MIGRANT NETWORKS: A LITERATURE REVIEW

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1. Introduction

New Zealand is, alongside the USA, Canada and Australia, one of the classic countries of immigration. It has developed a population base, economy and a democratic state through a process of immigration. The majority of these immigrants came, historically from the UK and Ireland, until the 1960s when migrants came in much larger numbers from the Pacific, and then from more diverse sources (especially Asia) after 1987. It remains a country that has very large immigrant inflows with the effect that about a quarter of all New Zealanders have been born overseas. However, during the last two decades, a counter population movement has been empirically observable as well. Since 1993, the number of New Zealand citizens departing for 12 months or more has tended to increase and New Zealand’s expatriate community is currently estimated at up to 750,000 (Department of Labour, 2009, p. 41; 45). With 16 percent of its citizens living abroad, New Zealand has one of the highest outflows of citizens per capita of any OECD country (Department of Labour, 2009, p. 96). These temporary and permanent Kiwi migrants are embedded in informal networks (see for example Conradson & Latham, 2005) as well as formal associations and clubs. New Zealand citizens have established expatriate associations all over the world, from Hong Kong\(^1\), to Switzerland\(^2\) and the USA\(^3\) which – according to the aims and missions of some of these clubs – allow the migrants to “find fellowship among New Zealanders”, ”perform the song and dance of the Maori people”, and “talk our own lingo, share a sheep joke, talk nostalgically about Vegemite”.

Just as New Zealanders seek fellowship with compatriots abroad, migrants from all over the world connect with co-ethnics or co-nationals once they have arrived in a new country. The fact that most migrants are embedded in formal or informal networks linking them to compatriots is neither new nor news. On the contrary, the existence of migrant networks is so common that Roger Waldinger (2004, p. 357) calls it the “oldest of stories”. The strengthening of collective identities based on a shared place of origin, ethnicity, religion or language therefore seems to be inextricably linked to the migration process itself. While this has been true for a long time, modern forms of communication – for instance cell phones or computer-mediated technologies as well as faster and more affordable means of transport – make it easier for contemporary migrants to stay linked to their families and friends in the country of origin. As a consequence, migrants find themselves deeply embedded not only in local but also translocal or transnational networks. Hence, the notion of the “uprooted migrant”, a concept that has dominated thinking in migration studies for almost the entire 20\(^{th}\) century and that assumes that the migration process is disruptive to former social ties, clearly is outdated. Instead, migration scholars do well to acknowledge a new paradigmatic figure that Dana Diminescu (2008) calls the “connected migrant”\(^4\). This refers to an individual who relies on alliances outside his own group of belonging but, who at the same time, maintains strong ties to his country of origin and compatriots in the host country; a person who is somehow neither here nor there but

\(^{1}\) http://www.nzshk.org  
\(^{2}\) http://www.nzclub.ch  
\(^{3}\) http://www.kiwisinla.com  
\(^{4}\) The “connected migrant” shares some parallels with the notion of the “transmigrant” as Glick Schiller, Basch and Blanc-Szanton (1995) have conceptualised it. While both are embedded in local and transnational networks, the term “transmigrant” should – to avoid inflationary use – be reserved for the minority of migrants who settled permanently in the host country and whose transnational activities are a “key defining feature of their lives” (Castles & Miller, 2003, p. 30). For all other migrants whose existence does not depend on transnational activities but who, nonetheless, have extended ties to co-ethnics in the country of origin and the host society, the term “connected migrant” seems appropriate.
here and there simultaneously; and whose homeland is not a mere memory supported by occasional contact it is an intimate aspect of daily living (Diminescu, 2008; Hiller & Franz, 2004, pp. 567-569).

While local and transnational networks may have been important for many migrants for some time, it is only been since the early 1990s that these social networks of migrants have attracted great research scientific interest. The past two decades have witnessed an impressive proliferation of studies on migrants’ social networks, especially since Glick Schiller, Basch and Blanc-Szanton (1992) first pointed out the existence and significance of transnational social networks. The rise of migrant networks as a research topic coincided with a fundamental paradigmatic shift in migration studies. Early migration studies focused mainly on the incorporation – or rather assimilation – of the “marginal man” (Park, 1928) or “Der Fremde” (Schütz, 1972) into the host society, reflecting the then widespread image of a somewhat deficient migrant who is expected to undergo a profound change by entering mainstream host society and to abandon former cultural behaviours in the so-called “melting pot”. Contemporary migration scholars have mainly abandoned this deficit-oriented view of migration and migrants and instead, focus on the resources of migrants and the potential inherent in the migration process itself (i.e. the positive effects of migration on the development of home countries or the trade opportunities of host countries). In addition, migrants are no longer perceived as passive victims of their circumstances but increasingly seen as strategic actors who purposefully mobilise their social connections in order to achieve various individual and collective goals. Waldinger confirms that social networks and their benefits stand at the core of contemporary migration studies when he writes: “The emphasis is on the connections that bind the newcomers together and the resources created by the contacts that crisscross the immigrant communities. [...] In other words, concentration is the way to go, with the search for advancement taking a collective, not an individual form” (Waldinger, 2004, p. 343).

Taking a closer look at the self-described aims of the previously mentioned New Zealand expatriate clubs, we find that they not only provide fellowship among Kiwis abroad but also offer business contacts and professional advice in the host countries. Furthermore, New Zealand migrants established a global talent network which includes 25,000 members and whose aim it is to foster business networks and leverage the knowledge and contacts of talented New Zealanders around the world. This example provides confirmation of the Waldinger comment that such networks fulfil collective goals. Such examples can be found in a variety of social settings. Many social scientists therefore perceive informal and formal networks as sources of a special sort of resource which in sociological terms is called “social capital” (see section 5). By being part of a network, migrants may gain assistance in creating businesses, finding employment and fostering economic advancement. However, recent studies have shown that migrants’ social networks also have non-economic implications. First of all, networks may influence a migrant’s decision to move abroad; in addition, they may facilitate the migration process, enhance chain migration and impact on the locational choice of migrants in the host country (Carrington, Detragiache, & Vishwanath, 1996; Massey, 1990; Massey & España, 1987). Once the physical relocation is completed, migrant networks may help meet the basic settlement and longer-term integration needs of newcomers by providing general information on life in the new country; providing accommodation, emotional and moral support, protection from the impact of racism and discrimination, communal advocacy, lobbying and leadership; help to find housing, obtain training in the local language, get access to health care; foster educational achievement; and even producing positive physical and mental health by enabling.

5 See for instance http://www.kiwisinla.com/
6 http://www.keanewzealand.com
a social life in an otherwise unfamiliar setting (Boyd, 1989; Ebaugh & Curry, 2000; Garcia, 2005; Gold, 2005; Leung, 2001; Ryan, Sales, Tilki, & Siara, 2008). A considerable body of research has also documented the flow of financial and social remittances to the home country and how networks thereby affect the lives of relatives, community infrastructure and the national economy back home (Barkan, McNulty, & Ayeni, 1991; Fox & Bada, 2008; Orozco, 2002; Portes, Escobar, & Radford, 2007).

Previous studies have revealed a broad range of functions and benefits that migrant networks provide their members. This report does not review all of the previously mentioned effects of networks but instead focuses – in line with the general research focus of the IIP – on their economic implications and their role in the migration process while leaving aside political, social or health-related aspects. Based on an extensive review of studies on migrant networks, this report aims to present an overview of the positive and negative impacts of networks on the economic integration of migrants.

The first section of the review provides to an introduction to the topic and contains a definition of migrant networks and an outline of their key features. It also indicates the dynamic character of networks and their interaction with external economic, social and political conditions. Furthermore, the concept of “social capital” is considered and some critical reflections on the nature of social capital and networks is provided.

In the second part of the report, four specific implications of migrant networks are examined. These are: the way networks shape migration flows; their stimulating effects on international trade; their facilitation in the search for employment; and their influence on migrant entrepreneurship.

Summarising and synthesising the key findings of section two, the third part of the review provides a critical appraisal of the effects of migrant networks on their members and aims to evaluate their overall implications for the social and economic incorporation of migrants into host societies.
2. Definition and Key Features of Migrant Networks

A review of relevant papers reveals that there is no uniform use of the concept of “social networks” in migration studies. On the contrary, different scholars draw on definitions that vary substantially according to their breadth and analytical sharpness. As a basis for his critical summary of network studies, Gold (2005), for instance, adopted Thomas Faist’s rather inclusive approach to the concept which defines a network as a “set of individual or collective actors – ranging from individuals, families, firms and nation-states – and the relations that couple them” (Gold, 2005, pp. 4-5). Another common point of reference is Douglas Massey’s definition of networks which is less inclusive than Faist’s conceptualisation since it excludes ties going beyond the micro and meso level and consequently sees networks merely as “interpersonal ties linking migrants and nonmigrants in origin and destination areas” (Boyd, 1989, p. 639; Light, Bernard, & Kim, 1999, p. 5). Boswell and Ciobanu (2009) even go a step further and draw on Michael Bommes and Veronika Tacke’s definition which narrows the concept further down by including two basic conditions: “1) the existence of a set of connections characterized by the availability of addresses; and 2) an expectation that these addresses may be mobilized in the future for particular purposes” (Boswell & Ciobanu, 2009, pp. 1358-1359). According to this latter conception, it is their strategic nature that distinguishes social networks from other forms of social connections, and no social connection qualifies as a network unless it is strategic in nature. These definitions reveal two key features of social networks: firstly, social networks may include interpersonal as well as organisational ties; and secondly, networks may – to a certain degree – be seen as adaptive strategies.

Most migration scholars have limited the focus of their studies to migrants’ interpersonal ties. However, Maritsa Poros (2001) has pointed out that migrants’ networks may also include ties to organisations. According to her, organisational ties exist when individuals are embedded in organisations or institutions (Poros, 2001, pp. 245-246). This is typically the case in the migration of professionals who are recruited by an enterprise or a firm without having prior personal contacts with people in the host country. While Poros deserves credit for broadening the general research perspective by calling attention to organisational ties, it is the personal ties linking migrants to other social actors that stand at the core of the bulk of network studies. As a consequence, it seems appropriate to narrow down Faist’s inclusive conception and to view – in line with Massey – the interpersonal nature of ties as a first defining feature of migrants’ social networks.

