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To cite this article: Arnfinn H. Midtbøen & Marjan Nadim (2019) Ethnic niche formation at the top? Second-generation immigrants in Norwegian high-status occupations, *Ethnic and Racial Studies*, 42:16, 177-195

To link to this article: <https://doi.org/10.1080/01419870.2019.1638954>



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Published online: 18 Jul 2019.



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# Ethnic niche formation at the top? Second-generation immigrants in Norwegian high-status occupations

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## ABSTRACT

As an increasing number of highly educated second-generation immigrants are entering the labour market, their occupational trajectories are of growing interest. This article examines processes of mainstream inclusion and ethnic niche formation among second-generation individuals in three high-status professions in Norway: medicine, law and business and finance. Drawing on in-depth interviews with 62 descendants of labour migrants from Pakistan, Turkey, Morocco and India, the article identifies processes of ethnic niche formation both within mainstream firms and in the form of ethnic entrepreneurship. These processes do not simply reflect blocked opportunities to access the mainstream or strategic capitalization on ethnic resources but appear largely as unintended consequences of the ethnic competence of the second generation. Theoretically, the article contributes to the literature by offering a framework for studying the prevalence and mechanisms of ethnic niche formation at the top of the labour market hierarchy.

**ARTICLE HISTORY** Received 12 September 2018; Accepted 19 June 2019

**KEYWORDS** Second generation; ethnic niches; labour market; high-status occupations; integration; Norway

## Introduction

A key question in the literature on second generation incorporation is whether children of immigrants are absorbed into the “mainstream” (Alba and Nee 2003; Alba and Yrizar Barbosa 2016) or assimilate into particular segments of society, in part because of discrimination and blocked opportunities (Portes, Fernandez-Kelly, and Haller 2009; Portes and Zhou 1993). The second generation is generally characterized by high educational ambitions, and significant shares are entering higher education and elite educational fields (e.g. Crul, Keskinner, and Lelie 2017). However, the question remains as to whether they are granted access to upper-level mainstream firms on the same terms as their majority

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peers or whether processes of ethnic niche formation – within or outside of mainstream firms – are taking place at the top of the labour market hierarchy.

In their classic article on segmented assimilation theory, Portes and Zhou (1993, 87) argue that self-employment “offers a prime avenue for mobility to second-generation youths”, as they can draw on the social capital in their ethnic community to create opportunities that are not available to them through competition in the open labour market. Recent European studies have observed that highly educated descendants of Turkish migrants occasionally establish their own businesses or carve out niches within mainstream firms where they can profit from their ethnic background (Konyali 2017; Keskiner and Crul 2017; Crul et al. 2017). However, few attempts have been made to explore the processes of ethnic niche formation at the top of the labour market hierarchy, as the ethnic niche concept traditionally has been employed as a lens for studying the concentration of immigrants or specific ethnic groups in the lower tiers of the labour market (e.g. Portes and Jensen 1989; Waldinger 1994).

In this article, we analyse processes of ethnic niche formation at the top of the labour market hierarchy by examining how the ethnic background of highly educated second-generation immigrants in Norway shapes their labour market adaptations and locations. Since the early 1970s, Norway has transformed from a relatively homogeneous society in the Northern corner of Europe to a diverse country of immigration. The first substantial groups of migrants came from countries such as Pakistan, Turkey, Morocco and India. They arrived as part of the broader wave of post-war labour migration to Western Europe. As elsewhere, many of these immigrants had low levels of education, they were culturally and religiously foreign to the majority population, and they were absorbed into the lower tiers of the labour market, often in declining industries and occupations (Brochmann and Kjeldstadli 2008).

The children of these immigrants, however, perform remarkably well in the education system. In fact, the second generation is overrepresented in higher education compared to the native population, including in elite educational fields (Statistics Norway 2016). Nonetheless, compared to their majority peers at the same educational levels, children of immigrants face disadvantages when entering the labour market (Hermansen 2013), in part, as a result of employment discrimination (Midtbøen 2016). As an increasing number of highly educated second-generation immigrants are now entering the labour market, it is pertinent to examine their work trajectories.

The present study focuses on second-generation individuals within three high-status occupational fields: medicine, law and business and finance. Drawing on in-depth interviews with 62 descendants of labour migrants from Pakistan, Turkey, Morocco and India, we ask to what extent the ethnic background of second-generation professionals in these occupations shapes their labour market location and work tasks, and examine processes

of mainstream inclusion and ethnic niche formation. Analytically, we distinguish between two forms of ethnic niches: first, *ethnic entrepreneurship*, where second-generation entrepreneurs orient themselves towards a market of co-ethnics with co-ethnic workers, and second, ethnic niches *within mainstream firms*, where ethnic minority workers are assigned tasks partly on the basis of their ethnic origin.

