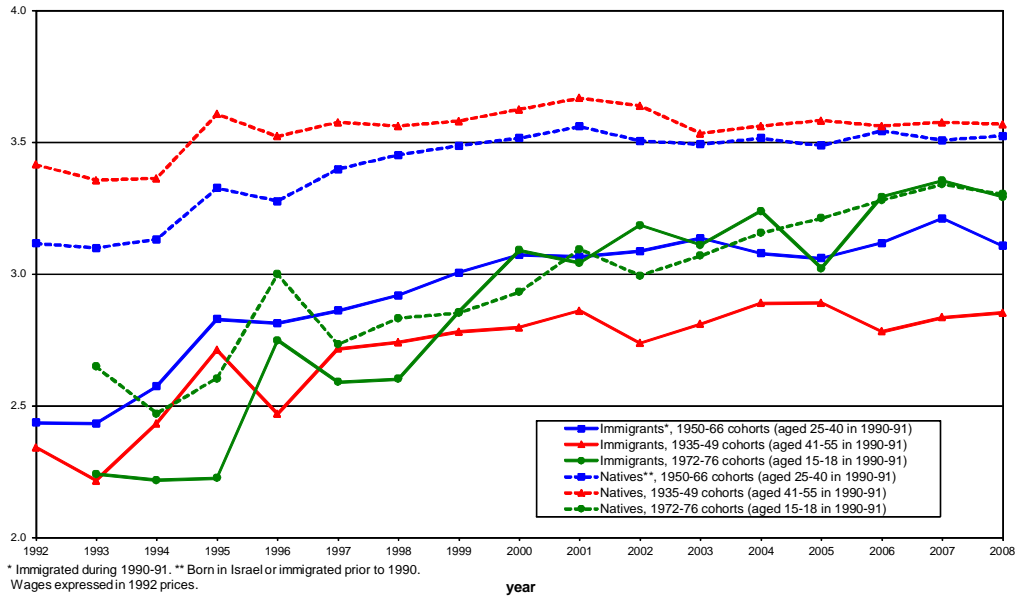


Figure 4B: Log Hourly Wages - Females, College Graduates (15+ years of schooling)