As previously mentioned, some scholars such as Boswell and Ciobanu (2009) list the strategic nature of networks as one of their defining features. From this perspective, social ties to other persons are viewed as part of the strategies – understood as “conscious and subconscious actions” – which migrants “develop to cope with the new surroundings [...] [and] with the purpose to maintain or improve their customary standard of living” (Versteegh, 2000, p. 115). While empirical findings support the idea that migrants actively and consciously mobilise their networks in order to achieve a goal (see e.g. Hu & Salazar, 2005; Salaff, Greve, Siu-Lun, & Xu, 2003), the strategic nature of networks, as well as the possibility of strategically mobilising networks, seem overestimated for a number of reasons. First of all, access to social networks is often not as open as one might imagine. As a consequence, many migrants struggle to access new and resource-rich networks (see below). Furthermore, abandoning an old network – for example, business network – and turning to a new and more promising set of ties may have serious consequences because of the multiplexity of social ties (see below). The multiplexity of ties means that an individual interacts with the same people in different contexts. Hence breaking with a business partner who is also a family member may come
with significant private costs. In addition, turning to a new network and abandoning an old one is often risky because there may be no way back in case the new network does not deliver what it promised (see e.g. Hu & Salazar, 2005). A final point of critique is that the claim that the general view of networks as conscious strategies that allow an individual to climb up the social and economic ladder is too economistic. Gold (2005, pp. 35-36) convincingly argues that “while this model may be appropriate for understanding conscious economic strategies of entrepreneurs [...] it is less well suited for exploring other issues and contexts. By and large, the social capital vested in migrant networks is not created intentionally”. Instead, Gold echoes Coleman’s view that “social capital ... is created or destroyed as a by-product of other activities” (Coleman, 1988 cited in 2005, pp. 35-36). Even though the degree of strategic use of social networks remains insufficiently researched, the current state of knowledge suggests that the majority of social ties are not established as a result of strategic thinking but in the course of daily social interactions. Hence, the strategic nature of networks may only be considered a defining feature to a limited degree. Nevertheless, migrants may attempt to mobilise these ties once they are established to achieve a specific goal.

As mentioned before, social ties can further be distinguished in single-dimensioned and multiplex ties. The multiplexity of ties means that a social relation is multi-stranded and two people interact with each other in different situations (for example, two cousins who are also business partners interact in private as well as professional contexts). Single-dimensioned ties, on the other hand, are interactions that occur in only one context. For example, the contact between a customer and a dairy owner who may never meet on other occasions. Several scholars note that many social ties of migrants are multiplex rather than single-dimensioned (Leung, 2003, pp. 289-290; Salaff et al., 2003, p. 64).

A striking and well documented feature of social networks is their homophily (for an extensive literature review on homophily in social networks see McPherson, Smith-Lovin, & Cook, 2001). The term homophily denotes the general propensity of humans to associate with people who share similar personal, social, cultural, political or economic characteristics. This principle that “similarity breeds connection” applies to social ties of every type, ranging from marriage and friendship to work, support and exchange networks (McPherson et al., 2001, p. 415). Shared characteristics and experiences are expected to trigger feelings of comfort, belonging and trust which are prerequisites for social networking and interaction between humans (Avenarius, 2009, p. 23; Ryan et al., 2008, p. 674). A lack of commonalities, on the other hand, is expected to limit social contacts between individuals to “greeting relationships” and inhibit “regular and consistent” interaction patterns (Avenarius, 2009, p. 22). Accordingly, Avenarius (2009) concludes that migrants’ opportunities for “regular interactions with nonimmigrants are constrained by the limited range of commonalities”, implying that their networks are to a large extent made up of fellow migrants (Avenarius, 2009, p. 23). McPherson et al. (2001) further found that ties between dissimilar individuals are not only less likely to be established but they also dissolve at a higher rate than homophilic contacts do, meaning that heterogeneous networks are generally less stable. However, Salaff et al. (2003) point out that feelings of similarity and belonging are not naturally given but people must recognise each other as similar. They argue that “those who belong are characterised situationally” (Salaff et al., 2003, p. 65) which signifies that the identification with others are multiple and context-contingent.

Social organisation is thus based on various dimensions of similarity. According to McPherson et al. (2001, p. 415), “homophily in race and ethnicity creates the strongest divides in personal environments”. However, other scholars such as Andreas Wimmer (2004, pp. 26-30) point out that ethnic groups are not given social units and other dimensions of (dis)similarity trigger or hinder social
relationships. On a related note, Carlos Garcia (2005) illustrates that an individual’s network is not a one-dimensional institution but rather comprises different sub-networks according to different characteristics that the individual shares with other people. He argues that “although each of these secondary networks has unique characteristics”, these sub-networks may overlap significantly and, put together, constitute the entire network of an individual (Garcia, 2005, p. 10). In line with McPherson et al. (2001), many scholars tend to view ethnicity as the most important dimension of similarity. However other authors have drawn attention to the importance of sub-ethnicity – e.g. Cantonese and Fujianese networks in Liverpool (Beck, 2007) – or regional belonging – e.g. in the form of a pan South Asian identity of elderly women in London (Mand, 2006) – as decisive factors in an individual’s association with others. A natural principle of association is, of course, biological kinship. However, some studies also attribute considerable importance to friendship (Mand, 2006) and – especially for migrants from Spanish-speaking countries, Asia, Africa, and the Caribbean – to fictive kinship (Ebaugh & Curry, 2000) as bases of social organisation. Other important factors shaping associations or dividing people include education, occupation and social class (Beck, 2007, p. 150; McPherson et al., 2001, pp. 426-427; Wimmer, 2004, pp. 26-30); religion, attitudes and aspirations, age, and sex (McPherson et al., 2001, pp. 420-429); as well as the influence of immigration category, migrant generation and migrant’ legal status (Beck, 2007, p. 150; Wimmer, 2004, pp. 26-30).

In light of the argument that a network consists of a variable number of sub-networks, scholars tend to distinguish between a core and an extension of an individual’s entire network (see for instance Hu & Salazar, 2005). At the core of networks stand ties based on similarities such as family, biological and fictive kinship as well as very close friends. This network core is widely considered the most important source of social capital in the form of support and help (Boyd, 1989; George & Chaze, 2009, pp. 642-643; Wegge, 2008, p. 299) and as generating the most trust and commitment among migrants (Bull, 2002, p. 228). However, as McCarthy (2005) in her study on Irish migrants in 19th century New Zealand shows, there have always been networks operating beyond families and close friends. Extended networks typically encompass ties to people sharing a common ethnicity, including, for instance, acquaintances, neighbours, business partners, fellow graduates from a university or co-members of a community-based institution such as a recreational club. While the networks of peers and ethnic organisations were a substitute for lost kinship ties in 19th century migratory flows (Brooking, 2006, p. 184), they are nowadays regarded as a crucial and inherent aspect of networks and an important supplement to familial ties (Versteegh, 2000, p. 140).

The distinction between a core and an extension of networks is similar to Mark Granovetter’s (1973, 1983) work on the “strength of ties”, one of the most influential contributions to the study of social networks that significantly shaped current thinking. Incorporating Granovetter’s work into migration studies not only refines the concept of “network” (cf. Boyd, 1989, p. 655) but it also adds further analytical power to it (cf. Hagan, 1998, p. 66). While most scholars previously focused on familial ties, Granovetter stressed the crucial importance of rather loose ties to acquaintances for the social and economic advancement of an individual. He distinguished ties according to their “strength”, the strength of ties being a “combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the tie” (Granovetter, 1973, p. 1361). Strong ties, thus, are emotionally intense and intimate, require considerable time investment and provide reciprocal services. This kind of tie can be typically found between family members, spouses or close friends (i.e. among the core of an individual’s network). Weak ties, on the other hand, are characterised by little time investment, a lack of emotional intensity and intimacy as well
as non-reciprocal services, and can be found between acquaintances and colleagues (i.e. in the extended network). Granovetter asserts that:

“[..] our acquaintances (weak ties) are less likely to be socially involved with one another than are our close friends (strong ties). Each of these acquaintances, however, is likely to have close friends in his own right and therefore to be enmeshed in a closely knit clump of social structure, but one different from Ego’s. The weak tie between Ego and his acquaintance, therefore, becomes [...] a crucial bridge between the two densely knit clumps of close friends. [...] these clumps would not, in fact, be connected to one another at all were it not for the existence of weak ties” (Granovetter, 1983, p. 201).

Weak ties are thus similar to Robert Putnam’s concept of bridging ties that link two sets of people that are usually divided because they are different “in some important way” (e.g. ethnicity, occupation, education), whereas strong ties are equivalent to Putnam’s bonding ties linking an individual to his equals (Putnam, 2007, p. 143). Weak or bridging ties bridge what Ron Burt (1995 [1992]) calls structural holes and consequently, they broaden the span of potential social capital available to an individual. In this context, Ryan et al. (2008, p. 676) deserve credit for noting that bridging occurs not only in relation to ethnicity but other aspects as well, such as class and gender. It is therefore, important to differentiate vertical and horizontal bridging. The distinctions made by Granovetter and Putnam sharpen our understanding of the support provided in social networks and which type of tie offers what kind of support and service. Strong ties are generally associated with emotional, financial and practical support (Hamer, 2008, p. 360; Ryan et al., 2008, pp. 674-675) while weak ties are expected to play a major role in the diffusion of information and the improvement of an individual’s socio-economic status (Gold, 2005; Granovetter, 1973, 1983; Hamer, 2008, p. 350). This question will be addressed in more detail in later sections.

Three final features of migrant networks are their spatiality, formality and the principles by which they work. Gold (2005) argues that many definitions of social networks are either too local in focus or wrongly assume that migrant networks are strictly transnational in scope. Taking into account this criticism, physical proximity is not considered a prerequisite of social networks in this literature review and the term network is understood to include co-ethnic ties among migrants in the host country as well as transnational ties linking them to their families and friends in their country of origin. Given this broad locational focus, it is reasonable to expect migrant networks to be made up of current migrants, ex-migrants, potential migrants and non-migrants in sending and receiving societies (cf. Massey (1987) cited in Grzymala-Kazlowska, 2005, p. 676).

Networks can be further distinguished according to their degree of formality, ranging from formal to informal networks. Formal networks are understood as associations with a legal status, a board and a constitution, and are the most tangible form of social networks. Informal networks, on the other hand, are interpersonal ties that are not regulated by formal rules, such as ties to friends and families. Studies from German-speaking countries in Europe (Germany, Austria and Switzerland) reveal that between 1.3-38 percent of all migrants are members of formal associations, the weighted average being around 20 percent (Fibbi, 1985; Jungk, 2005; Lehmann, 2001; Ministerium für Arbeit Soziales und Stadtentwicklung Kultur und Sport des Landes Nordrhein Westfalen, 1999; Schoeneberg, 1985). The fact that only a rather small proportion of migrants are members of formal networks leads scholars to the conclusion that informal networks play an even more important role for an individual’s life than formal associations (George & Chaze, 2009, p. 396). Also, formal associations may act as a contact point for newcomers and provide introductions to other, informal networks (Babcock, 2006).
Finally, networks – especially of the informal kind – are not regulated by a set of formal rules (Bull, 2002, p. 225). Instead, they are built on informal regulatory mechanisms such as trust, reputation and reciprocity. Salaff et al. (2003, p. 63) argue that people sharing networks “recognize each other as familiar” and that “when people know each other, or know about each other, interpersonal trust and understanding is generated”. The amount of trust that a group of people place in an individual serves as the basis for this person’s reputation among the group members and, as a consequence, determines whether the individual gains access to a network and is considered an appropriate recipient of social, emotional or financial support (cf. Gold, 2005). Trust and reputation can therefore be seen as essential requirements for social networking. Support given to a fellow network member is expected to be mutual rather than “based on charity or noblesse oblige” (Gold, 2005, p. 11) and as part of a long-term relationship (Bull, 2002, p. 225). In fact, it is through reciprocal help and support – or, as Portes (1998, p. 3) puts it, “investment strategies oriented to the institutionalization of group relations” – that networks are constructed and maintained in the first place. Gold (2005, p. 20) further specifies that mutual dependence and reciprocity in networks crosses social strata when, for example, proletarian migrants depend on the financial assistance from middle-class ethnics while these elites need the former as workers and customers.

