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Report on Dissertation thesis of Vahan Sargsyan

Author: Martin Guzi
Title of thesis: Essays on Citizenship Policies and Immigrant Integration

General evaluation

The dissertation research contributes to the literature on the integration of immigrants. Author evaluates the situations of naturalized migrant workers vis-à-vis the local workers in different situations. Three chapters deliver nice and consistent results. The quality of chapters vary, some parts necessitate a substantial revision. More often author needs to position his research better in the literature and to contrast findings more with the existing literature. Research hypotheses need to be clearly defined and evaluated in the conclusions. The interpretation of findings is very brief and mainly the statistical significance is discussed. Author should interpret the findings economically (e.g. use marginsplot in Stata) and discuss the heterogeneity of results with respect to migrant characteristics in addition to gender (e.g. time since arrival, migrant origin, education). Below I provide my further comments and suggestions to each chapter.

Chapter 1

This chapter uses the case of Chinese labor market to evaluate the earnings disadvantages of rural hukou holders in the urban labor markets. The analysis compares the income of hukou converters with local urban workers. The findings imply that the hukou registration is not sufficient to close the income gap, and remove the unequal treatment of rural migrants in the cities. Here are my suggestions on how to improve the paper:

Hukou registration should be briefly explained earlier in the text. There are also costs to changing hukou status, and these are not mentioned. Results in Tab 1.3 in Column 4 indicate the positive selection of rural migrants for urban hukou. This is not discussed in the paper.

Results need to be evaluated economically. It is possible to calculate how much of the income gap the change of hukou registration helps to close. Compare the size of effect with other factors. How does effect vary with the time of arrival?

Some provinces in China are openly supportive towards rural migrants. Test if results change across provinces.

Some migrants receive in-kind benefits and this information is provided in data. Does it influence your results?

Wage regression: Years of education square is added in the wage regression that is not standard. Please explain. Explain what school performance measures and its benefit over years of education. Age and tenure should not be used jointly. BMI and height are correlated, aren't they? Is tenure a proxy for time since arrival to the urban area? Please report the test of weak instruments (e.g. F-stat).

Compare results for self-employed with Giulietti, Ning, Zimmermann (2012)

All tables need a proper and clear notation

References:

Corrado *Giulietti, Guangjie Ning, Klaus F. Zimmermann*, (2012) "Self- employment of rural-to- urban migrants in China", International Journal of Manpower, Vol. 33 Issue: 1, pp.96-117, https://doi.org/10.1108/01437721211212547

Chapter 2

This chapter employs the decomposition technique to assess the income differences between natives naturalized and non-naturalized immigrants. The analysis is based on 2010 data for Denmark and France obtained from LIS database. Chapter needs to strengthen the introduction part and highlight the unique contribution of this study. Writing that this study is the first empirical exploration of returns to naturalization is bold and not reassuring of the author's knowledge of literature. The analysis proceeds in several steps but it is difficult for a reader to follow the *red line*. The interpretation and discussion of findings is very brief (too many tables are presented). The findings need to be contrasted more with the literature. I encourage author to explore how naturalization helps to close the income gap, by performing the decomposition analysis with respect to the origin of migrants. Overall the chapter reads as a draft and is the weakest of all chapters. Text deserves more work to sell the paper better. I have following suggestions:

Author should consider a more appropriate chapter title

The focus on DK and FR should be motivated in the introduction. Currently the countries are first introduced in data section.

Two countries differ in their income distribution (in 2010 Gini was around 27 in DK and around 30 in FR). One would therefore expect that (native-migrant) income gaps are narrower in DK than in FR due to circumstances not related to migrant naturalization. Author should discuss the welfare policy and comment how results differ if gross or net income rates are considered.

Term *eligible migrant* used in the chapter is ambiguous as data section explains that only eligible migrants are considered in the analysis.

The labor market characteristics (and therefore income gaps) differ between migrants of different origins (see also Guzi and Kahanec 2017). Author can test how results change for migrants of different origins (particularly results for migrants from EU-12 may differ).

Discuss the benefits of running analysis separately by gender.

What is the benefit of including the number of children in the model?

Discuss why the income variable is converted to PPP rates if analysis is done separately by countries. Explain what information is derived from within- and between country comparisons?

Explain what is the *complete socioeconomic integration of migrants*.

Probably term *hourly wage rate* should be used instead of *mean hourly employment income*. Explain how is the income variable derived in the LIS database. Explain why the annual working hours are taken from St. Louis bank to calculate wage rate? If LIS does not include the working hours of workers hourly wage cannot be calculated.

