

Abstract:

Citizenship, Identity, and Trust: Combining a Large-Scale Artefactual Field Experiment with a Natural Experiment

If, in a migration society, people only trust those with whom they share a common identity, there is limited scope for cooperation, and hence efficient exchange, between social groups. A central question then is how to bridge such divides. We study the effects of a major citizenship reform in Germany—the introduction of birthright citizenship on January 1, 2000—in terms of trust, discrimination in trust, and social segregation between immigrant and native youth. The cut-off date represents an endowment shock for immigrant children, affecting whether they grew up as German citizens or not. We hypothesize that this endowment shock can have levelling effects for immigrant children that spill-over into the domain of cross-group cooperation. Our setup has three key features: an incentivized artefactual field experiment based on the trust game with almost 4,500 adolescents; an extensive accompanying socioeconomic survey; and, crucially, a sample design that allows us to connect the experiment with the citizenship reform using quasi-experimental identification strategies. Based on the experiment, we establish that the scope for cooperation between immigrants and natives is limited by a deep distrust among immigrants towards natives. As our main contribution, we show that these cleavages are not set in stone: the introduction of birthright citizenship brought about an efficiency increase in cross-group interactions by causing male, but not female, immigrants to almost completely drop their distrust towards natives. This effect is accompanied by a near-closure of the educational attainment gap between young immigrant men and their native peers.