Subsequent to this tour d’horizon, and taking into account the aforementioned key features, this paper is based on the following definition of migrants’ social networks: The term “migrant networks” denotes formal and informal, local and transnational, by tendency homophilic and often multiplex ties between individual migrants who share one or more dimensions of similarity; migrant networks are to a certain degree strategic but are typically regulated by informal principles rather than formal rules, consist of different sub-networks and are made up of a core and an extension, encompassing strong and weak ties.
3. Technology-mediated networks

As mentioned in the introduction, modern forms of communication such as cell phones or computer-mediated technologies have had a significant impact on the size of migrant’s networks and the frequency of their contacts with co-ethnics. Especially computer and internet-mediated technologies are considered “excellent tool[s] to ally [...] [migrants] with compatriots throughout the world” (Brouwer, 2006, p. 1154) and are therefore viewed as crucial for the paradigmatic figures of the “connected migrant” and the “transmigrant”. Despite their importance for the lives of many migrants, technology-mediated communication is still a rather recent and marginal research topic in migration studies (cf. Panagakos & Horst, 2006, p. 111) and, as a consequence, not many studies could be found that explicitly deal with members, significance or effects of computer-mediated networks.

3.1 Empirical evidence about the use of technology-mediated communication

It is often assumed that, because of their life situation, migrants have a special interest in communication technologies and that they are on the “cutting edge of technology adoption” (Panagakos & Horst, 2006, p. 111). However, the ease of transnational communication should not be overestimated for two reasons. Firstly, even though the worldwide spread of modern communication technologies is continuing at a rapid pace (cf. Benitez, 2006, pp. 189-190; Horst, 2006, p. 143) and despite innovations such as bicycle-powered computers in remote areas of developing countries (Panagakos & Horst, 2006, p. 120), the same degree of technophilia and equipment still cannot always be expected at the other end of communication in the countries of origin. Secondly, some of the available studies on migrants’ computer-mediated communication suggest that their internet connectivity may not be as high as expected. Benitez (2006, p. 193), for instance, reports that only about 35 to 40 percent of Latin-American migrants in Washington DC have access to the internet. Scholars of migrants’ communication patterns thus need to address and carefully analyse the issue of access.

The digital divide is not only a matter of differences between the “North” and “South” (Panagakos & Horst, 2006, pp. 113-114) but dissimilarities in access to, and usage of, new technologies also follow finer units of distinction. Firstly, accessibility is a function of a migrant’s socio-economic and human capital and is positively correlated with, for instance, his or her level of education (Benitez, 2006; Lam & Rosario-Ramos, 2009), linguistic skills, technical literacy and economic resources (Benitez, 2006; Panagakos & Horst, 2006). Technological engagement and usage of the internet are also determined by a migrant’s sex and gender. While men tend to participate in online games and visit sports-related websites, women look up websites about religion and cooking and are much more involved in communication with transnational families (Panagakos & Horst, 2006, p. 111; Thompson, 2009, pp. 371-372). Panagakos and Horst (2006, p. 116) thus conclude that “the adoption of the Internet seems to reinforce notions of gender more than it challenges them”. Thirdly, the age of an individual influences his or her use of modern communication technologies, with older first-generation migrants being much less familiar with the internet than their children and grandchildren (Benitez, 2006, p. 193; Panagakos & Horst, 2006, p. 116). Lam and Rosario-Ramos (2009, p. 178) further reveal that “proportionally more students who migrated at a later stage of their childhood reported communicating with people in their home countries”, implying that older children and adolescents would have developed stronger attachments and links to people in the home country that they wish
to maintain, even after their physical relocation. Fourthly, Benitez (2006, p. 193; 195) found that a migrant’s legal status shapes his or her transnational communication patterns and the usage of internet. People who are not allowed to travel back and forth between home and host country use video chats and phone calls more frequently to maintain their social ties. Finally, US studies show that Internet usage is related to a person’s ethnicity. Benitez (2006, p. 193) notes that 65.1 percent of “white people” and 63.1 percent of Asian American and Pacific Islanders use the Internet compared to only 45.2 percent of “black people” and 37.2 percent of Hispanics. Lam and Rosario-Ramos (2009, p. 177) found similar communication patterns with 84 percent of Eastern European migrants involved in cross-border communication compared to 73 percent of East Asians, 70 percent of Latin-Americans, and 66 percent of South Asians. The access to, and usage of, modern forms of communication is thus not colour blind (cf. Castells 2001 cited in Benitez, 2006, p. 193) nor is a true democratisation of a communication technologies in sight. Quite to the contrary, the digital divide emphasises, and may even exacerbate, existing dissimilarities. Non-users of such technologies not only miss out on possibilities “for the expression of new forms of collective identities, political participation and reorganization of time–space contexts in the new transnational network society” (Benitez, 2006, p. 196) but also remain excluded from those networks which the Internet engenders and which provide a new form of social capital (Hiller & Franz, 2004, p. 748).

Studies show that migrants not only communicate with friends and families in their countries of origin but also with people in other countries (Lam & Rosario-Ramos, 2009, p. 177). Those networks are sustained and enabled by a broad spectrum of communication technologies, ranging from landline and mobile phones (Benitez, 2006), Emails and instant messaging (Lam & Rosario-Ramos, 2009), videotapes about events and celebrations which are sent back and forth (Benitez, 2006), to interaction on websites (chatrooms, blogs or forums). Despite the empirical significance and popularity of online communication – one study found that 62.8 percent of respondents use email, 40.6 percent use chatrooms, 15.6 percent use general websites and 8.3 percent use blogs (Lam & Rosario-Ramos, 2009, p. 177) – there is little knowledge available on this topic. The work of Bernal (2006), Brouwer (2006), and Benitez (2006) aims to fill this research gap and shows that websites are organised along ethnic lines or even based on shared roots in a specific hometown with some websites thus becoming cyber villages (Benitez, 2006, pp. 189-190). However, these websites do not necessarily use the language of the country of origin. While Bernal (2006) and Benitez (2006) analysed websites in the migrants’ native tongue, Brouwer (2006) studied Moroccan websites in Dutch which are therefore restricted to Dutch speakers and are more embedded in the local Dutch Moroccan community than in the transnational Moroccan social space (Brouwer, 2006, p. 1167). Nevertheless, the content of those websites is clearly centred on events related to the countries of origin or the migrants’ life situations in the host country, including information on history, culture or tourism in the home country (Benitez, 2006, pp. 189-190), local news concerning migrants (Brouwer, 2006, p. 1153), photos of social, athletic, cultural and political activities in the migrant community (Benitez, 2006, pp. 189-190), and opportunities for compatriots to engage in critical and diverse debates about views on and experiences with the home and host country (Benitez, 2006, pp. 189-190; Brouwer, 2006, p. 1167).

3.2 Function and effects of technology-mediated communication

Technology-mediated networks have some of the same effects on migrants’ lives as their face-to-face networks have but they also fulfil particular functions, provide specific opportunities and bear special challenges. Hiller and Franz (2004, p. 739) deserve credit for pointing out how migrants’ needs change over the different phases of migration and how, as a consequence, they use modern
means of communication for different purposes at particular stages. The following table summarises their core findings:

<table>
<thead>
<tr>
<th>Pre-Migrant</th>
<th>Post-Migrant</th>
<th>Settled Migrant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Search tool</strong></td>
<td>Searching for a wide range of information about the potential destination.</td>
<td>More skillful use of internet to obtain information about new community.</td>
</tr>
<tr>
<td>Function: exploration and discovery to facilitate migration adjustment.</td>
<td>Mechanism to obtain news from home.</td>
<td>Function: facilitate integration to new community and retention of ties to home community.</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td>Primarily used to maintain home contact and to establish/retain contact with other migrants.</td>
<td>Function: retaining ties to home but help to build ties among migrants.</td>
</tr>
<tr>
<td><strong>EBS</strong></td>
<td>Making announcements that reconnect people where migration broke ties.</td>
<td>Locating friends and family from home and reviving aspects of home culture.</td>
</tr>
<tr>
<td><strong>Chat</strong></td>
<td>Obtain advice from earlier migrants and discuss feelings and observations.</td>
<td>Maintaining contact and sustaining home ties.</td>
</tr>
</tbody>
</table>

(Hiller & Franz, 2004, p. 739)

These different functions, opportunities and effects of technology-mediated networks will be discussed individually in what follows. On a basic note, technologies such as long-distance phone service, email, websites and blogs supply migrants with information on events in and matters of their country of origin, their host society as well as other countries that are part of a diaspora (Brouwer, 2006; Lam & Rosario-Ramos, 2009; Tsai, 2006). In this way, migrants are kept updated on current family affairs, incidents in their home countries and are able to exchange news about matters in the host country concerning them. But transnational communication is, of course, not only a one-way phenomenon. Horst (2006, p. 155), for instance, mentions how family members and friends back home learn about the hardship of a life abroad and, faced with more realistic expectations of the migration experience, may abandon their plan to migrate themselves.

Modern forms of communication not only enable individual and private interaction but also provide migrants with mediums for collective practices such as political action in the home and host country.
The use of new communication technologies in politics is growing because they offer people who are excluded from regular arenas of opinion-making a chance to be heard and to debate. In addition, they represent a way to circumvent censorship, repressive controls of the information flow or the threat of (physical) punishment against dissidents and critics (Bernal, 2006). These relatively safe and unregulated technologies allow people to freely express and exchange views on relevant topics and pressing issues, to communicate with each other and thus “mask or reduce the effects of status inequalities among participants in the public sphere” (Bernal, 2006, p. 165), turning them into powerful democratising tools. New technologies also contribute to the politicisation of people, link individuals sharing specific interests and opinions, foster the development of Internet intellectuals, and therefore help mobilising participants and funds for social or political actions (Bernal, 2006; Panagakos & Horst, 2006). New communication technologies, thus, have the potential to increase political participation among transnational migrants and also lead to political innovation as “transnational third spaces (neither here nor there) are the liminal sites characterized by a significant degree of creativity [...] where new ways of addressing the problems of contemporary social relations are sought” (Karim cited in Bernal, 2006, p. 163).