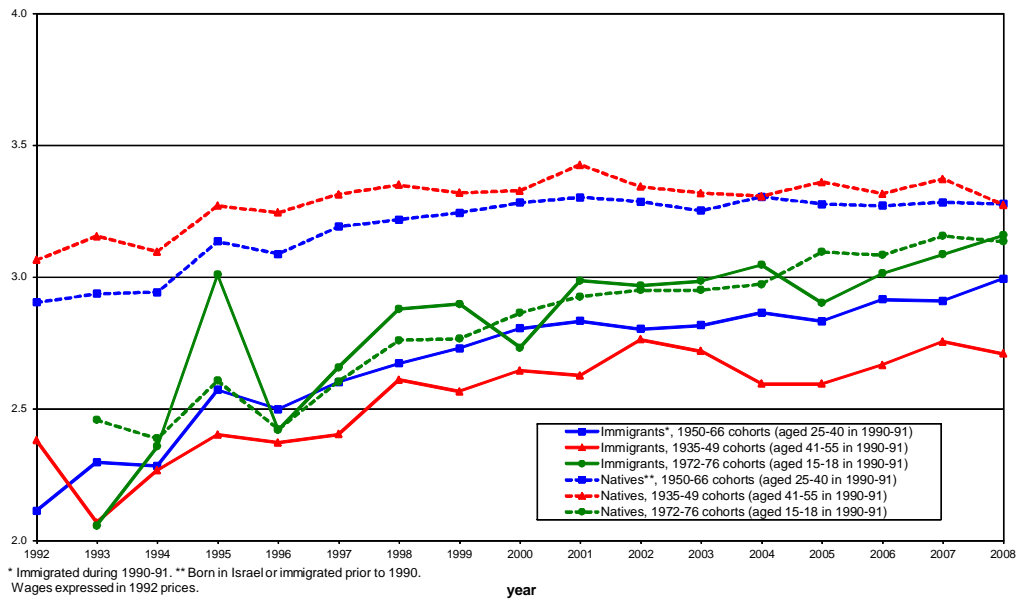


Figure 5A: Variance of Log Hourly Wages by Schooling - Males

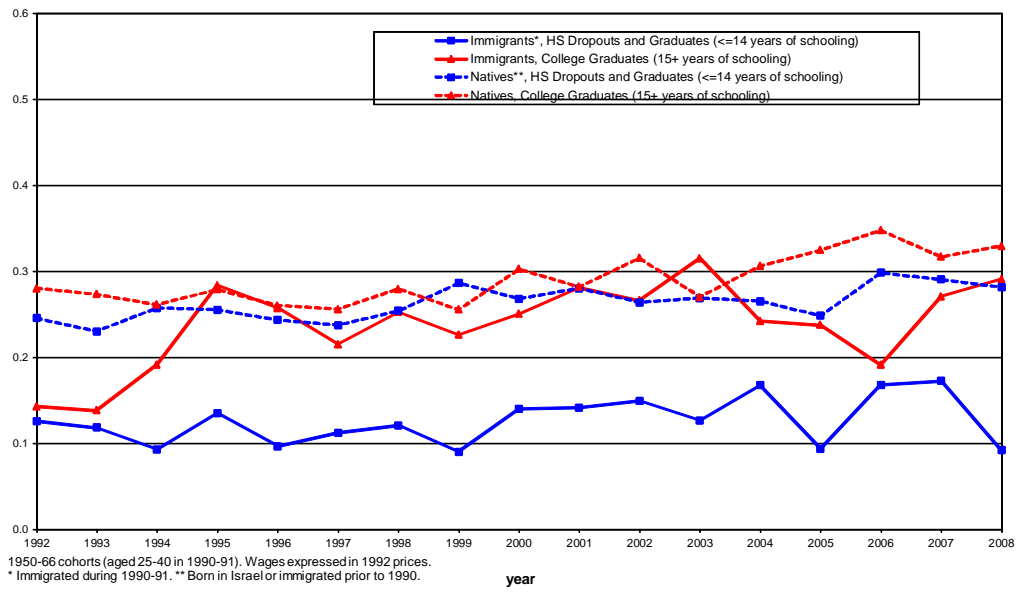
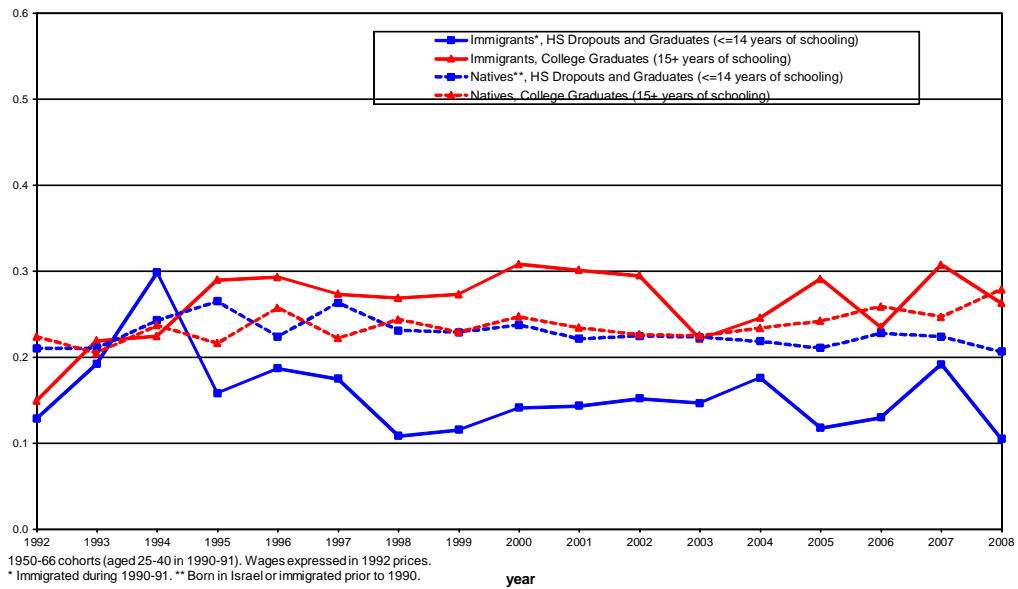


Figure 5B: Variance of Log Hourly Wages by Schooling - Females



4 Return Migration and Out-Migration

The arrival of the initial wave of FSU immigrants during 1989-91 was sudden and unexpected and thus exogenous to the economic conditions in Israel. At the time, immigrants leaving the FSU had limited options in choosing a destination. Only Israel accepted FSU immigrants immediately and in large numbers and did not impose visa restrictions or eligibility criteria for welfare benefits. It is, therefore, interesting to examine the question of whether Israel was a temporary or permanent destination for these immigrants.

