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Does international student mobility increase social inequality? An analysis of heterogeneous income returns during the first ten years after graduation

Students from a high social origin are more likely to study abroad than students from a low social origin. At the same time, studying abroad positively influences students' intercultural competence, personality development, and labour market prospects. Therefore, social stratification research has tended to assume that international student mobility (ISM) fosters the reproduction of social inequality. This argumentation presupposes that students from different social origins profit from ISM at least to similar extents. However, this assumption has hardly been tested empirically.

Theoretically, two types of heterogeneous returns to ISM are plausible: Students from a high social origin could acquire more (valuable) skills abroad, e.g. because they complete more prestigious stays, or they could be able to better valorise the acquired cultural and symbolic capital in the labour market (cumulative advantage). Alternatively, their marginal utility of staying abroad could be lower because they already acquired solid transversal skills before their studies (compensatory levelling). While the first scenario should increase social inequality, the second one should actually reduce it.

We address the outlined research gap by examining graduates' labour income. We analyse longitudinal data from the 2005 DZHW Graduate Panel, which follows graduates from German higher education institutions up until ten years after graduation. We perform a propensity score matching (PSM) to reduce observable selection bias and calculate random effects (RE) growth curve models with imputed data to examine the role of ISM for the potential development of inequality between social origin groups over time.

Our results suggest that students from a high social origin profit more from ISM than students from a low social origin in terms of income gains. Considering that students from a high social origin are also more likely to study abroad, our results imply that ISM fosters the reproduction of social inequality.