As seen in the example of political actions, new communication technologies connect and embed - or re-connect and re-embed – migrants in virtual but also physical networks. As Hiller and Franz (2004, p. 734) point out, they transcend the limitations of time and space linking migrants to people in their country of origin and also to others in the diaspora, and therefore helping to overcome the “friction of distance”. On the one hand, empirical studies (Horst, 2006; Lam & Rosario-Ramos, 2009; Thompson, 2009; Tsai, 2006) document how ties to family and friends – so called offline networks rooted in real community – are getting virtualised and communication which previously was face-to-face now is technology-mediated. That is, modern forms of communication are used to maintain and revive previously established relations with people from whom migrants may have felt estranged due to the migration process. Emotional relationships between spouses or parents and children are easier to be kept up because Internet calls or emails facilitate contact and communication of joy, care, concerns and news and, therefore, create a sense of involvement in each other’s everyday life (Horst, 2006; Panagakos & Horst, 2006). Brouwer (2006, p. 1166) specifies that this is especially the case with first-generation migrants – whose online networks mirror or extend their offline networks – while the second generation tends to have a less intense relationship with their parents’ country of origin. On the other hand, modern communication technologies also facilitate the formation of new networks rooted in virtual communities. That is, they link people who have not previously met in real life in so-called online networks. Hence, people interact not by virtue of shared location but shared interest and sustain their networks even without ever meeting physically (Hiller & Franz, 2004, p. 732). On that account, such online ties are often characterised as “disembodied and asynchronous” or “independent of space and time” (Hiller & Franz, 2004, p. 732) because they cross geographical boundaries and time zones. However, empirical studies provide evidence that locality is by no means irrelevant for online networks. A study of online Dutch-Iranian networks in the Netherlands reveals how these networks reflect territorial referents of locality, region and nationality and are, thus, anchored in offline contexts rather than being self-contained and disembodied (Van Den Bos & Nell, 2006, p. 216). This is because the shared interests forming online networks are essentially based on a group identity, a territorial homeland or life in a shared country of residence (see the example of Dutch-Iranian networks). New media do not necessarily dissolve territoriality but may reinforce it (Van Den Bos & Nell, 2006, p. 202). Hiller and Franz (2004) offer the following explanation for the fact that even online networks are not independent of physical places, such as a country of origin and that territoriality serves as a defining characteristic of virtual ties between people:
People who have common interests may have those interests because of living in a common territory or having some prior placed-based identity, even though there has never been actual contact in real life. It is not only past memories and old ties that produce a sense of belonging and rootedness in a territorial homeland, but also how new ties can be discovered and nurtured because of a common identity that is based on a former place of residence. What links people together is a common interest in their location of origin and a foundational identity that is rooted in that place which defines an in-group, in spite of the fact that people may or may not have ever personally interacted with one another in real time and space. (Hiller & Franz, 2004, p. 733)

In accordance with Brouwer (2006, p. 1166), Van den Bos and Nell postulate that second-generation migrants have a special relationship to their parents’ country of origin and that the young generation is more likely to form online networks based on their status as members of an ethnic or national group living outside their place of origin than to maintain physical ties with their parents’ home countries (Van Den Bos & Nell, 2006, p. 202). With regard to both virtualised offline ties and new online networks, we may conclude that new communication technologies serve as (re-)connecting or (re-)embedding mechanisms that may lift “social relations [...] out of specific time-space contexts, but at the same time provide new opportunities for their reinsertion” (Giddens cited in Benitez, 2006, p. 184).

On a related note, modern means of communication foster feelings of belonging and identity among migrants. The transnational perspective has revealed that migrants maintain a dual frame of reference, keeping them attached to their country of origin and also enabling them to integrate themselves in the host society. Panagakos and Horst (2006, pp. 117-118) postulate that modern technologies allow for the cultivation of ethnic, cultural and national identity and create new ways to build and maintain a sense of community and a collective identity. This is true for first-generation migrants who remain close to the everyday life of family and friends in their country of origin and, as a consequence, maintain a sense of community and belonging. But it is no less true for second-generation migrants and their virtual networks. Brouwer (2006) succeeds in documenting how Dutch Moroccan youths construct their websites in order to virtually imagine their relationship to Morocco and how the use of Moroccan artefacts as well as debates about Morocco nourish the second generation’s collective identity as Moroccan. It is interesting to note that to the Dutch-Moroccan websites analysed by Brouwer use the Dutch language, excluding people living in Morocco or Moroccans in other countries from participating in these virtual debates. Brouwer (2006, p. 1167), concludes that the websites she analysed are “more embedded in the local Dutch Moroccan community than in a transnational link with Morocco or with other Moroccans abroad”. Consequently, such communication technologies produce a particular – in this case Dutch-Moroccan – diaspora identity based on the life experience of members of a national or ethnic minority group living in a specific host society.

Finally, the availability of new communications technologies allow for the accumulation of social capital and the development of individual competencies which both impact on a migrant’s life and social position in the host society. As the effects of physical and virtual networks on various aspects of economic integration will be explored in more detail later on, it is sufficient to point out in this section how support and empowerment become available through cell phones or emails. Thompson (2009, p. 373) stresses the significance of the example of Filipinas who can access their embassies and helplines through their cell phones and, thus, get help, even if they work as domestic aid in remote areas and do not have a physical contact with other Filipinas. Horst (2006, p. 154) adds to
this the example of Jamaicans who – due to new communication technologies – find it easier to reach someone in an emergency, to get funding for medication or to ask for other forms of help. But migrants using ethnic websites, blogs and chats – especially second-generation migrants – are also immersed in a multilingual and diverse environment which helps them develop some individual competencies as well. Most importantly, they use various languages to conduct inter-personal relationships and seek media information which extends and diversifies their linguistic resources (Lam & Rosario-Ramos, 2009). As their virtual contacts and sources of media information cut across geographical and national boundaries and connects them to people and news providers in different parts of the world, migrants using the internet are exposed to diverse social experiences and political viewpoints and draw from diverse cultural and social sources to develop their perspectives on life and the world (Lam & Rosario-Ramos, 2009). They, develop a transcultural competency which is of increasing importance in private and professional life in many modern states that essentially are countries of immigration.

However, despite the positive effects of new communication technologies on migrants’ lives, these communication technologies also come with certain financial, personal and social costs. With regard to financial expenses, Horst (2006, p. 154) describes how great amounts of time and effort are necessary to secure and maintain enough money to use new means of communication such as cell phones. As every financial budget can essentially be imagined as a zero sum scenario, the charges of an increased access to communication come at the expense of other things. Horst (2006) mentions the example of schoolchildren skipping lunch a few days a week so that they can afford to buy a new phonecard, Benitez (2006) adds to this by describing how transnational migrants, due to the expenses for communication technologies, can no longer fund a journey back home. In addition, new communication technologies and the fact that migrants abroad are easy to contact may be linked to further financial or social costs because the “comfortable distance many transnational migrants may have enjoyed or even required for a successful settlement in the country of migration” diminishes (Horst, 2006, p. 155). Migrants receive calls from family members back home who request financial assistance which may be overwhelming for a person trying to set up a life in a new country and whose financial situation can not cope simultaneously with their own expenses and the financial obligations towards others back based on traditional kinship systems (Panagakos & Horst, 2006, p. 114). Finally, and on a related note, empirical studies also point out that migrants abroad may feel uncomfortable about the control and surveillance through family members due to the fact that new communication technologies make it easy to contact them anytime. One example are transnational marriages in which one partner may become too involved in the daily life of others by constantly calling and trying to control them and eventually withdrawing financial and emotional support in cases of suspected infidelity or culturally inappropriate behaviour (Horst, 2006, p. 155).
4. Theoretical background – Social capital theory

Leading scholars on migration topics such as Alejandro Portes (Portes & Sensenbrenner, 1993, p. 1346) suggest using the concept of social capital as a theoretical umbrella for studies on migrant networks. In this approach, Social capital theory is central to every social network analysis (cf. Dahinden, 2005, p. 73). Faist (2000) has pointed out that the network analysis is ultimately a method rather than a theory in itself. But while network analysis provides us with a suitable instrument to study social networks, it is the use of concepts such as social capital that helps us to explain the collected data related to certain aspects of the collective lives of migrants. Social capital theory and network analysis are, therefore, linked to each other.

Social capital theory focuses on the “positive consequences of sociability” and points out how social networks – similar to financial capital – can be sources of power and influence (Portes, 1998, p. 2). By linking the social network perspective and theories of capital, social capital theory provides us with an appropriate model and concepts to analyse and explain the benefits of social networks for their members.

In recent years, studies based on the concept of social capital have proliferated and the term social capital has even become part of everyday language (Portes, 1998, p. 2). Despite its rather recent popularity as a research topic, the idea that an individual’s social contacts influence his or her possibilities and power is not new but has a long tradition in social sciences. Scholars such as Portes (1998) and Zadeh (2009) point out that the basic premises and assumptions of social capital theory were already present in the works of some of modern founding fathers of sociology, including Karl Marx, Emile Durkheim and Max Weber. However, current social scientists tend to ascribe the idea of social capital to the French sociologist Pierre Bourdieu (1983, 1986). It is generally acknowledged that Bourdieu was the first to present a systematic analysis of how social networks are beneficial to its members and he also coined the term “social capital” to denote the source of these benefits.

Bourdieu (Bourdieu & Wacquant, 1992, p. 119) defines social capital as “the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition”. It is, by virtue of group membership that individuals gain access to specific opportunities, influence, information, material resources or support. Bourdieu deserves credit for expanding the concept of “capital” by defining social relationships as resources that complement the notions of “human capital” and “economic capital”. He provided sociologists with a new analytic concept that enabled more refined research on phenomena such as social inequality and an individual’s likelihood of professional or economic success. According to Bourdieu (1983), these different forms of capital – whether economic, human or social – are mutually convertible. For instance, social connections (social capital) may help an individual to get a better-paid job and, thus increase economic capital.

For analytical purposes, Dahinden (2005, p. 74) suggests that it is important to distinguish two forms of resources, personal and social resources. Personal resources, such as economic and even more so human capital, are essentially owned by one individual while social capital only exists in the context.

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7 Network analysis has, of course, led to the formulation of theories such as the “network theory of migration”, but in itself it offers no theoretical explanation of human behaviour. As a method, it merely tells us what to look at but does not offer an explanation for what we observe (cf. Gold, 2005).
8 Some scholars, such as Gold, (2005) even consider the two terms – social capital and migrant network – interchangeable.
of a group. Social capital, thus, refers to collective resources of a community (Herander & Saavedra, 2005, p. 324) and in order to possess social capital, an individual must have relationships to others. These “others”, who are the source of social capital, include families, friends, neighbours, work colleagues kin and acquaintances. Put in Granovetters (1973) terms, strong as well as weak ties are sources of social capital. In light of the fact that “others” are the source of social capital, it becomes evident that the volume of social capital available to an individual depends on the quantity and quality of social networks. Bourdieu (1983, 1986), defined the volume of social capital as a function of the number of people an individual is related to and the amount of economic and cultural (or human) capital these people possess. Later scholars such as Lin (cited in Behtoui, 2007, pp. 387-388) have stressed that the volume of social capital is also positively correlated with the social and professional positions that networked individuals hold.

