The English language fluency and occupational success of ethnic minority immigrant men living in English metropolitan areas

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Abstract. This paper examines two crucial aspects of the assimilation experience of ethnic minority immigrants in the United Kingdom. It explores the determinants of their English language (speaking) fluency and the key role such skills play in their occupational success. Our sample is derived from the Fourth National Survey of Ethnic Minorities undertaken in 1994. Uniquely this data contains an interviewer-assessed measure of English language fluency. Importantly, we also attempt to control for possible endogeneity bias in the estimates of the effect of language fluency on occupational success. We find that fluency is associated with significantly higher mean hourly occupational wages.

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1. Introduction

The United Kingdom (UK) was a major source of international migration flows over the last two centuries. Only relatively recently has it become a

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country of net immigration, mainly due to substantial inflows from South Asian countries where English is not widely spoken (see Hatton and Wheatley Price 1999 for an extended discussion). According to the 1991 Census the total stock of immigrants (i.e. those born outside the UK) numbered nearly 4 million people (or 7.4% of the UK population) whilst approaching 3 million people (or 5.5% of the total) belonged to the ethnic minorities (i.e. report an ethnicity other than White), the majority of whom (2.95% of the UK population) were born abroad. Both ethnic minority and immigrant groups are highly concentrated in the metropolitan areas of England. In particular, 45% of Britains’ ethnic minorities reside in Greater London, together with 37% of all immigrants (Owen 1992, 1993), and the majority of the remainder live in an urban environment.

The labour market disadvantages of Britains ethnic minorities are well recognised (e.g., Modood et al. 1997) and a number of recent papers have investigated the extent of racial discrimination in their employment, promotion and earnings performance (e.g., Blackaby et al. 1994, 1997, 1998; Pudney and Shields 2000). However, the fact that the majority of these individuals are immigrants has been largely ignored. Recently, factors such as country of birth, years since migration and the transferability of human capital have been shown to be important in determining their employment and unemployment propensities (Wheatley Price 2001a, 2001b), employer-funded training outcomes (Shields and Wheatley Price 1999a, 1999b) and earnings (Shields and Wheatley Price 1998) using 1990s data. However, the role of English language skills in the labour market outcomes experienced by the vast majority of Britains ethnic minorities has yet to be examined using recent data.1

In this paper we focus on male ethnic minority immigrants living in English metropolitan areas since this is where the vast majority are concentrated, and where their disadvantage is greatest. For example, ethnic minority men in Greater London are twice as likely to be unemployed than white men (Modood et al. 1997). Nevertheless, this study concerns those in a relatively favourable labour market position, namely paid employees. If we can gain an insight into the causes of their success, especially what role fluency in the English language plays in helping them climb the occupational ladder, then we may be able to suggest policies to help others out of the labour market difficulties they face and make some recommendations about future UK immigration policy.

We explore two aspects of their assimilation experience, namely their English language (speaking) fluency and occupational success, using data from the Fourth National Survey of Ethnic Minorities, undertaken in 1994, by the Policy Studies Institute in London (Modood et al. 1997). Uniquely this data provides interviewer-assessed measures of English language speaking fluency, thus avoiding the form of measurement error endemic in studies that use self-reported measures (Dustmann and van Soest 1998a, 1998b). However, the interviewers themselves may be a source of a different form of measurement error. In this paper occupational success is defined as the mean gross hourly wage associated with each 3-digit Standard Occupational Classification type of employment, using information on average earnings from the 1993–1995 Quarterly Labour Force Surveys of the United Kingdom.2 Therefore we are concerned, in this study, with comparisons across occupations rather than within them. Due to the continuous nature of this variable we can use similar econometric techniques to those employed in recent studies of immigrant earnings.