

Do Visas Matter?

Labor Market Outcomes of Immigrants in France by Visa Classes at Entry

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Motivation (1)

- Many developed countries are under the threat of a declining working population and shortage of high-skilled labor
- Quantity and quality of the immigrants admitted constitutes an important item in the immigration policy agenda
- Immigrants can arrive to host countries under various visa categories:
 - Economic (work, study) vs. non-economic (family reunification) or humanitarian grounds (refugees)
- Green Paper by the European Commission (2005):

“while immigration in itself is not a solution to the demographic ageing, more sustained immigration flows could increasingly be required to meet the needs of the European labor markets and ensure Europe’s prosperity... the admission of economic migrants is the cornerstone of any immigration policy.”

Motivation (2)

- In OECD countries, 44% of the migrants were family-based and 14% were work-based in 2006
 - US: mainly family migration
 - Australia, Canada, New Zealand: more emphasis on economic migrants
 - Europe: large humanitarian migrants as well as free migrants within EU
- By intuition, economic migrants are expected to have better LM outcomes than the non-economic migrants
- From an empirical point of view, it is not clear whether this is true because of
 - Less-than-perfect international transferability of human capital
 - Family networks
 - Differences in time horizons of migrant groups in the host country
 - Individual (un)observed heterogeneity
 - Differences in immigration policies

Literature

- Recent literature survey of immigrant selection and labor market outcomes by visa category in Aydemir (2013)
- US
 - Jasso and Rosenzweig (1995); Duleep and Regets (1992, 1996); Cortes (2004); Hunt (2011)
- Canada
 - De Silva (1997); Aydemir (2011)
- Australia
 - Miller (1999); Cobb-Clark (2000)
- Europe
 - Denmark and Germany: Constant and Zimmermann (2005a, 2005b)
 - Spain: Rodriguez-Planas and Vegas (2011)

Contribution of this paper

- Exploit the variation in the characteristics of immigrants by their entry visa to explain their labor market performance
- Fill in the gap of immigration studies in the case of France
- Provide an empirical analysis to understand the differences in socioeconomic characteristics and labor market outcomes by the visa categories under which immigrants were admitted
- Take into account the observable heterogeneities among immigrants by controlling the socioeconomic characteristics, country of origin, language ability, and employment status prior to migration
- Separate analysis by gender to look for gender-specific patterns

Background on immigration in France (1)

- Immigration in France has long history since late 19th century, consisting of populations with diverse origins and different motives of arrival over time
- Over the last century, it has received flows of immigrants not only from its previous colonies in Africa and neighboring Mediterranean countries, but also from Asia and Eastern Europe more recently
- In 1920, it was the 2nd country after the US with the largest share of migrants
- In 2000s, about 25% of the population had some immigration background

Background on immigration in France (2)

- Post-1945: heavy recruitment of immigrants workers
- 1960s: decolonization from Algeria and Indo-China (Cambodia, Laos, Vietnam); admission of family migrants and asylum seekers
- Early 1970s: immigrant workers from Turkey
- 1974: suspension of labor migration (except EU nationals), only family migrants
- 1980s & 1990s: political refugees and asylum seekers, family migrants
- Early 2000s: increase in demand for skilled migrants (but limited)