Given the homophily of social networks, which favour links between people with similar amounts of economic and cultural capital, we can assume that the volume of social capital accessible to an individual, essentially mirrors his or her own economic and human capital and position in society. Consequently, social capital is unevenly distributed and is generally higher for people with higher quantities of other forms of capital (Behtoui, 2007, p. 402). This has implications for the stratification of a society: In addition to their own less favourable position in society, people with few personal resources tend to be embedded in networks that offer little amounts of social resources, a fact that further hinders their social mobility and professional development. Behtoui (2007) confirms this in his empirical work and shows that a relative shortage of social capital for some marginalised groups may have serious consequences, such as inferior positions in a labour market because these people fail to mobilise better social resources in order to improve their labour market outcomes. Several studies have identified immigrants as particularly vulnerable to a social capital deficit (Behtoui, 2007; Ryan et al., 2008). Geographical mobility is potentially destructive of social capital because social capital itself is difficult to transfer and to deploy abroad because it is embedded in their locally bounded networks which are left back home. Especially during the first years in a host society, it will be difficult for immigrants to access social capital because it takes time to put down roots and develop new social networks. The fact that the distribution of social capital varies according to the social position of people consequently works as a preserving force of existing social inequalities between local elites and socially marginalised and disadvantaged groups (i.e. the “poor and uneducated” or immigrants).

As every form of capital can help to improve an individual’s position in society, the question arises as to what extent people are able to access and use social capital strategically in order to improve their socio-economic situation. Hu and Salazar (2005) have shown that individuals do try to make strategic use of their social networks and to maintain contacts with specific people rather than with others because they expect these ties to provide some social capital that allows them to achieve a social, political or economic goal. Dahinden (2005, p. 75) consequently calls such above behaviour “individual and collective strategies of investment into social relationships”. However, neither the possibility to choose and modify one’s social network, nor the extent to which social capital can be accessed and used strategically, should be overestimated. As outlined before, an individual cannot make use of social capital unless it is a member of the network which provides the desired capital

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9 The direct quote in German is: „Ein Netz von Beziehungen erscheint als Produkt von individuellen oder kollektiven Investitionsstrategien, die bewusst oder unbewusst auf die Schaffung und Erhaltung von Sozialbeziehungen ausgerichtet sind, und früher oder später einen unmittelbaren Nutzen versprechen” (Dahinden, 2005, p. 75)
and the network members are as willing to share their resources, information or influence with an individual. Several authors remind us that the willingness to share such capital is generally rather limited: For Portes (cited in Waldinger, 1997, p. 5), the term social capital relates to “scarce resources” and Zadel and Ahmad (2009, p. 644) even call social capital “a treasure” and point out that “treasures need to be protected”. On a related note, it is not surprising that empirical studies tell of high levels of rivalry and competition for scarce resources among migrants who rely upon ethnic-specific networks in order to achieve their goals (e.g. Ryan et al., 2008). At the broadest level, Portes (1998) distinguishes between two main motivations for people to make their resources available to fellow network members, consummatory and instrumental motivations: In the case of the consummatory motivations, internalised socio-cultural norms cause people to feel obliged to behave in a certain manner and induce them to share their knowledge and influence with others in order to support them. In the case of the instrumental motivations, people are conceived as of rational and strategically thinking beings – similar to the undersocialised view of the *homo economicus* – who provide access to their resources expecting the benefiting person to return a favour or re-pay them in one way or another in the future. In the instrumental approach, social capital is basically “the accumulation of obligations from others according to the norm of reciprocity” (Portes, 1998, p. 7). In line with Durkheim’s idea of a group’s sanctioning capacity, Portes (1998) further points out that because both the donors and recipients of social capital are embedded in a common network, this collective would sanction any recipient who breaks with the norm of reciprocity.

The main principles shaping the provision and exchange of social capital between members of a migrant network are: reciprocity, bounded solidarity, as well as enforceable trust and obligations. Reciprocity is based on a system in which “favours are extended to friends and relatives as part of a generalized system of exchange in which migrants [...] anticipate help being extended to them or their kin at some future date (Aguilera & Massey, 2003, p. 673). In terms of reciprocity, it is important to remember that a donor expects to be re-paid in a way that is beneficial to him. It, therefore, makes sense that people select recipients of favours strategically, a member of the local elite, for instance, may have little rational reason to share his social capital with marginalised people who cannot offer valuable resources or information in return. A more altruistic motivation for sharing social capital may be found in the case of bounded solidarity. This solidarity is based on the identification with others, either due to a common background or fate, and reinforces the ties between families, friends and members of a wider ethnic, national or religious migrant community. A third principle that shapes the provision of social capital relies on enforceable trust and obligations, which are based on socio-cultural norms leading to the punishment and ostracism of people who refuse to help and support others.

The empirical literature reveals that social capital affects every aspect of migrants’ lives and emphasises how broad the effects of social capital are. The following chapters will provide a closer analysis of how social capital affects the economic integration of migrants. By discussing four case studies, the review aims to recognise the benefits of social capital to the economic performance of migrants but at the same time also strives to identify potential pitfalls.
5. Social networks in the job search process

One of the major effects of social networks on the economic integration of migrants is their facilitation of an individual’s search for employment. The following section discusses this impact on migrants’ labour market outcomes in more detail. It aims to provide a clearer picture of the positive and negative effects of network-based job search for employers and employees – both on an individual and societal level – and aims to explain why a straightforward relationship between network hiring and economic integration cannot be assumed.

5.1 Conventional thinking and challenging insights

Some conventional economic approaches subsequent to Adam Smith expect the “invisible hand of the market” to regulate labour markets and to match workers with jobs in an efficient and modern economy. However, an extensive literature in the social and economic sciences has increasingly challenged this classic explanation and revealed that social networks play a significant role in labour markets. Amongst other things, studies have shown that individuals – with and without a migration background – rely substantially on their personal relationships to find employment (for a review of some literature see George & Chaze, 2009; Montgomery, 1991). Munshi (2003, p. 549; 554) points out that non-market institutions like social networks are generally thought to emerge and be relevant only in developing economies or in cases of market failure. International studies – the majority of these studies focus on the USA but some also analyse Western European economies such as Drever and Hoffmeister’s (2008) work on migrant networks in the German labour market – stress the importance of networks in job searches. Light et al. (1999, p. 7) even mention the facilitation of job search as one raison d’être of networks. Granovetter (1995 cited in Gold, 2005) shows that this is not only true in ethnic niches but networks also help migrants to find jobs in the public sector and existing firms owned by members of the larger society.

5.2 Empirical prevalence of network-based job search

The empirical literature varies estimates of the prevalence of network-based job search. Livingston (2006, p. 48) reviewed some of these studies and estimates that 10 to 60 percent of migrants use their social networks to find employment. Hadass (cited in Greve & Salaff, 2005, p. 11) studied the recruitment process of a large core firm and reported that in 55 to 60 percent of all new hirings – of migrants and non-migrants – personal relationships did the business of matching workers with vacant jobs. Rees (cited in Munshi, 2003, p. 562) found informal sources to be accountable for 50 percent of hires in white-collar occupations, and 80 percent of hires in blue-collar occupations. In the course of his own research on Mexican migrants in the US, Munshi (2003, p. 562) noticed that only 23 percent of the respondents in his sample searched for jobs on their own, while 70 percent relied on the help of relatives, friends or compatriots. The empirical literature, thus, provides plenty of evidence that personal networks significantly facilitate an individual’s job search and increase the employment rate amongst migrants (Munshi, 2003, p. 583).

5.3 Positive effects of network-based job search

Now how exactly do networks facilitate a migrant’s job search?

ADVANTAGES FOR EMPLOYEES

Firstly, networks provide information about the labour market and vacant positions. Studies have documented the importance of migrant networks as facilitators and identified them as migrants’
most widely used source of information in the job search process (cf. Waldinger, 1997). Through their networks, individuals may hear about employment opportunities before they have been widely or publicly advertised (Elliott, 2001, p. 403) which is beneficial as the “timing of information can make a substantial difference in who is able to capitalise an opportunity” (Aguilera & Massey, 2003, p. 674). In line with Light et al. (1999, p. 8), we understand that networks improve the search efficiency, making the job search easier, faster and more reliable and, thus, ultimately expand job access. While networks may have the same efficiency-enhancing effect on the job search of non-migrants, Munshi (2003, p. 562) expects the importance of social ties in the job search process to be even stronger in migrant communities. For both migrants and non-migrants, information gaps or barriers in the labour market is assumed which leaves both groups with incomplete information about employment opportunities. However, Munshi (2003, p. 550) expects migrants to be more susceptible to such information problems due to their status as newcomers in the labour market. Hu and Salazar (2005, p. 2) hold a similar opinion and expect network members to support migrants during the “often difficult initial transitional period”, facilitating the first step of their economic integration by providing them with information such as where to look for jobs, how to present themselves to employers, adequate behaviour at work and appropriate salaries (Aguilera & Massey, 2003, p. 674). Networks provide migrants with critical information on job openings as well as general information on the labour market, its rules and institutions and thereby compensate more formal information sources which are inaccessible and avoided due to the fear of discrimination, lack of knowledge of formal employment resources or limited linguistic skills (Drever & Hoffmeister, 2008, p. 443).

Secondly, network members can refer a person to their employer. The referred person thereby benefits from the good reputation of other network members due to a positive form of “statistical discrimination” by which an employer “applies to a single individual the characteristics of the network the worker belongs to” (Mancinelli, Mazzanti, Piva, & Ponti, 2009, p. 2). This allows migrants to gain a foothold in the labour market of a new country, reduces the uncertainty associated with finding a job with unfamiliar employers (Gold, 2005) and improves a person’s odds of acquiring a particular job (Elliott, 2001, p. 403).

Apart from assisting migrants in their job search and thereby enabling them to achieve positive economic outcomes and, consequently, general incorporation into a society (cf. Drever & Hoffmeister, 2008, p. 425), network-hiring offers further benefits to employees and employers. Through networks, migrant employees gain access to training and work experience and they further develop their skills. Bailey and Waldinger (cited in Elliott, 2001, p. 405), therefore, call ethnically concentrated jobs – which are often presumed to be the result of network-hiring – a kind of “training system” which lead to better chances in the labour market for migrants. But as Drever and Hoffmeister (2008, p. 441) found, social networks also serve as a functional equivalent to formal qualifications. Their study of migrants in Germany showed that networks may compensate formal degrees and training that migrants have had difficulty obtaining in the host society and that, usually, are required in order to get a job. Finally, network-hiring provides another example of how collectivity leads to power and influence. Strong working networks give bargaining power to migrants in relation to negotiations about their wages and work conditions and offer some protection from abuse through employers (Villar, 1992, p. 388). Links to a network also decrease the likelihood of disciplinary action directed at an individual due to the employer’s anxiety about potential group reactions/reactions involving all workers such as a collective strikes and walkouts (Waldinger, 1997, p. 19). However, for two reasons, this bargaining power should not be overestimated firstly, those
groups or individuals who lack power (they occupy precarious positions in the labour market, are not unionised etc) are easier to dismiss/replace. It is, nevertheless, worth to note that, according to Johnson-Webb (2002, p. 418), the preference of some employers for migrant workers (see below), even a tight labour market does not automatically imply little bargaining power for unhappy employees. Secondly, an individual’s or group’s immigration status has a major impact on their power and ability to defend themselves. As Cranford (2005, p. 390) found in her study on Latino migrants in Los Angeles, an undocumented status leads to a significantly increased vulnerability and powerlessness amongst workers.