Explanation of results in Table 2.5 and 2.6 is not clear. In addition it is not clear why analysis begins with OLS estimation. What do we learn from these models?

All Tables necessitate a proper description of terms (e.g. eligible migrant, naturalization terms). Table columns shall be numbered so author could refer to them in the text. Tables include too many horizontal lines.

Brtsberg, Ragan and Nasir, 2002 is a typo

Further references:

Aleksynska, M. and Algan, Y. (2010), "Assimilation and integration of immigrants in Europe", Institute for the Study of Labor (IZA), No. 5185, pp. 1–47.

Keller, Nicolas & Gathmann, Christina & Monscheuer, Ole, 2015. "Citizenship and the Social Integration of Immigrants: Evidence from Germany's Immigration Reforms,"

Keller, Nicolas & Gathmann, Christina & Monscheuer, Ole, MIMEO. Access to Citizenship and the Social Integration of Immigrants

Sajons, C., MIMEO. Does immigrant's integration behavior change when their children are born with the host-country citizenship.

What Explains Immigrant-Native Gaps in European Labor Markets: The Role of Institutions by Martin Guzi, Martin Kahanec, Lucia Mýtna Kureková http://legacy.iza.org/en/webcontent/publications/papers/viewAbstract?dp_id=8847

Guzi M, Kahanec M, 2017. How Immigrants Helped EU Labor Markets to Adjust during the Great Recession. International Journal of Manpower, doi:10.1108/IJM-08-2017-0205

Chapter 3

In this chapter author uses cross-country comparison to link the integration of immigrants and the public opinion towards immigrants. It is however difficult to understand what economic problem is approached in this chapter. Author should carefully craft his research hypotheses in the introduction and position his research question within the existing literature. I suggest author to improve the chapter along these lines:

- The introduction of Chapter 3 should be revised to include the definition of citizenship policies, describe the variation among countries, and stress the importance of research question. How does public opinion interact with citizenship policies and why should this topic deserve our interest?
- The statements in the introduction should be supported with references to the literature. (e.g. "naturalization eliminates difference between immigrants and natives"). Author should work with literature throughout the text.
- The measure of citizenship policies could be improved to include the time variation. MIPEX indicators show little variation in time and the analysis thus relies on the between country differences. The results based on correlation analysis are not convincingly presented and author could do more to test the hypothesis. First author could repeat the analysis with the sub-categories of MIPEX indicators and report which aspects of integration policy are of higher importance. Second, author may employ DEMIG database that codes the policy changes in several areas of migration policy. In this way the analysis can discuss the consequences of greater loosing or tightening of migration policy.
- The possible channels of endogeneity between public opinion and migration policy should be discussed.
- The ESS dataset includes missing variables, particularly on income variable. For some countries (e.g. Portugal) the share of missing is substantial that potentially leads to insignificant results because of small samples. Author should attempt to impute missing values (e.g. use multiple imputation in Stata) and repeat the analysis with full sample.
- The interpretation of results from regression analysis is not clear. How are base categories defined? Country coefficients should be reported relative to a reference country (not defined in text). Results for female workers are missing (Fig 3.7. and 3.8 both report male workers).
- Presentation of results graphically shall be improved. In the description under the figure author should always explain the presented figures. Confidence intervals of estimates should be presented graphically. Country labels are missing in figures. Presenting deviations from base category (Fig 3.7 and 3.8) in a bar graph could improve the readability of figure.
- How does author define medium-, most- and very favorable policies?

References:

- Chapter could refer to works of Martin Ruhs (book Price of right) and Irena Kogan (book Working through barriers), and research of Tim Hatton.
- Hatton, Timothy J., Public Opinion on Immigration in Europe: Preference Versus Salience (June 2017). CEPR Discussion Paper No. DP12084. Available at SSRN: https://ssrn.com/abstract=2984780
- Hatton, Timothy J., Public Opinion on Immigration: Has the Recession Changed Minds? (June 2014). CEPR Discussion Paper No. DP10008. Available at SSRN: https://ssrn.com/abstract=2501460

Final evaluation

Vahan Sargsyan properly answered my comments. I acknowledge quality improvements in the text and the major revision of Chapter 3. To conclude, I confirm that revised thesis satisfies formal and content requirements for a PhD thesis in economics, and I recommend the dissertation for a defense.

Yours sincerely,

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