This article advances the literature in several ways. Empirically, ours is the first study on ethnic niche formation among descendants of immigrants in Norway, a regulated labour market context in which self-employment is less common than in many other national contexts (Cederberg and Villares-Varela 2019). Theoretically, the article presents a framework for studying the prevalence and mechanisms of ethnic niche formation at the top of the labour market hierarchy by bridging the streams of literature on assimilation and ethnic niches. Altogether, the article contributes to the growing literature on the occupational trajectories of highly educated descendants of immigrants in Europe (e.g. Keskiner and Crul 2017; Konyali 2017; Crul, Keskiner, and Lelie 2017). Unpacking the processes through which second-generation professionals adapt to the upper tiers of the labour market is key to understanding the types of assimilation processes that are taking place.

## **Theoretical framework**

### ***Access to the mainstream***

The question of whether children of immigrants will gain access to the mainstream and what chances they have for social mobility is at the heart of academic debates about the second generation (Portes, Fernandez-Kelly, and Haller 2009; Alba and Nee 2003). On one hand, acquiring tertiary education credentials could make the ethnic origin of second-generation immigrants less relevant for their career trajectories. Lamont (1992, 11), for example, argues that higher education can mark a more significant distinction than ethnic origin. Similarly, Alba and Nee (2003, 286) hold that processes of “boundary crossing” are taking place in the gradual assimilation of descendants of migrants into host societies, where individuals and subgroups of migrant origin become fully part of mainstream institutional structures and organizations. Although an ethnic minority origin might not become entirely invisible, boundaries can become blurred and reduce the perception of social and cultural distance (Alba 2005).

On the other hand, Portes, Fernandez-Kelly, and Haller (2009, 1082) predict that while second-generation individuals can experience upward mobility, a significant share will have their opportunities blocked by discrimination. Higher education and even leadership positions are not necessarily shelters against discrimination (e.g. Waldring, Crul, and Ghorashi 2015). Portes and

Zhou (1993, 87) argue that to circumvent the challenges of discrimination, the second generation can draw on their specific ethnic capital to create business opportunities, and they portray self-employment as a main route to social mobility.

However, self-employment is not the only strategy that can shelter the second generation from experiences of exclusion. Neckerman, Carter, and Lee (1999) propose that second-generation immigrants may successfully enter the mainstream economy by developing “minority cultures of mobility” which function as practical and emotional shelters against discrimination. In line with this work, Slootman (2019) finds that second generation “minority climbers” in the Netherlands articulate an ethnic minority identity and are drawn to co-ethnics while simultaneously being oriented towards assimilation in the mainstream economy. Thus, inclusion in the mainstream is not solely defined by the extent to which the second generation is able to “overcome” their ethnic minority origin; being oriented towards co-ethnics in similar middle-class positions may, to a certain extent, compensate for experiences of exclusion. Some scholars have even pointed to a certain “second-generation advantage” (Kasinitz et al. 2008), suggesting that the ethnic background of the second generation may in fact function as a *resource* that can provide work opportunities.

### ***Ethnic niches in the labour market***

The literatures on ethnic enclaves (Portes and Jensen 1989; Portes 2010) and immigrant niches (Waldinger 1994) demonstrate how ethnicity can function as a resource in particular segments of the labour market. *Ethnic enclaves* are geographical concentrations of enterprises owned and operated by members of the same ethnic minority, primarily catering to the community’s demand for particular goods and services (Portes 2010, 162; Portes and Jensen 1989, 930; Chan 2013). Typical examples of ethnic enclaves are the Chinatowns and Koreatowns found in large U.S. cities, incorporating enterprises such as grocery stores, restaurants and businesses in the fields of construction, finance or real estate (Portes 2010; Portes and Jensen 1989). Businesses in the ethnic enclave benefit from the social capital in the ethnic community, for instance, by providing access to cheap labour, credit and consumers.

The concept of *immigrant niches* refers to occupations and industries with a clustering of specific ethnic groups (Model 1993; Waldinger 1994; Friberg and Midtbøen 2019). Unlike ethnic enclaves, immigrant niches can be found in the mainstream economy, typically in the low-wage sectors (Chan 2013). Immigrant niches are sustained and reinforced through network recruitment as workers tend to recruit others from the same ethnic group (Waldinger 1994). Yet immigrant niches do not rely on the social capital of a specific ethnic community in the same way that ethnic enclaves do.

Although ethnicity functions as a resource within ethnic enclaves and immigrant niches, there has been substantial debate about whether individual workers actually benefit from working in such sectors of the labour market. Ethnic enclaves and immigrant niches can offer a protected environment that shelters minorities from discrimination and job competition in the mainstream labour market, but there are varying rewards for creating and working in an immigrant niche. While some niches are advantageous for a particular group, others are merely mobility traps (Waldinger 1996).