ADVANTAGES FOR EMPLOYERS

While there are some valuable advantages of network-based jobs search for employees, network-hiring is also beneficial from an employer’s point of view. Similar to employees’ preferences, Johnson-Webb (2002, p. 415) asserts that network-hiring is also the most commonly chosen strategy by employers who are recruiting migrant workers. Elliott (2001, p. 403) even goes a step further and states that employers “leverage” employees’ social ties to their own advantage. A review of the literature allows us to distinguish various mechanisms through which network-based hiring pays off for employers.

Firstly, it is a matter of cost and effort related to the search of employees. Through word-of-mouth recruitment, employers do not need to spend money on job ads as information on job openings is disseminated at no cost through networks. Because migrant workers almost always know someone who needs a job, networks grant access to a labour force with little or even no effort by the employer (Waldinger, 1997, pp. 7-8).

Secondly, information-disseminating networks increase the number of people who hear about a job opening and, thus, expand the pool of job applicants for an employer (Elliott, 2001, p. 403).

Thirdly, and on a related note, referred people are likely to be more competent and reliable because the referring worker will “vouch” for the new hire. Since the existing workers want to protect their reputation, they will refer only qualified applicants who cleared a prior screening process and who will not damage the referrer’s reputation through poor performance at work (Elliott, 2001, p. 403; Livingston, 2006, p. 46). Network-hiring benefits an employer because it creates a richer pool of more and better job applicants (Fernandez et al. 2000 in Elliott, 2001, p. 403).

This takes us to the fourth mechanisms, the fact that referral hiring leads to an “information advantage” for both the employer and the employee and, eventually, to a presumably better match between the vacant job and the eventual worker. The referrer provides additional information on the worker to the employer which would otherwise be difficult to access, (e.g., work ethic and collegiality) and gives the potential employee a clearer picture of the job in question (e.g., rules, atmosphere at work or benefits) (Elliott, 2001, p. 403; Waldinger, 1997, pp. 9, 12).

Fifthly, the referrer is likely to assist his or her network member during the first days at work and may even provide some on-the-job training which boosts the newcomer’s productivity at no cost nor managerial effort (Elliott, 2001, p. 403). Finally, the social controls that operate as integral to networks and consequent sanctions of non-conformist behaviour also offer some protection of employers because these network-intrinsic dynamics guarantee that a manager who employs illegal migrants will not be reported.
5.4 Negative effects of network-based job search

The literature counterbalances these positive attributions with details of the negative effects of network-based job search on the economic integration of migrants. Such negative effects are related to the work circumstances of individuals who find a job through networks but, on the other hand, also include negative effects on a broader, societal level, both for the migrant and non-migrant labour force as a whole.

HOMOGENOUS STAFF IN PARTICULAR SEGMENTS OF THE LABOUR MARKET

On a macro level concentrations of network-based job searches may lead to homogenous staff in some segments of the labour market. Light et al. (1999, p. 7) mentioned this more than a decade ago when they said that social networks are crucial to the concentration of some migrant groups in specific occupational niches in the country of residence which eventually enables migrant populations to control entire segments of the labour market (Garcia, 2005, p. 6). Analytically, three main reasons for this process can be identified. For all these reasons, migrant networks play a key role.

Firstly, and as already mentioned before, social networks function as sources of personal information that help migrants to overcome their situation of incomplete information on their options in the labour market. Already established migrants mainly provide information to newcomers about the segments of the labour market in which they themselves are active. Through referrals, newcomers automatically follow the trail of those who have gone before and end up in the same niche. This channelisation into particular segments of the labour market is, thus, an inherent feature of network-based job search and inhibits geographical and occupational diffusion. The result of this is the clustering of migrants “in a narrow set of occupations and industries” (Waldinger, 1997, p. 4).

Secondly, the low to average level of skills and qualifications contribute to this clustering effect (Drever & Hoffmeister, 2008, p. 429). This is especially true for countries with a significant share of low-skilled migrants whose qualifications earned in their country of origin are not recognised. Waldinger (1997, p. 4), thus, expects such migrants to have to apply for entry-level positions or low-skilled work that their more established and information-providing peers are already carrying out.

Thirdly, Gold (2005) points to the fact that many employers often hire employees on the basis of ethnic and national preferences and, to that end, employ migrant’s networks to find desired candidates for open jobs. Johnson-Webb (2002, p. 416) mentions two reasons for such preferences. On the one hand, employers’ preferences may rely on generalisations in terms of different national or ethnic groups’ work ethics. The American employers in Johnson-Webb’s (2002) study, for example, describe virtues such as diligence and the compliance of Hispanic workers while they criticise American workers for their poor work ethic. On the other hand, employers are also aware of the vulnerability of migrant workers, especially of the undocumented. This makes them less likely to complain about working conditions and more prone to exploitation which offers further value to the employer (see below).

SATURATION OF PARTICULAR SEGMENTS OF THE LABOUR MARKET

Channelisation into particular segments of the labour market is, at some stage, likely to reach a limit when the demand for employees in these niches is saturated. This seems to suggest that network-based job search – as long as it channels migrants into the same niches – cannot go on infinitely but that at a certain point, particular segments of the labour market are not able to absorb more
workers. Light et al. (Light et al., 1999, p. 8) describe this situation as follows: “Under saturated conditions, a newcomer can only obtain a job or housing when an incumbent vacates it just as one can only find a parking space in a saturated parking lot when someone leaves it.” Economic saturation, thus, describes a situation in which a locality offers no work or housing opportunities and not even hyperefficient networks can find any (Light et al., 1999). As a consequence, wages for all people in this segment of the labour market tend to fall (Light & Johnston, 2009).

However, some disagreement exists with respect to the question how often real saturation of a niche occurs. While researchers such as Waldinger (1997) expect that “the upper limit for immigrant network penetration should be quickly reached”, others such as Light et al. (1999, p. 8) conclude that saturation of jobs and housing is a rather rare phenomenon. Nevertheless, it is probable that channelisation leads to a decline in the supply of jobs and housing, causing search times for jobs to increase, unemployment rates for migrant and native workers to rise and migration flows to the saturated area to decrease.

SOCIAL CLOSURE AND RESTRICTED EMPLOYMENT OPTIONS FOR NON-NETWORK MEMBERS

Near-saturated employment situations exacerbate the generally negative effects of network-hiring and an ethnically homogenous workforce: Waldinger (1997, p. 7) points out that due to the practice of network hiring, employment opportunities become detached from the open labour market. As one migrant group clusters in a particular niche, they may hear about employment opportunities first and pass this information on to members of their networks while non-members may never learn about the job openings. We are, thus, looking at a form of social closure. Referring to a sociological principle going back to Max Weber, Waldinger (1997, p. 5) reminds us that social closure most often involves the exercise of power. In our example of network-based job search, this means that a migrant group that is well established in a particular niche has the power to facilitate the job search of their fellow network members while effectively restricting the employment opportunities of outsiders to these networks. Well-established networks may, thus, safeguard a niche for the members of their community at the expense of other groups. Elliott (2001, p. 401) identifies the implications of the social closure that come with network-hiring: The central problem of contemporary urban inequality is not just one of job supply but also one of job distribution.

It may be difficult for members of an ethnic group to access a niche that is dominated by another group of migrants and, consequently, may hamper their economic integration. However, not only other migrant groups may be adversely affected by ethnically homogenous niches and network-hiring; the same can also be true for native workers who compete for the same jobs. Waldinger (cited in Light et al., 1999, p. 8) uses the example of Black workers in the USA to show how marginalised native groups get excluded from vacant jobs in their own economy as a consequence of referral hiring in ethnically dominated niches. Elliott (2001, p. 402) supports this claim and uses the principal of social closure to explain why less educated Blacks in the USA during the 1980s and 1990s faced grim job prospects while, at the same time, thousands of migrant workers were integrated in the labour market.

NETWORK-BASED JOB SEARCH AND EXPLOITATION

In terms of the disadvantages affecting individual migrant workers, Khan (cited in Shah, 2000, p. 60) found a link between the channel for obtaining employment and contract violations. According to his study, 44 percent of migrants who found their job through private networks reported contract violations while this was true for only 9 percent of the migrants who found their job through
government agencies. However, both Khan (1991) and Shah (2000, p. 61) observed that workers using private networks are still more secure than those using irregular employment agents. On a related note, Cranford (2005, pp. 380, 395) argues that networks may become exploitative in some industrial contexts and found in her study that “supervisors’ violations of labour laws were extreme”. Even though migrants who entered work through weak ties report more exploitative experiences, not even strong ties seem to shield employees from contract violations and exploitation (Cranford, 2005, pp. 389, 394). The exploitation of migrant workers is, as mentioned before, easier when they do not possess legal documentation. To the degree that migrants lack such documentation and network-hiring leads to informal jobs, Cranford (2005, p. 395) may in fact be right when she asserts that migrant workers are recruited because they are more easily exploited than native workers.

LIMITED UPWARD MOBILITY

So far, this review of existing studies has provided evidence that social networks are a helpful resource in job searches. They may provide information on the labour market and job openings and lead migrants into jobs that operate as “training systems” where they may acquire skills and local work experience. We may, thus, be tempted to give an affirmative answer to the question whether networks facilitate the economic integration of migrants. However, a definition of economic integration that is merely based on the variable “to have any form of employment” is insufficient. Rather economic integration is a more complex phenomenon that encompasses other criteria such as opportunities for upward mobility, job satisfaction and the comparability of migrants’ wages to the earnings of natives with similar qualifications and experiences.

A main concern with respect to network-based job search is the social and occupation mobility that employment gained through referral hiring offers workers. Put in simple terms, the question is whether migrants get stuck in poor quality jobs or whether low-skilled jobs are a starting point from which migrants may move on to more qualified and better paid employment. As these considerations are closely linked to one of the IIP’s research interests (whether New Zealand is gaining the full benefit of the human capital of its immigrants) we will pay some attention to the role of social networks in social and occupational mobility.

Cranford is one author who reminds us that, in general, “discussions of networks as job providers are too easily coupled with assumptions that those jobs represent, or will eventually lead to, upward mobility” (Cranford, 2005, p. 381). Upward mobility is understood as moving from the informal to the formal labour market or gaining a better paid, more skilled and secure job within the formal economy. According to Aguilera and Massey (2003, p. 675), formal sector jobs are known to and regulated by state authorities whereas informal employment tend to not to be in compliance with minimum wage legislations or occupational safety and health regulations. This distinction between jobs in the formal and informal economy gains in importance the more segmented a labour market is.