Tables 2A and 2B present the survival rates as of 2004 and 2009 for FSU immigrants who arrived during 1990-91 conditional on them still being in Israel in 1995. The figures are based on the 1995 Israeli Census and on border control records up to 2009. The survival rates are presented for men and for women by schooling and age on arrival.⁷ and are consistent with findings by Tolts (2011).⁸ The survival rates are very high by international standards.⁹ However, the tables show that younger and more educated male immigrants are more likely to leave the country. By 2009, 25 percent of male immigrants who arrived to Israel at ages 20-25 and had a college degree have left the country. It is worth noting that these immigrants have acquired their college or advanced degrees in Israel, which may be more transferable than the same levels of education acquired in the FSU. In contrast, older immigrants who arrived at the age of 36-45 mainly stayed in Israel, irrespective of gender and level of education.

The patterns of attrition reported in Tables 2A and 2B have some bearing on the results reported above concerning the wage growth and occupational upgrading of college educated immigrants in Israel. To the extent that the "better" immigrants in terms of unobserved ability have left Israel, the profiles displayed in the previous figures would underestimate the wage growth and occupational upgrading that an average immigrant would expect. However, since similar attrition applies to native Israelis (see Gould and Moav, 2008), the bias in the convergence rates to natives is likely to be small.

⁷We thank Eric Gould for providing us these data. For details see Gould and Moav (2008).

⁸Tolts (2011) has calculated the annual flows of all departures of FSU immigrants who arrived to Israel since 1990 for the years 1990-2009. He finds that the annual departures, as a proportion of the annual stock of immigrants from the FSU reached a peak of 16 percent in 1992 and then leveled at about 10 percent in later years.

⁹For instance, the OECD 2008 Report "Return Migration: A New Perspective" provides estimates re-emigration rates within 5 years for the US, Netherlands, Norway, UK, Belgium and Ireland that range between 20 and 60 percent during the 1990's. See also Dustmann et al. (2011).

Table 2A: Staying Rates as of 2004 - FSU Immigrants who Arrived during 1990-91 Conditional on Staying in Israel until 1995 and on being alive and having data on staying/moving in 2004.

Age on Arrival	HS Dropouts	HS Graduates	College Graduates	Any Academic Degree
Females				
20-25	92.87%	92.79%	91.84%	90.39%
26-35	96.17%	95.71%	95.37%	94.35%
36-45	97.67%	97.44%	97.16%	97.12%
Males				
20-25	92.72%	90.33%	89.78%	89.12%
26-35	96.41%	93.98%	94.00%	92.30%
36-45	97.37%	96.83%	96.03%	95.99%

Stayers are individuals who did not leave the country for a full year or more.

Source: Calculations by Eric Gould. For a description of the data, see Gould and Moav (2008).

Table 2B: Staying Rates as of 2009 - FSU Immigrants who Arrived during 1990-91 Conditional on Staying in Israel until 1995 and on being alive and having data on staying/moving in 2004 and 2009.

Age on Arrival	HS Dropouts	HS Graduates	College Graduates	Any Academic Degree
Females				
20-25	91.98%	88.58%	82.02%	81.97%
26-35	95.92%	93.93%	92.92%	90.97%
36-45	96.86%	96.91%	95.92%	96.15%
Males				
20-25	87.29%	83.33%	75.65%	75.16%
26-35	93.96%	89.30%	89.77%	86.29%
36-45	96.85%	95.71%	93.39%	93.70%

Stayers are individuals who did not leave the country for a full year or more.

Source: Calculations by Eric Gould. For a description of the data, see Gould and Moav (2008).

5 Marriage Patterns

As we have already noted, most immigrants who came from the FSU as adults were married on arrival (see Table 1). However, those who came single or at a young age married and also divorced and remarried in Israel. Table 3 shows the marital status of different cohorts of immigrants and natives during the period 1989-91 to 2009. We see that in each of the three cohorts, male immigrants are more likely to be married than native males.

Generally, the marital patterns of immigrants that existed on arrival (see Table 1) were maintained throughout the two decades in Israel, mainly because relatively few immigrants of the older cohorts married or remarried in Israel and, while those from the young cohort, who marry mainly in Israel, married with immigrants from the FSU.