The main empirical and theoretical contributions regarding ethnic niches in the labour market have been concerned with niche dynamics in the *lower parts* of the labour market and have primarily focussed on the situation for *immigrants*. As highly educated second-generation professionals are entering the labour market in increasing numbers, it is relevant to ask whether they are involved in ethnic niche formation in the upper tiers of the labour market. Studies on highly educated children of Turkish migrants in Europe reveal that they occasionally try to capitalize on their ethnic background to establish their own businesses or create niches within mainstream firms where they can use their ethnic background as a resource, partly as a response to blocked opportunities and subtle forms of discrimination (Waldinger, Crul, and Ghorashi 2015; Konyali 2017; Keskiner and Crul 2017; Crul et al. 2017). This strand of literature is concerned with individual adaptations and strategies, and suggests that some ethnic minority individuals are able to capitalize on their minority background in the labour market. These studies on high-achieving second-generation professionals demonstrate that there is a need to examine more closely processes of ethnic niche formation among highly educated and highly qualified second-generation individuals.

### ***Conceptualizing ethnic niche formation at the top of the labour market hierarchy***

The present study employs the concept of ethnic niche formation as an analytical tool to study the individual career strategies and resources that second-generation professionals draw on in their work lives, rather than as a tool to analyse the dynamics of the labour market itself (cf. Waldinger 1994; Portes and Jensen 1989). To study processes of ethnic niche formation at the top the labour market, we distinguish between two types of ethnic niches. The first is ethnic niches as *ethnic entrepreneurship*, where second-generation professionals establish businesses that primarily employ others sharing the same ethnic background and are oriented towards a market of co-ethnics, either in the country of residence or in the country of origin. This conceptualization of ethnic niches closely resembles the definition of ethnic enclaves (Portes and Jensen 1989; Portes 2010) in that we emphasize (1) ethnic ownership and entrepreneurship, (2) co-ethnic workers and (3) a

co-ethnic market. The second type of ethnic niche formation is that which takes place *within mainstream firms* in cases where certain tasks become allocated (partly) on the basis of ethnic origin, such as being responsible for a firm's relation to markets in one's parents' country of origin, or serving clients of one's own ethnic group. Inspired by the concept of immigrant niches (e.g. Waldinger 1994), this type of niche formation is meant to capture the clustering of ethnic minorities in particular parts of mainstream firms or in particular work tasks.

An asset of this conceptualization is that neither type of ethnic niche formation presupposes any specific cause: Ethnic niches may be formed as a result of blocked opportunities, strategic use of ethnic capital or as a result of other types of processes where ethnicity is secondary. After describing the design and methods of the study, we empirically unpack how the ethnic background of second-generation professionals in high-status occupations in Norway shapes their labour market locations and work tasks, tracing processes of ethnic niche formation within and outside mainstream firms.

## Design and methods

The study comprised 62 in-depth interviews with second-generation individuals in Norway, who had completed their education in medicine, law and business and finance and were working as medical doctors, lawyers and business professionals. All informants were children of first-generation labour migrants in Norway, ranging in age from 23 to 47 years, with the majority being between 28 and 32 years. The vast majority of informants were born in Norway ( $N=46$ ), while some had immigrated before school age ( $N=11$ ) or had come to Norway between the ages of 8 and 13 ( $N=5$ ).

The key sampling criteria were parents' country of origin (main labour migrant-sending countries), type and level of education (medicine, law or business and finance, at least at the MA level) and occupation (doctor, lawyer or business professional). Reflecting the demographic composition of the second generation in Norway, where children of immigrants from Pakistan by far constitute the largest group, most informants originated from Pakistan, but children of migrants from Morocco, India and Turkey were also represented in the sample. Hence, all informants had a background that was likely to make them a visible minority and, for most, make them susceptible to being ascribed a Muslim identity. As our sample is not fit for systematic comparisons between ethnic groups, we predominantly focus on other comparative dimensions in the analysis. In total, the sample comprised 40 men and 22 women. While we achieved gender balance in the medical subsample, men were overrepresented in the two other samples, even when taking into account the gender composition of the occupational fields. [Table 1](#) provides an overview of the informants, separated by field of work, gender and ethnic origin.

**Table 1.** Overview of the informants by field of work, gender and ethnic origin.

	Male	Female	Pakistani	Other ethnic groups	Total
Law	14	6	12	8	20
Medicine	10	10	12	8	20
Business	16	6	19	3	22
Total	40	22	43	19	62

Among the doctors, most informants were working in public hospitals, while some were working as general practitioners (GPs). Most of the lawyers were working in private firms in various fields of law. The business professionals were the most heterogeneous group including positions such as chief financial officer (CFO), senior risk manager and senior management consultant. All informants were working in high-status occupations with good pay, but only a handful were employed in top positions in influential companies. As such, the sample is best characterized as consisting of an *upcoming elite* among second-generation professionals in Norway (cf. Crul, Keskinner, and Lelie 2017).

