

IS NATURALIZATION A PASSPORT FOR BETTER LABOR MARKET INTEGRATION? Evidence from a quasi-experimental setting

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Abstract

Better integration is beneficial for both migrants and the host country. In this respect, granting citizenship could be an important policy to boost migrants' integration. In this paper, I estimate the causal impact of obtaining citizenship on migrants' labor market integration. I exploit a change in the law of naturalization through marriage in France in 2006. This reform amended the eligibility criteria for applicants by increasing the required number of years of marital life from 2 to 4, generating an exogenous shock and thus a quasi-experimental setting. Using administrative panel data, I first show evidence of the impact of the reform on naturalization rates. I then use a difference-in-difference model to estimate the labor market returns to naturalization. I find that, among those working, citizenship leads to an increase in annual earnings by 29%. This effect is driven by a significant increase in the number of hours worked, as well as a positive effect on hourly wages. While the gain in earnings is similar for both men and women, the effect for men is mostly driven by an increase in hours worked compared to an increase in hourly wages for women. I provide suggestive evidence that naturalization helps reduce informality, and discrimination. This paper thus provides strong evidence that naturalization acts as a catalyst for labor market integration.

JEL classification: J10, J61, J70.

Keywords: Naturalization, Immigrants, Labor market, Mixed marriages.

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