Table 4 shows the marital choices of immigrants who married in Israel. Surprisingly, even those immigrants who came from the FSU at the young ages of 15-18 and who married mostly in Israel are married with spouses from the FSU. This tendency towards endogamy can be attributed to the large accumulated number of immigrants as a proportion of the native population, which allowed immigrants from the FSU to maintain their status as a large and distinct social group. In addition, because immigrants obtain an immediate full citizenship, there is no legal reasons such as work permit or access to welfare that would encourage marriage to natives. Nevertheless, we see a clear difference between male and female immigrants in this regard. Among those immigrants who entered Israel at the young age of 15-18, 24 percent of the women have a natives spouse but only 6.5 percent of the male immigrants in this age group had a native spouse. The corresponding figures to the 25 -40 age group are 38.8% and 9.8% respectively. This gender difference is probably an outcome of the larger proportion of single women relative to single men that arrived from the FSU.

The percentage of divorced female immigrants is about twice as high as among native women, 14.4% vs. 7.7% in the 25-40 age group and 16.4% vs. 8% in the 41-55 age group. The proportion of divorced among male immigrants is substantially smaller and is only slightly larger than for natives (see Table 3). One reason for the relatively high proportion of female divorcees among immigrants is that the divorce rate in the FSU was relatively high, especially for women. According to Tolts (1992), the proportions of divorcees among the Jews aged 30-34 in the FSU, 1988 were 7.4 for men 13.3 for women. Indeed, we see in Table 1 that on arrival, 9.7 % of the women who arrived at age 25-40 and 15.5 of the women who arrived at age 41-55 were divorced. It has been argued that cultural traditions affect divorce and possibly immigrants from the FSU import their high divorce tradition to Israel (see Furtado et al., 2010). In addition, the move to a new country can by itself cause an increase in divorce.

The effect of immigration on marital stability is not obvious a-priori. Keeping the family unit intact can facilitate the first years in a new country, as spouses can

support each other and coordinate work activities. On the other hand, immigration can also lead to marital instability, as any unexpected shock that affect married spouses differently can cause divorce (Becker 1991, ch. 8). If partners acquire local skills such as language and work experience at different rate and their wages change accordingly, a large gap in local skills between partners can destabilize the marriage.¹⁰ Indeed, we see in figures 4 and 5 that wages of female immigrants rise more sharply than those of males while the variance of wages rises faster for men. Both of these processes can generate divorce.

Table 5 shows the annual transition rates out of marriage and into marriage of natives and immigrants who arrived from the FSU during 1989-91 in the administrative panel. Here, natives include those born in Israel or immigrated prior to 1980.¹¹ In addition, we exclude non-Jews who have very different marriage patterns.¹²

We display the average annual transition rates during two periods, 1995-2000 and 2001-2005. We see that for immigrants who arrived to Israel at the early ages 15-18, both males and females exit from marriage at higher rates than natives (.9% vs. .3% for males and 1.2% vs. .8% for females during 1995-2000). Among these young immigrants, we see also higher rates of entry into marriage for both males and females than among comparable natives (7.9% vs. 5.8% for males and 10.5% vs 8.6% for females during 1995-2000). Thus, immigrants in this age group have high marital *turnover* compared to natives. Given that the difference between immigrants and natives in the exit rates from marriage exceeds the difference in the entry rates into marriage, immigrants of this age group sustain a higher proportion of divorcees, as seen in Table 4.

¹⁰Differences in social adjustment in Israel are more likely to arise in mixed coupled in which one spouse is Jewish and the other is not. See Lavee and Krivosh (2012).

¹¹These early FSU immigrants constitute, respectively: 2.1% , 4.2% , 6.6% of the 15-18, 25-40, 41-55 native age groups.

¹²Specifically, we excluded Israeli born Muslims Arabs and Druzes.

Among immigrants who arrived at ages 25-40 the separation rates are similar to natives, while for those who arrived at ages 41-55 marriages of immigrants tend to be more stable than among natives.