We employed several strategies for recruiting informants. First, relying on snowball sampling, we used our extended networks and recruited informants who, in turn, identified more individuals who met our sampling criteria. Second, we identified informants with the help of student organizations and professional networks aimed at ethnic minorities. Lastly, we identified individuals who met our sampling criteria by searching company websites and LinkedIn Premium, a social medium where professionals present their CVs.

We conducted most interviews face-to-face and a few via telephone. Most of the face-to-face interviews took place at the informants' workplace or at a quiet café. These interviews lasted between one and one-and-a-half hours, while the telephone interviews were slightly shorter. The interviews mapped the informants' individual life trajectories from childhood, tracing the decisions made at each significant educational or work-related milestone. Thus, we obtained rich data on the informants' pathways to their current occupational position and how they understand their educational and career trajectories.

All interviews were tape recorded, fully transcribed and coded using HyperResearch. In the systematic coding and analysis of the data, we were particularly looking for the informants' *orientations* to different sectors of the labour market in terms of their ambitions and employment choices; their actual *position* in the labour market, in terms of work tasks, type of employment and their customer base, as well as the extent to which these were ethnically segregated; and finally how the informants' ethnic backgrounds functioned as a *resource or barrier* in their work lives.

### **Ethnic niche formation within the mainstream**

The vast majority of our informants were working in what we term mainstream firms – that is, firms that do not have a specific ethnic orientation. Thus, a

pertinent question is whether processes of ethnic niche formation are taking place *within* such firms. For ethnic niches to develop within mainstream firms, ethnic origin must somehow be perceived as a relevant differentiating characteristic among workers. The informants generally emphasize their ethnic background as an *asset* in their work lives, in terms of language and cultural skills. However, the extent to which their ethnicity is perceived as relevant and whether they are able to use ethnicity as a resource varies among the three sectors.

### ***Ethnic niches in the mainstream medical field***

Within the medical field, informants explain that they make regular use of “ethnic” skills and competencies, and they particularly emphasize the importance of language skills enabling them to communicate with a broader segment of patients. A doctor of Pakistani origin explains as follows:

If an Urdu-speaking patient comes in, I often go in and interpret. It's much easier for the department and it's much easier for the patient. A lot of patients of immigrant background want to come to me because they feel they can explain their problems to someone who has my background. (Female hospital doctor)

Besides language skills, minority cultural competence more generally facilitates communication with patients, for instance, by providing doctors with a better understanding of culturally specific beliefs about sickness and health. The doctors in the study state that they were saving their employers time and money by reducing the need for interpreters, and are often allocated patients with poor Norwegian skills or called in to interpret for their co-workers. Thus, the doctors regularly experience and use their ethnic background as a resource, and their background is recognized and used as a resource by their employers and co-workers. Consequently, they – to some extent – are allocated ethnically specific tasks.

### ***Ethnic niches in the mainstream business sector***

The ethnic background of informants in the business and finance sector appears to have little relevance as a resource. As ethnic minorities are almost absent in the markets relevant to the business professionals in our study, they have little use for their language and cultural skills, and maintain that their ethnic background is irrelevant to their work. Some business professionals nevertheless express disappointment in Norwegian companies for lacking awareness of the value of diversity and of the language and cultural skills of the second generation. An informant working in a large international company elaborates:

If you have a person who understands the culture down there [where the companies are doing business], it is a great resource and an advantage for your company, and the company needs to understand that. (Male business professional)

He holds that his firm brings “a lot of Norwegian mentality” abroad, which jeopardized contract negotiations because of cultural insensitivity and an inability to exploit the resources of second-generation employees. Insofar as the business professionals experience their ethnic background being valued in their work lives, it is more in symbolic terms when they are used as “tokens” for their company’s diversity policies. However, the few business professionals in the study who work directly with clients or markets in their parents’ country of origin experience their cultural competence being recognized as an asset (cf. Konyali 2017). Thus, in business and finance, ethnicity appears to be recognized and used as a resource only if it is directly relevant to the client base or targeted markets.

### ***Ethnic niches in the mainstream field of law***

Many of the lawyers portray their ethnic background as relevant in their work lives. The lawyers working with private clients explain that their ethnic background help them attract a broader segment of clients. As one lawyer puts it, “You attract other clients who’d never use someone like [names his native Norwegian employer]. It’s as simple as that.” Moreover, the ethnic minority population represents an attractive market, as one of the male lawyers bluntly states: “If you look at who the criminals are, very generally [...] If you look at [a recent murder case] or all these shootings and stuff, who are they? They’re not native Norwegians, right?”