With an eye to the empirical prevalence of referral hiring (which may account for up to 50-60 percent of all new hirings even in the formal economy and in large core companies), we realise that social networks are not only crucial in getting any job but just as much involved getting a good job. Migrants, therefore, not only end up in low-skilled jobs or in the informal economy due to a potential lack of language skills and qualifications, or the non-recognition of their education, but also because of their limited networks. Greve and Salaff (2005, p. 11) write that new immigrants especially, who usually lack ties to people in higher status positions, struggle to find good jobs because core sector
gatekeepers see them as outsiders. In this situation, co-ethnics may step in and pave the way so that they work in low-skilled jobs, the informal economy or ethnic enterprises instead.

It was Granovetter (1973, 1983) who has most famously drawn our attention to weak ties and to their ability to facilitate occupational mobility by linking people to others in higher status positions who are able to provide information about, and access to good or core jobs. Based on this assumption, Villar (1992, p. 388) asserts that “only migrants able to reach beyond their immediate ethnic cliques will be able to locate employment opportunities offering higher rewards in the non-ethnic context”. However, Salway (2008, p. 1128) expects that migrants who are embedded in very dense intra-ethnic networks will not be able to establish inter-ethnic “bridging ties” to more powerful and privileged groups offering better employment options. Migrants may suffer from an improved situation of incomplete information about their options in the labour market.

Apart from the consistent problem of incomplete information, the literature mentions two additional main reasons why migrants may get stuck in lower skilled or informal jobs.

Firstly, migrants who are employed in ethnic economies or niches that mainly employ co-ethnics may lack exposure and incentives to learn the local language which prevents them from moving to potentially better paid and more qualified jobs that require language skills. Elliott (2001, pp. 421-422) argues that persistent language barriers contribute to poorer individual life chances and ethnic divisions within or ethnic contours of contemporary urban labour markets. This, eventually, leads to dissimilar wages of migrants and natives with comparable qualifications and work experience and prevents a host country from gaining the full benefit of migrants’ knowledge and technical skills that is their human capital.

Secondly, Li (1977, pp. 486-488) identifies obligations towards network members who have facilitated in the process of migration and job search as another reason why individuals may remain in particular segments of the labour market. In his study of Chinese migrants in Chicago, he found that 67 percent of all migrants who received assistance from relatives in finding jobs actually ended up working for relatives for a period of time. Assistance in migration (sponsorship, translation, advice) may be repaid by working in a relative’s or friend’s business, maybe for less money and for a prolonged period of time while other migrants improve their situation by moving on to another job. A lack of compliance with such obligations may result in the loss of social capital and exacerbate the situation faced by a new migrant.

The lack of weak ties to higher status individuals, the mobility-decreasing effects of certain work conditions as well as non-contractual obligations towards other network members may result in limited social and occupational mobility for migrants. Even though social networks can open avenues for employment, it is also important to acknowledge the role that social networks may play in the long-term stratification process of migrant communities (cf. Li, 1977, pp. 486-488). While network-based job search involving co-ethnics helps to overcome certain initial difficulties and ensure everyday survival, they may end up hindering upward mobility later on.

5.5 Network hiring and job quality

At this stage, it must be said that the discussion among researchers about the link between network-based employment search and the quality of jobs found – and, consequently, potential upward mobility – is rather controversial. While most authors agree that social networks help migrants find jobs faster, their impact on job quality is the subject of divisive debates.
POSITIVE EFFECTS OF NETWORK-BASED JOB SEARCH ON JOB QUALITY

One group of researchers asserts that social networks lead to better paid and more secure jobs and also to a higher likelihood of employment in the formal labour market. In terms of wages, Amuedo-Dorantes and Mundra (2007, p. 859) find in their study of unauthorised and legal Mexican migrants in the USA that network’s raise migrants’ earnings. These positive effects are said to occur regardless of the type of work performed and are, on the one hand, attributed to a better job match due to information and support provided in the networks and, on the other hand, to networks’ positive effect on the accumulation of human capital investment. Damm (2009, pp. 305-306) supports these findings in her study on migrants in Denmark, stressing that the enclave size – and the potential size of an individuals’ ethnic network – increases the earnings of migrants. She specifies that the increased wages do not stem from an increased number of hours worked but from an increased hourly wage rate. The relative standard deviation increase in the local ethnic enclave leads to an average increase in annual earnings by 18 percent and is reported to occur irrespective of skill level (Damm, 2009). Aguilera and Massey (2003) have studied the wages of documented and undocumented Mexican migrants in the USA and obtained similar findings: They state that social capital clearly has a positive effect on wage rates and cite statistical data to show how each increment in the size of an individual’s network correlates with an increased financial return for their work. While they show that the return of social networks is dissimilar for undocumented and documented migrants, the average differences in hourly wages range from 10 to 34 percent as they compared little and well connected migrants (Aguilera & Massey, 2003, pp. 689-690). In line with Damm (2009) and Amuedo-Dorantes and Mundra (2007), they attribute these increased earning opportunities to the information that networks provide, linking workers with employers who pay the highest wages.

With respect to the formality of work, the advocates of a positive link between social capital and migrants’ wages maintain that access to migrant networks increases the odds that an individual finds work in the formal labour market. Aguilera and Massey (2003) argue on the basis of a comprehensive statistical analysis that undocumented Mexican migrants significantly improved their odds of finding formal employment when they used network-based job search techniques. The assistance of friends and acquaintances seemed to be more important than the support from families. The authors suppose that undocumented migrants benefit more from social capital than legal individuals because the former cannot market themselves and actively gather labour market information due to their precarious status. Aguilera and Massey, conclude that many good jobs in the formal labour market would be inaccessible to undocumented migrants without the assistance of established families and friends. Entering the formal labour market, however, is vital for migrants as informal jobs are instable and offer few benefits, low wages and little upward mobility (Aguilera & Massey, 2003, pp. 690-691). On a related note, Munshi (2003, pp. 593-597) finds that the likelihood of finding preferred and better paid jobs in the non-agricultural sector is positively correlated with an increase in the number of established migrants, that is with the potential size of an individual’s network. Hence, both studies stress the importance of social connections – and especially weak ties – as a means to find stable, skilled and well paid employment.

NEGATIVE EFFECTS OF NETWORK-BASED JOB SEARCH ON JOB QUALITY

These positive accounts of the impact of social capital on migrants’ earnings are contrasted by the findings of another group of researchers. Livingston (2006, p. 49), for example, asserts (based on the results of her quantitative study of Mexican migrants in the USA – interestingly, using data from the same project as Aguilera and Massey, (2003) that the opposite is true. She finds a negative
relationship between network-based job search and employment outcomes and estimates that using network-based job search techniques, as opposed to other job search methods, leads to a decrease in wages of 6 to 11 percent. While she concedes – in line with the findings of this literature review – that existing studies have not yet found an unambiguous link between the use of social capital and job quality, she claims that studies typically find no correlation or a negative relationship, but not a positive link (Livingston, 2006, p. 49). Mahuteau and Junankar (2008) also anticipate that there will be negative effects of social capital on migrants’ earnings due to the fact that jobs found through friends or relatives are often unrelated to the individual’s experience or qualification. According to them, this is because “the types of jobs found through those sources are determined by family, neighbourhood or ethnic ties rather than by professional affiliations” (Mahuteau & Junankar, 2008, p. 116).

5.6 The characteristics and capital of migrants

What has led researchers to come to fundamentally different findings with regard to the effect of network-based job search on the quality of jobs? We might suspect that, in some cases, a difference in research methodologies or general premises have led to dissimilar findings. Unfortunately, we are unable to evaluate methodologies or research approaches in many of the studies reviewed and can, therefore, not follow up on this explanatory approach. However, another explanation may be that the researches discussed above each studied different segments of the migration population and we wonder whether social networks and the assistance they provide affect particular migrant groups and their economic performance differently. Cranford (2005, p. 381) expects the latter explanation to be valid, saying that “social networks may not have [...] positive effects for all workers”, and also suggests that the individual attributes of workers may influence their return from network-based job search techniques.

Currently, there is a research deficit in terms of statistical studies that systematically control for the influence of various personal characteristics on the social networks-job quality nexus. In the absence of such empirical data, we can, however, analyse existing studies on different segments of the migrant population in order to identify whether certain personal characteristics of a migrant may act as influential factors for apparently dissimilar impacts of network-based job search on earnings. This literature review aims to shed light on this under-researched matter. In the following section we intend to take a look at such individual attributes and how they influence two issues: firstly, the dissimilar dependency of different migrant cohorts on social networks and, thus, their importance in an individual’s job search; secondly, and related to the first issue, the link between networks-based job search and the economic outcomes for different groups of migrants.

HOST COUNTRY SPECIFIC SKILLS AND KNOWLEDGE

A first set of characteristics relates to an individual’s host country specific skills. One of the most relevant host country specific skills is the knowledge of the local language. Drever and Hoffmeister (2008, p. 429) assert that migrants who face language barriers and a lack of familiarity with the formal job search process are more reliant on ethnic-specific social networks than their more educated and established counterparts. They reason that migrants who do not speak the local language need their more skilled peers to access information about job openings and knowledge of the labour market. But it is also evident that migrants who do not speak the local language or whose qualifications were not acquired and recognised in the host country cannot perform many well-paid and stable jobs. In a situation where social capital is used to overcome a lack of host country specific
capital, it is not surprising that co-ethnic network-based job search leads to unfavourable employment with little upward mobility.

With respect to skilled individuals, however, networks may absolutely provide access to good jobs in the core economy and offer similar benefits as they do in the job search of skilled natives. The findings of Aguilera and Massey (2003, p. 683) support this explanation and they were able to show that the better an individual’s language ability, the less likely he or she is to get a job through friends or relative. On a related note, Munshi (2003) and Aguilera and Massey (2003, p. 692) argue that newcomers are more reliant on the assistance of social networks than established migrants who possess the language skills and knowledge of the labour market to better assess their employment options. Even though newcomers may be more reliant on social ties, Drever and Hoffmeister (2008, p. 430) remind us that long-term residents rely heavily upon them as well.

**IMMIGRATION STATUS**

A second major characteristic that is worth being discussed is the immigration status of an individual. Aguilera and Massey (2003) have paid this factor systematic attention and found that the effects of social capital are stronger, more consistent and more manifold for undocumented than documented migrants. Based on their empirical study of Mexican migrants in the USA, they expect undocumented individuals to be more dependent than their legal counterparts (Aguilera & Massey, 2003, p. 672), making social capital "a more significant factor in the wage determination of undocumented migrants than documented migrants” (Aguilera & Massey, 2003, p. 676). Their explanation for this is simple: an undocumented status makes individuals more vulnerable to exploitation and puts them in a weak bargaining position; limits their ability to market themselves and seek better jobs freely without jeopardising their future in the host country; and also leads to fewer potential jobs and access to only a few less-regulated occupations because not many employers are reluctant to hire an unauthorised person and, consequently, violate the law (Aguilera & Massey, 2003, pp. 690-691).