Table 3: Marital Status of Immigrants* and Natives**, 1989-2009					
	Married	Never Marrie	Divorced	Widowed	Living Separately
Males					
Aged 15-18 in 1989-91					
Immigrants	32.59%	65.16%	1.82%	0.09%	0.34%
Natives	28.28%	70.62%	0.90%	0.05%	0.16%
Aged 25-40 in 1989-91					
Immigrants	88.69%	5.93%	4.35%	0.55%	0.49%
Natives	82.88%	12.39%	3.71%	0.48%	0.54%
Aged 41-55 in 1989-91					
Immigrants	86.92%	3.11%	6.57%	3.02%	0.38%
Natives	86.81%	5.10%	4.86%	2.44%	0.79%
Females					
Aged 15-18 in 1989-91					
Immigrants	49.39%	43.44%	4.91%	0.24%	2.02%
Natives	41.88%	55.17%	2.26%	0.15%	0.54%
Aged 25-40 in 1989-91					
Immigrants	78.16%	4.19%	14.45%	2.27%	0.93%
Natives	79.26%	9.57%	7.78%	2.25%	1.15%
Aged 41-55 in 1989-91					
Immigrants	67.31%	2.83%	16.36%	13.02%	0.48%
Natives	73.06%	5.03%	7.99%	12.81%	1.11%
* Immigrated during 1989-91.					
** Born in Israel or immigrated prior to 1989.					
Source: CBS Labor Force Survey.					

Table 5: Annual Transitions into and out of Marriage of Immigrants* and Natives**

Males					
		1995-2000		2001-2005	
		Non Married***	Married	Non Married***	Married
Aged 15-18 on arrival****	Non Married***	.921 (.942)	.079 (.058)	.84 (.883)	.16 (.117)
1,361 (32,319)	Married	.009 (.003)	.991 (.997)	.006 (.004)	.994 (.996)
Aged 25-40 on arrival	Non Married***	.978 (.952)	.022 (.048)	.973 (.976)	.027 (.024)
8,387 (133,164)	Married	.005 (.002)	.995 (.998)	.004 (.003)	.996 (.997)
Aged 41-55 on arrival	Non Married***	1 (.99)	0 (.01)	1 (.99)	0 (.01)
4,426 (44,891)	Married	.005 (.003)	.995 (.997)	.002 (.003)	.998 (.997)
Females					
		1995-2000		2001-2005	
		Non Married***	Married	Non Married***	Married
Aged 15-18 on arrival	Non Married***	.895 (.914)	.105 (.086)	.908 (.896)	.092 (.104)
1,572 (37,970)	Married	.012 (.008)	.988 (.992)	.019 (.009)	.981 (.991)
Aged 25-40 on arrival	Non Married***	.976 (.977)	.024 (.023)	.994 (.989)	.006 (.011)
9,633 (136,333)	Married	.009 (.008)	.991 (.992)	.007 (.008)	.993 (.992)
Aged 41-55 on arrival	Non Married***	.993 (.997)	.007 (.003)	.997 (.997)	.003 (.003)
4,204 (39,436)	Married	.003 (.009)	.997 (.991)	.006 (.009)	.994 (.991)

* Immigrated during 1989-91 (first number in each cell).
** Born in Israel or immigrated prior to 1980, excluding Muslims, Arabs and Druze (second number in each cell).
*** Single, divorced or widowed.
**** Number of observations of immigrants (natives).
Source: CBS Administrative Panel.

Figure 1:

Table 4: Spouses of Immigrants who Married in Israel, 1989-91 Cohorts

	Immigrant Spouse who immigrated during 1989-91	Immigrant Spouse who immigrated during 1992-2009	Native Spouse*	Spouse Unknown	Married in Israel**
Males					
Aged 15-18 on arrival	49.54%	28.69%	6.48%	14.82%	97.13%
Aged 25-40 on arrival	49.99%	37.32%	9.81%	2.24%	6.40%
Aged 41-55 on arrival	60.65%	29.07%	8.68%	1.61%	1.66%
Females					
Aged 15-18 on arrival	50.19%	14.90%	24.27%	10.21%	89.99%
Aged 25-40 on arrival	41.50%	14.85%	38.82%	3.05%	5.14%
Aged 41-55 on arrival	57.15%	17.72%	17.42%	7.71%	1.74%

* Born in Israel or immigrated prior to 1989.
** Proportion of total married immigrants.
Source: CBS Labor Force Survey.