Like the doctors, the lawyers emphasize the importance of having a cultural competence that enables them to understand and communicate with their clients in a way that native Norwegian lawyers cannot. A lawyer of Pakistani origin explains as follows:

If an Arab comes to me ... I don’t speak the language, but I have an understanding of the culture, and I can understand. He can act quite irrationally and, for a Norwegian, it’ll be completely incomprehensible why this person acts irrationally, but I can perhaps understand why he does it [...] and can support and back him so he can perhaps get on the right track. So, I think they feel safer around that. And I think that a lot of them think, “Yes, but he’s one of our own, so I can tell him everything”. (Male lawyer)

Besides the obvious advantages of being able to communicate with some clients in their mother tongue, this lawyer maintains that he is in a better position than Norwegian colleagues to understand the actions of ethnic minority clients and, thus, can better support and guide them. This type of “ethnic competence” is especially relevant for those working for law firms with private clients.

The lawyers working with corporate clients or in government agencies do not describe ethnicity as a resource in the same way. In fact, many of them pointed out that there are conspicuously few ethnic minorities in the top law firms. They attribute this to the high competition for entering these firms, but also suggested that the top firms might be particularly conservative in their recruitment, excluding “ethnic others”. The top firms primarily work with corporate customers, and contrary to law firms with private clients, their client base overwhelmingly consists of native Norwegians. One lawyer suggests that this explains the lack of ethnic minority lawyers in corporate firms: “[T]here is no point in sending Adil with a beard and stuff down to Aker Brygge [a posh part of Oslo] to discuss taxes and charges, right?”

Thus, the interviews suggest that ethnicity might shape the labour market experiences of second-generation lawyers as it offers a clear advantage in some parts of the legal field – where ethnic minorities form a substantial part of the private client base – while being irrelevant or even a disadvantage in other parts, like corporate law.

### ***The role of ethnic minority status in mainstream firms***

When ethnicity becomes a relevant marker of difference in the everyday work lives of the second generation, it can be both in positive and negative terms. While many of the second-generation professionals experience their ethnic background as a resource, an explicit ethnic self-identification pose a risk of them being *ascribed* an “immigrant role” and being allocated ethnically specific tasks. Further, this will not necessarily contribute to career advancement. For instance, for the doctors, being summoned to interpret for co-workers means continuous interruptions and distractions from their own patients and tasks. However, for the lawyers who have regular use for their ethnic competence, their ethnic background appears more as an unambiguous advantage.

Ethnicity can also function as a more explicitly negative marker of difference. While only a minority of the second-generation professionals describe personal experiences of discrimination, in hiring processes or in (lacking) career advancement, they express a general awareness of the *risk* that their ethnic minority background can create barriers for their labour market opportunities. Of course, downplaying experiences of discrimination and highlighting individual skills and success may be part of an “achievement narrative” through which the informants try to avoid victimhood (Konyali 2014). Previous work has shown that although second-generation professionals can experience difficulty in discussing experiences of discrimination, subtle forms of discrimination do take place (Waldring, Crul, and Ghorashi 2015). Undoubtedly, this also applies to the present study, as

several informants express discomfort with being ascribed certain tasks or filling the role of the company's "token minority". Still, we find no indications of clear and overall patterns of ethnic segregation of work tasks in our material, and ethnically ascribed tasks do not seem to have determined the career opportunities of the second-generation professionals. However, neither did ethnic minority status generally appear to be a resource on which the informants can easily capitalize for career advancement, suggesting that the specific competencies of the second-generation professionals are not fully recognized in mainstream firms.

### **Ethnic niche formation as entrepreneurship**

Although most of the second-generation professionals in our study were working in mainstream firms, we also find examples of ethnic niche formation in terms of ethnic entrepreneurship. The three fields under study differ in terms of how their respective markets function, creating different conditions for both self-employment and ethnic entrepreneurship. It is only within law that we find clear evidence of ethnic niche formation in terms of ethnic entrepreneurship, but instances of entrepreneurship are also described within medicine and business. Below, we detail the dynamics and conditions for ethnic entrepreneurship in the three fields.

#### ***Ethnic entrepreneurship in the medical field***

As the private health sector is marginal in Norway, becoming a GP is the most common form of self-employment in the medical field. The informants describe immigrant-origin GPs who cater almost exclusively to the immigrant population, sometimes working in offices with only co-ethnic doctors. While some understand this as a strategic targeting of an ethnic market, most offer other explanations. Patients can choose their GP freely, and a foreign name tends to attract ethnic minority patients while discouraging ethnic majority patients. Furthermore, GPs are spread out geographically and tend to have local patient bases. Thus, doctors working in immigrant-dense neighbourhoods are likely to have mostly patients from immigrant backgrounds regardless of any strategic efforts.