Given these considerations, it is understandable that undocumented individuals should rely more on others to act on their behalf and assist them in getting and retaining a well-paid job. Aguilera and Massey (2003) also showed that different types of ties have dissimilar effects for documented and undocumented migrants respect to their ability to find work in the formal sector. While the social capital of close family members seems to be the determining factor for the wages of documented migrants, unauthorised individuals rely more heavily on distant relatives, friends and acquaintances and it is their support that is positively linked to formal employment and the earnings of an illegal person (Aguilera & Massey, 2003, pp. 687-689). Social capital is important for both documented and undocumented migrants but these findings suggest that it is the type of tie or setup of one’s network that determines whether an undocumented person is able to access better jobs within the formal economy. Illegal migrants struggle to overcome the restraints of their precarious status and effectively gain well-paid and stable formal employment (Aguilera & Massey, 2003, p. 691).

**COMPOSITION OF PERSONAL NETWORK**

Different types of social ties do not just play an important role with respect to immigration status but the makeup of one’s network is a generally important characteristic that may affect the economic performance of migrants in general. The above with example of undocumented migrants invites us to take a more nuanced look at social capital and the different relationships it is embedded in.
Economic success is—apart from other factors—not just a function of having *any* form of social contacts but rather the result of having the appropriate social contacts (capital) at the right time. Granovetter (1973) was one of the first to show that not all social ties have the same effects and has been influential in our understanding of how certain relationships affect an individual’s labour market outcomes. He suggested distinguishing social ties according to their strength, strong ties referring to family ties and close friends while weak ties encompass contacts to acquaintances. While family members—that is strong ties—typically are highly motivated to support an individual, the information they provide may be less valuable than the assistance of weak ties who serve as bridges to key players and core institutions. A second distinction that is related to the strength of weak ties is the degree of diversity in a network. Weak ties are important because they are more likely to be diverse and include contacts to people in different areas of a society. That is, they are more likely to be not only based on ethnic but also on professional affiliations. According to Erickson (cited in Cranford, 2005, p. 381), these ties to people in a wide range of occupations increase an individual’s chances for upward mobility.

Unless an individual possesses a social network which encompasses strong and weak ties as well as contacts based on ethnic and professional affiliations, the opportunities to get a good or better job may be limited. The diversity and range of a social network, therefore, needs to be taken into account in studies on the effects of network-based job search. Such differences in the composition of networks may account for some of the dissimilar findings of the studies discussed above. George and Chaze (2009, pp. 400-401) corroborate this in a study that distinguishes between pre-existing and self-created social capital. They are able to show that pre-existing social capital helped migrants to get a foothold in a host country but it was mainly self-created social capital that allowed them upward mobility. Self-created capital may, for instance, result from volunteer programmes or internships purposefully sought by an individual wanting to access new areas of the labour market and expand job skills.

**HUMAN AND ECONOMIC CAPITAL**

A fourth core characteristic that one may expect to influence the effect of social networks on the labour performance is an individual’s human and economic capital. We might assume that migrants with low human and economic capital would rely more on social capital to make up for this deficit as compared to their highly skilled and wealthy counterparts. A review of existing studies, however, leads us to a rather inconsistent conclusion.

Drever and Hoffmeister (2008, p. 430) cite the studies of Elwert (1982) and Waldinger (1999) and claim that many scholars see migrants with low levels of human and economic capital as more reliant on social capital in order to gain financial benefits. Some of the studies reviewed here, such as Damm (2009, pp. 305-306) seem to corroborate the fact that ethnic networks indeed have a positive effect on the annual earnings of low-skilled migrants. Menjivar (cited in Drever & Hoffmeister, 2008, p. 430), on the other hand, found that ethnic networks are of little professional and economic benefit because network members have little resources to offer one another.\(^\text{10}\)

As for highly-skilled migrants, the reviewed studies paint an equally inconsistent image. Damm (2009, pp. 305-306), for example, cites two different studies that came to dissimilar conclusions. A Danish monitoring study (covering the years from 1986-1998) concluded that ethnic networks have a

\(^{10}\) It must be said, however, that Menjivar’s (2000) study took place during a recession in the USA, hence, it is unclear whether, and to what degree, the tight labour market situation influenced her findings.
significantly positive impact on the economic performance of both low and high-skilled migrants, whereas Edin et. al (2003) found a negative and insignificant effect for highly-skilled individuals. Damm’s (2009, pp. 305-306) own study revealed mixed effects for highly-skilled individuals. On the one hand, he observed that ethnic networks increase the hourly wage rate of high-skilled migrants, but on the other hand, he also found evidence that living in a large ethnic enclave leads to higher unemployment rates and a lower likelihood of working full-time. These different research findings may be due to the intervention of other characteristics that have been mentioned in this section, for instance, the strength of ties. Bagchi (2000, p. 10; 21) asserts that migrants with higher human capital and socioeconomic status require weak ties in order to benefit economically and professionally from social networks. This supports the importance of self-created social capital based on professional rather than solely ethnic affiliations.

SECTORS OF THE ECONOMY AND TYPE OF WORK PERFORMED

Even though some scholars (Amuedo-Dorantes & Mundra, 2007, p. 859) find that the effects of social capital occur regardless of the type of work performed by a migrant, others such as Cranford (2005, p. 395) suggest that “the effects of social networks may change when the industrial context changes”, thus, indicating that the variable “sector of economy and type of work” does influence the social capital-economic performance nexus.

Greve and Salaff (2005, p. 11) found recruitment in the formal core sector labour markets to use more institutionalised mechanisms, whereas in the informal secondary labour markets, hiring relies more on personal information flows. Hence, different sectors of the economy rely to a dissimilar degree on institutional and personal channels of information. As a consequence, we can conclude that the more informal the recruitment process is, the more social networks will actually be able to do the matching of employees and job openings and play a more important role in the hiring process. Aguilera and Massey (2003, p. 683) confirm this in their study that found that those occupational groupings who rely heavily on labour contractors offer a smaller likelihood of using interpersonal connections to get a job. They assert that social networks are most important in finding a job in unskilled manual as well as service and sales work. Trinci (2006, p. 392) found that the size of an enterprise is a deciding factor too, with big enterprises employing numerous workers and generally offering better conditions for network-hiring.

Elliott (cited in Mahuteau & Junankar, 2008, p. 116) finds that social capital has a negative effect for jobs requiring low skills. Unfortunately, this aspect is still under-researched and we are, unable to assess the link between network-based job search techniques and economic returns in different types of employment involving disparate skill levels.

GENDER

A further characteristic that may be relevant is gender. Livingston (2006), for instance, has produced a gender-sensitive study on the role of social networks in the job search process and has given us some insights into the importance of this characteristic. She describes the conventional wisdom as expecting migrant women to be more reliant on social networks and to benefit to a larger degree from them than men, because men tend to have migrated first and consequently, are better established, more experienced and knowledgeable, and are more likely to know their way around in the host country (Livingston, 2006, p. 47). This may be particularly true when women predominantly migrate in the context of family reunification.
Her findings, however, do not seem to support conventional thinking. On the one hand, her study showed that women are actually more likely to use network-based job search techniques the longer they are in the country and, furthermore, documentation seems to increase the use of networks to find work instead of decreasing it as Livingston (2006, p. 61) expected. One the other hand, her findings do not support the assumption that social networks are more beneficial for migrant women, quite on the contrary. She found that using network-based job search techniques lowered the likelihood of women of finding employment in the formal labour market which may lead to smaller wages and job stability. At the same time, Livingston found a positive correlation between network-based job search and employment in the formal labour market. She, thus, concludes that “the use of migrant networks in the job search actually hinders migrant […] women’s labour market performance while improving the employment characteristics of migrant […] men” (Livingston, 2006, p. 61).

George and Chaze (2009, pp. 396-397) confirm these results, citing other studies that found a similar adverse effect of social networks on the potential upward mobility of women.

The literature provides several explanations for the negative effect of network-based job search on women’s economic performance. Most commonly, such explanations focus on the different size and composition of men’s and women’s networks. Livingston (2006, pp. 47-48), for instance, argues that historically, migration used to be men-dominated. They migrated earlier and set up networks mainly with fellow male migrants. Especially for men-dominated migrant groups, (such as the Mexican in the USA) it still true that “the bulk of all immigrant networks – both women’s and men’s – will be composed of men” (Livingston, 2006, pp. 47-48). If a labour market is highly gender-segregated – such as the USA – men-dominated networks may hold little relevant information for female job seekers. When a female job seeker alternatively tries to access employment information via other women in the network, such information may be linked to domestic work or low-wage jobs, thus channelling fellow women into employment that offers little upward mobility and which results in the perpetuation of gender-gaps in the labour market performance of migrants. Such a perpetuation of gender differences in labour market status also hampers direct links between women and those in core sector of the economy who could benefit fellow female job seekers in their attempt to find formal and well-paid employment (George & Chaze, 2009, pp. 396-397).

Another explanation focuses on traditional gender roles which inhibit women’s professional mobility through the use of social networks. To the degree that in a particular migrant labour force, men will be unwilling to share their information with women (Livingston, 2006, pp. 47-48).

5.7 Concluding remarks

This review of existing studies on the significance of social capital in the job search process provided us with three important insights: first, social capital and networks are not per se beneficial and have positive impacts on migrants and the larger society in specific cases. Some of the ways in which social capital may have adverse effects on individual migrants but also on entire groups or even the general economy including native job seekers have been identified. Second, studies show that not all members of the migrant population benefit from the use of social capital in a similar (or comparable) way. This literature review identified certain migrant characteristics that may cause very dissimilar and even paradoxical effects of social networks and their impacts in the job search for an individuals’ economic integration or performance. Third, following this review, we understand that it is not only the existence of social networks that affects the economic performance of an individual but rather the composition of these networks. We have also learned to distinguish between pre-existing and
self-created social capital and realise the importance for an individual to consciously invest in social capital and to strategically expand social networks.

On the other hand, the reviewed studies also document how social capital can be an important asset in the job search. We, nevertheless, may need to rethink the conventional wisdom which argues that especially the marginalised and people with unfavourable characteristics benefit most from co-ethnic social networks. In light of the above discussion, we may only partially agree with Munshi (2003, p. 565) when he writes that women benefit to a larger degree from network assistance, or Elliott (2001, p. 405) who asserts that ethnic-related social capital is clearly more beneficial for migrants with little formal education. We agree that less established and knowledgeable migrants with other unfavourable characteristics (such as limited linguistic skills) may gain a lot of information on job openings that they would not be able to access otherwise. This may indeed help them to be employed when they would not be without the assistance of kin and friends. However, some of the reviewed studies also seem to suggest that – unless these individuals continually improve their own human capital and status – jobs found through these ethnic-specific social networks may become a professional cul-de-sac, especially for vulnerable and marginalised migrants and hinder their further upward mobility. Finally, the insight that social networks may also be an important resource in the job search process of native and well-educated individuals prevents us from thinking of network-based job search as uniquely relevant for migrants.
Bibliography