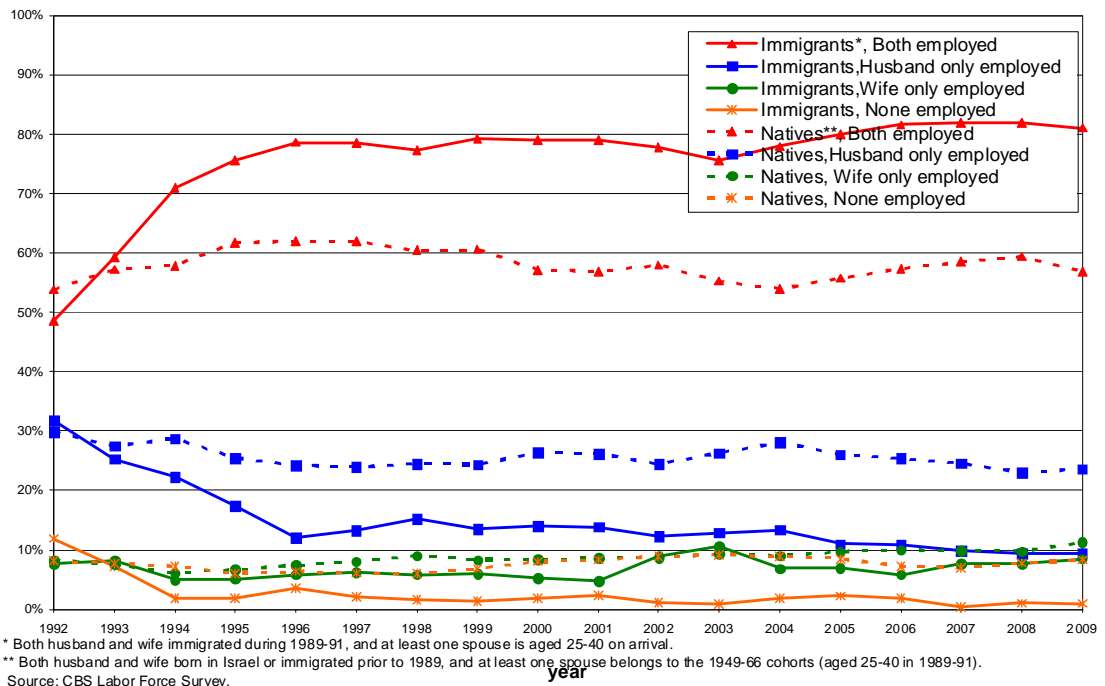
6 Division of Labor within Couples

There is some evidence suggesting coordination of work decisions between spouses in the early stages of their presence in Israel. Figure 6 shows the working pattern of married couples. It is seen that the proportion in which both partners work is substantially higher among immigrants than among comparable native Israelis. This may reflect in part work habits acquired in the FSU, where it was common for both men and women to participate in high rates. However, we can also see a large increase in this pattern over time, while among natives the proportions of different work patterns is stable. Initially, in about 30% percent of immigrant couples, only the husband worked and in about 50% of these couples, both husband and wife worked (rates that are very similar to native Israelis). At the end of the period, the proportion of immigrant couples in which both partners work went up to 80% and the proportion in which only the husband works went down to 10% (compared to 60% and 23% among Israeli couples.) The sharp change among immigrants can be interpreted as a coordinated strategy whereby the low wage earner acquired training, while the high wage earner became the bread winner.¹³ This pattern is different from the results for Canada reported by Baker and Benjamin, 1997, where immigrant wives act initially as the bread winners and work more than native females, while their husbands work less than natives.¹⁴ We also find that female immigrants in the early years following entry are strongly influenced by the work of their husband. The probability that the wife works during 1989-2009 is 62% if the husband does not work and 79% if he does work. In contrast, there is no such correlation between the husband and wife's work in period 2001-2009. Eckstein and Weiss (2002) attribute the positive correlation in early the years to the government policy of "income augmentation" based on *family* income to which immigrants were entitled. Given that the wife has the lower wage, if the husband does not work and she works, the couple is eligible for this transfer. However, if the husband works, the couple is not eligible for the transfer anyway, so she works too.

¹³Cohen-Goldner and Eckstein (2010) show that a higher proportion of women than men participated in the training programs that the government provided in the early years.

¹⁴See Basilio, Bauer and Sinning (2009) and Kim and Varanasi (2010) for more recent tests of this "family investment" hypothesis.

Figure 6: Employment Status of Married Couples



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¹⁵This impact of transfer payments applies equally well to low wage natives. See Gianelli and Micklewright (1995).

7 Conclusion

In this paper, we consider the interrelated processes of assimilation in the labor and marriage markets for immigrants from the FSU. Of particular interest is the case of immigrants who came at the young ages of 15-18. These immigrants behave like natives in the labor market but have patterns of marriage that are more similar to their source country. This surprising finding indicates an important role to inherited cultural values in the marriage market, which was made feasible by the large size of immigration from the FSU relative to the local population. These factors may also explain the low out-migration rates observed among FSU immigrants.

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