The GPs in our study describe having balanced or predominantly native Norwegian patient groups, reflecting that they have set up office in neighbourhoods without a high concentration of immigrants. The GPs express that they seek a "good mix" of patients – referring both to the ethnic composition of the patient group and to the age composition and types of diagnoses. In other words, none of the GPs in our study have sought to tap into an ethnic market. Although the second-generation doctors acknowledge that their ethnic background gives them an advantage in dealing with

immigrant patients, especially patients with poor Norwegian skills, they do not appear to use this advantage to create self-employment opportunities.

### ***Ethnic entrepreneurship in the business field***

Within business and finance, ethnic niches are portrayed as being of little relevance. None of the informants are self-employed, but some have ambitions of starting a business. However, there is no clear “ethnic component” in these entrepreneurial ambitions. As one informant explains, “it is easier to capitalize on your ethnic background if you starting a restaurant or going into import, than if you want to develop an app”. The informants with entrepreneurial ambitions dream of starting businesses based on a specific technology or have business ideas directed towards the national or global market more generally.

Interestingly, very few business professionals endeavour to use their ethnic background as a comparative advantage, for instance, by building an international profile or professional niche that is based on their ethnic background. This stands in contrast to Konyali’s (2017) study on Turkish second-generation business professionals, and might reflect that our informants work in parts of the business and finance sector where it is not relevant to target an “ethnic market”. In line with his study, however, some of the business professionals explained their growing entrepreneurial ambitions by a lack of recognition and prospects of career advancement in mainstream firms. Thus, while their ethnic background is not relevant for creating new business opportunities, it can be a liability that propels entrepreneurial ambitions.

### ***Ethnic entrepreneurship in the field of law***

The clearest examples of ethnic niche formation were undoubtedly within the field of law, and they involve seven second-generation lawyers of a Pakistani background who have established small law firms. The firms employ between two and five lawyers, the majority of whom are co-ethnics. All firms predominantly had immigrant clients; two of them had mainly Pakistani and Indian clients, while the rest had clients from a variety of ethnic groups. As these firms had been established by second-generation entrepreneurs, with predominantly co-ethnic workers and catering primarily to immigrants, they represent instances of what we term ethnic niche formation in the form of ethnic entrepreneurship.

Interestingly, the informants insist that they were not attempting to strategically carve out an ethnic niche. Instead, they point to three factors that can explain the current composition of clients. First, they describe that they simply attract immigrant clients without making a specific effort to do so. One lawyer describes the following:

I've experienced from the beginning that it's a lot easier for me to get those clients [with immigrant backgrounds]. It doesn't need to be the same language or linguistic background either. That you're an immigrant is in itself enough for people to have greater trust in me than in another lawyer. Yes, that's part of the reason why it has gone so fast, that we have built the firm so quickly. (Male self-employed lawyer)

The other lawyers similarly explain that immigrant clients seek them out because of their cultural and language skills and because they are more comfortable with a lawyer whom they feel could understand them. One lawyer explains that they "haven't used one krone on marketing". Only three years after establishing the firm have they even set up a webpage; apparently, clients just come to them. The ethnic composition of the client base is reinforced as clients mostly come through referrals from previous clients.

Second, the clients' ethnic composition partly reflects the segments of the law on which the firms focus. Some of these fields are more or less specific to immigrants, while others are areas of the law where immigrants often seek assistance, and include immigration law, criminal law, family law and child services issues. Although these fields of law attract immigrant clients, the firms also adapt to their client base and specialize in fields with the most relevance to their "type" of clients.

Third, the lawyers maintain that the composition of their client bases reflects not only whom they attract but also whom they do *not* attract as ethnic minority lawyers – namely, native Norwegians. One self-employed lawyer compares the situation of grocery stores in the 1980s, when customers could walk out if they realized that they had come to a store run by immigrants. He explains as follows:

I don't think that the ethnic Norwegian clients mind using a lawyer with an immigrant background, [...] but we're still there in our line of business that they are not used to the fact that a lawyer with a Pakistani background will be able to understand their cultural issues. For instance, if it's about incest, rape or other cultural questions, they think we won't understand. (Male self-employed lawyer)

This informant holds that he has not experienced racism in his work life, but that the clients who turn up are simply more often immigrants than native Norwegians. Clearly, while ethnic minority status is an asset in attracting some clients, it can be a liability in relation to others.

### ***Ethnic niche formation as an unintended consequence of entrepreneurship***

In some instances, ethnic entrepreneurship appear to be the result of blocked opportunities in mainstream firms. A few self-employed lawyers explain that the main motivation for breaking out and establishing their own firm was

that they did not get the recognition they deserved from their employers. However, the self-employed lawyers do not present a narrative of being pushed out of the mainstream firms. Rather, as one self-employed lawyer articulates, self-employment reflects a reluctance to settle for jobs in medium-sized law firms of various levels of prestige:

[T]hose I know who have started their own firms, they've tried the other way first and want to get into the big firms. And that hasn't worked out. They didn't get an offer there, and instead of going to a small or medium-sized firm, they've rather started their own firm because they see that as the best option. (Male self-employed lawyer)

Thus, the pathway to self-employment is not understood as a result of exclusion from the mainstream altogether but as a result of blocked opportunities to reach *the very top* of the most prestigious firms. Although this might be interpreted as an “achievement narrative” (cf. Konyali 2014), it also points to a reality in highly competitive labour markets, where the number of top positions are limited and a majority of candidates – of both native and immigrant-origin backgrounds – must settle for other options. Of course, discrimination may prevent second-generation lawyers from accessing these positions, and the informants point to a conspicuous lack of ethnic minorities in the top firms, but that does not mean that mainstream firms in general are closed to ethnic minorities. Several of the ambitious lawyers simply see self-employment as a viable second best option.

While exclusion from the mainstream does not appear to be the main driver of the ethnic entrepreneurship observed among the lawyers in this study, neither does strategic capitalization on ethnic capital. As they have started firms with co-ethnic workers, and have a client base predominantly consisting of immigrants, indicating some degree of ethnic orientation, it is somewhat surprising that the second-generation entrepreneurs insist that they did not strategically target an ethnic niche. This might reflect the stigma attached to being “a Pakistani law firm”, and the self-employed lawyers suggest that they ideally would want to expand the ethnic composition both among their co-workers and their client base. However, it might also quite accurately reflect their experience of simply using their immediate network to establish a “normal” small-scale law firm, which then happens to end up in an ethnic niche as this is their comparative advantage vis-à-vis their competitors.

In sum, the tendencies towards ethnic niche formation in the field of law appear more as *unintended consequences* of entrepreneurship than as a result of blocked opportunities or strategic capitalization on ethnic capital. Although several informants have experienced a lack of recognition in mainstream firms, the very act of self-employment seems to be driven more by strong ambitions and a reluctance to work in medium-status mainstream firms. Moreover, although they have tapped into a client market dominated by immigrants, this

appears mainly to have been a consequence of market dynamics, including difficulties in attracting native Norwegian clients, rather than a strategic capitalization of ethnic resources. However, the possibility of operating in an ethnic niche gives the second-generation lawyers an advantage over their majority peers who might similarly experience that the way to the very top is blocked.

## Conclusion

As an increasing number of highly educated second-generation individuals across the Western world are entering the labour market, a key question in the assimilation literature is whether there is “room at the top” for this group (Alba and Yrizar Barbosa 2016). Some argue that descendants of migrants gradually will become fully part of mainstream institutional structures and organizations as the blurring of ethnic boundaries makes ethnic minority status less relevant and reduces perceptions of cultural distance (Alba and Nee 2003; Alba 2005). Others suggest that even upwardly mobile second-generation professionals are likely to face blocked opportunities in the labour market, but that self-employment can be a way to circumvent barriers faced in the mainstream (Portes and Zhou 1993; Portes, Fernandez-Kelly, and Haller 2009).

However, few studies have directly examined the prevalence and causes of ethnic niche formation at the top of the labour market hierarchy. Admittedly, several recent studies have traced the individual adaptations and strategies of highly educated descendants of Turkish migrants in Europe, showing how their ethnic background may function both as a resource and a barrier in their work lives (e.g. Konyali 2017; Keskiner and Crul 2017; Crul et al. 2017). With the exception of Konyali (2017), however, few attempts have been made to trace processes of ethnic niche formation in the upper parts of the occupational spectrum. Instead, the concept of ethnic niches has been limited to studies on ethnic enclaves or immigrant niches in the lower tiers of the labour market (Waldinger 1994; e.g. Portes and Jensen 1989).

This article contributes to the literature by examining processes of mainstream inclusion and ethnic niche formation among second-generation professionals in three high-status occupational fields in Norway: medicine, law and business and finance. We have developed a framework for studying the prevalence and mechanisms of ethnic niche formation at the top of the labour market by combining insights from the assimilation literature and the literature on ethnic enclaves and immigrant niches. Distinguishing between ethnic niche formation *within mainstream firms* and ethnic niches as *ethnic entrepreneurship* allows us to examine whether the second generation is capitalizing on their ethnic origin in their work lives and how relevant their ethnic background is in shaping their work trajectories.

Although all informants had been oriented towards the mainstream labour market, and the majority, in fact, were working in mainstream firms, we find

tendencies of ethnic niche formation both within mainstream firms and in the form of ethnic entrepreneurship. However, the forms of ethnic niche formation among the three occupational fields differ, pointing to an interplay between the structure of specific occupational fields and the terms of inclusion and exclusion (cf. Keskiner and Crul 2017).

In the medical field, we find ethnic niche formation within mainstream firms, but not as ethnic entrepreneurship. Although the second-generation doctors acknowledge that their ethnic background gives them an advantage in dealing with immigrant patients, they do not use this advantage to create self-employment opportunities. At the same time, the private health sector in Norway is marginal, creating few business opportunities for doctors besides becoming a GP. However, the doctors' "ethnic advantage" means that they are regularly allocated ethnically specific tasks, such as being used as interpreters when native majority colleagues face communication difficulties in consultations with ethnic minority patients.

In the business field, we find few traces of ethnic niche formation within mainstream firms or in the form of ethnic entrepreneurship. The second-generation business professionals maintain that their ethnic background is irrelevant to their work and, to the extent that they have entrepreneurial ambitions, these appear unrelated to their ethnic background. The rather marginal role attributed to ethnicity in business and finance probably reflects that most of our informants work in parts of the sector where ethnic skills and competence are simply not that relevant. As Norway is small country with a relatively short history of migration and few inhabitants, there is little scope for "ethnic" business markets beyond e.g. import and retail. However, the interviews suggest that employers do not recognize the specific competence of the second-generation professionals, such as language and cultural skills, even when it could be an asset in the companies' international work.

The field of law differs from the two other fields by involving both types of ethnic niche formation. In particular, lawyers working with private clients experience their ethnic background as an explicit resource which attracts ethnic minority clients, and they often work on cases where they can use their language and cultural skills directly. Their ethnic background functions as a resource within mainstream law firms, enabling the second-generation lawyers to attract a broader client base than their native Norwegian colleagues. It also facilitates the creation of an ethnic niche for the second-generation entrepreneurs who establish their own firms. Consequently, it is in the field of law that we find the clearest patterns of ethnic niche formation.

This study suggests that ethnic niche formation at the top of the labour market in several respects counter the assumptions and findings in the literatures on ethnic enclaves and immigrant niches, which focus on the lower tiers of the labour market (cf. Portes and Jensen 1989; Portes 2010; Waldinger 1994). First, we show that ethnic niches do not only form distinct segments of

the labour market, processes of ethnic niche formation can also be found *within* mainstream organizations – highlighting the need to examine the subtle processes whereby the ethnic background of employers is made relevant in a work context.

Second, while we find that ethnic entrepreneurship functions as a fall-back option in response to blocked opportunities, as postulated in the literature on ethnic enclaves (cf. Portes and Jensen 1989; Portes 2010), in our study it does not appear as a response to exclusion from the mainstream economy altogether, but to thwarted ambitions to reach the very top. Although second-generation professionals might experience an extra challenge of discrimination, these top positions are in fact inaccessible for most potential candidates, regardless of their ethnic background. The possibility of ethnic entrepreneurship offers the second-generation professionals an alternative career path and access to a growing market – a form of “second-generation advantage” (cf. Kasinitz et al. 2008) – which is not readily available to their ethnic majority peers.

Third, the second-generation entrepreneurs in this study insisted that they had not strategically capitalized on their ethnic competence and networks in building an ethnic niche outside of the mainstream. Rather, they pointed to market dynamics, where their ethnic background attracts immigrants and discourages prospective majority clients, as the key driver of ethnic niche formation. In contrast to the causal assumptions in the literature, the processes of ethnic niche formation that we have uncovered appear neither as a consequence of blocked opportunities in the mainstream nor as a strategic capitalization on ethnic capital, but rather as *unintended consequences* of the second generation’s ethnic competence.

These findings contribute to our understanding of how processes of ethnic niche formation unfold at the top of the labour market hierarchy. Although there is clearly “room at the top” for second-generation professionals in the upper tiers of the labour market, the work trajectories of these highly educated individuals – in Norway as in other countries – will be of growing relevance in the years to come.

## Acknowledgements

This article is part of the research project *Pathways to Integration: The Second Generation in Education and Work in Norway (PATHWAYS)*, which is linked to the comparative project *ELITES: Pathways to Success*, headed by Maurice Crul. We thank Maurice Crul, Richard Alba, Jens Schneider, Elif Keskiner, Katharine Charsley, as well as members of the research group Equality, Integration and Migration at the Institute for Social Research and the journal’s anonymous reviewers for valuable comments to previous versions of the manuscript.

## Disclosure statement

No potential conflict of interest was reported by the authors.

## Funding

The research was funded by The Research Council of Norway [grant number 247724/H20]; Norges Forskningsråd.

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