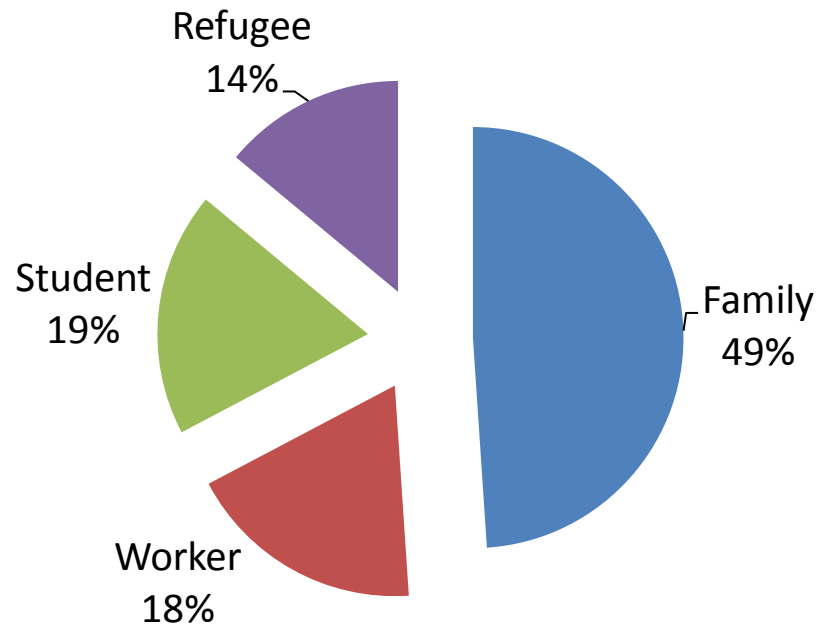
Data and sample selection

- Nationally representative household survey living in metropolitan France
Trajectoires et Origins collected by INED and INSEE between 2008-2009
- Cross-section data, 2010
- Focus on foreign-born aged 18-60
- Rich data on individuals' socioeconomic and migratory background
- Information available on the type of residency card when arrived to France
- Drop natives, DOM individuals, EU-15 migrants
 - Final sample: 4486 individuals (49.9% men & 50.1% women)

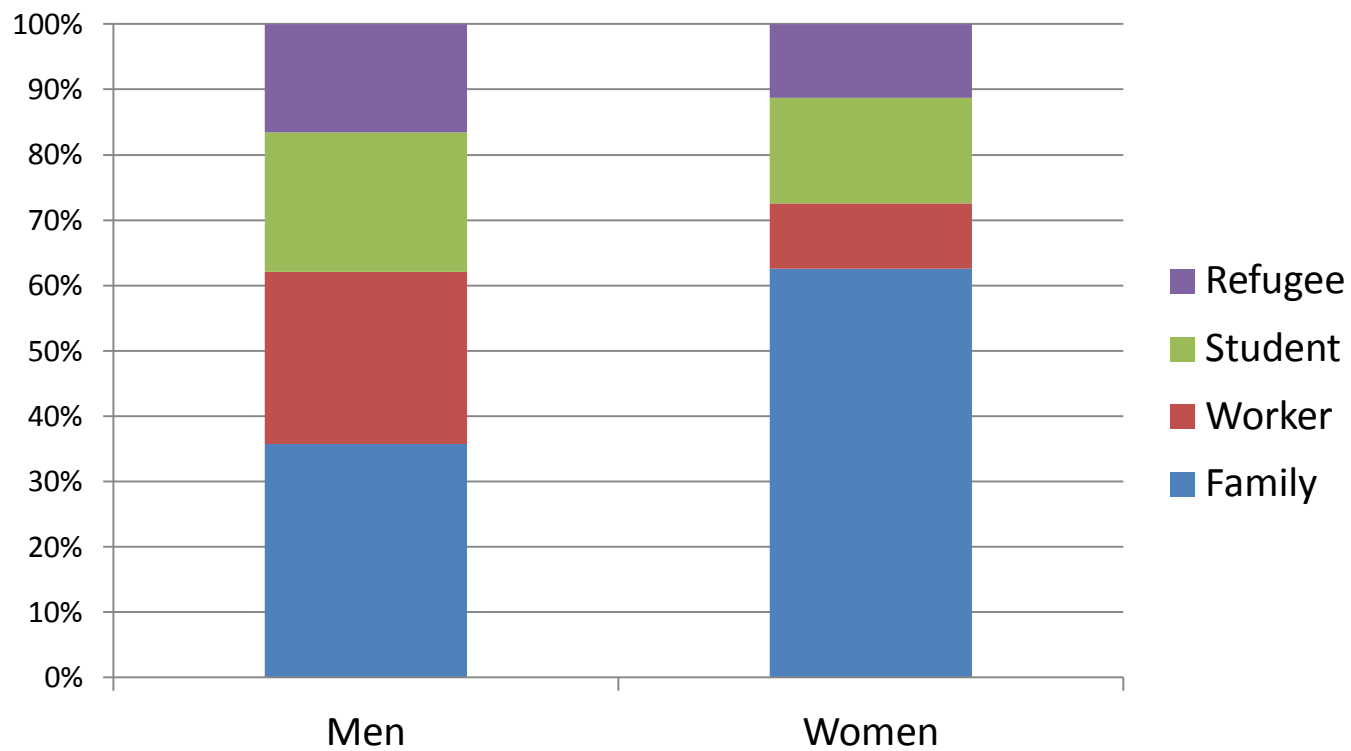
Sample proportions of immigrant origins

Region of Origin	%
Maghreb	45.4
Africa	17.3
Asia	13
Middle East	12.5
Eastern Europe	8
Latin America	3.9
Unweighted sample size	4486

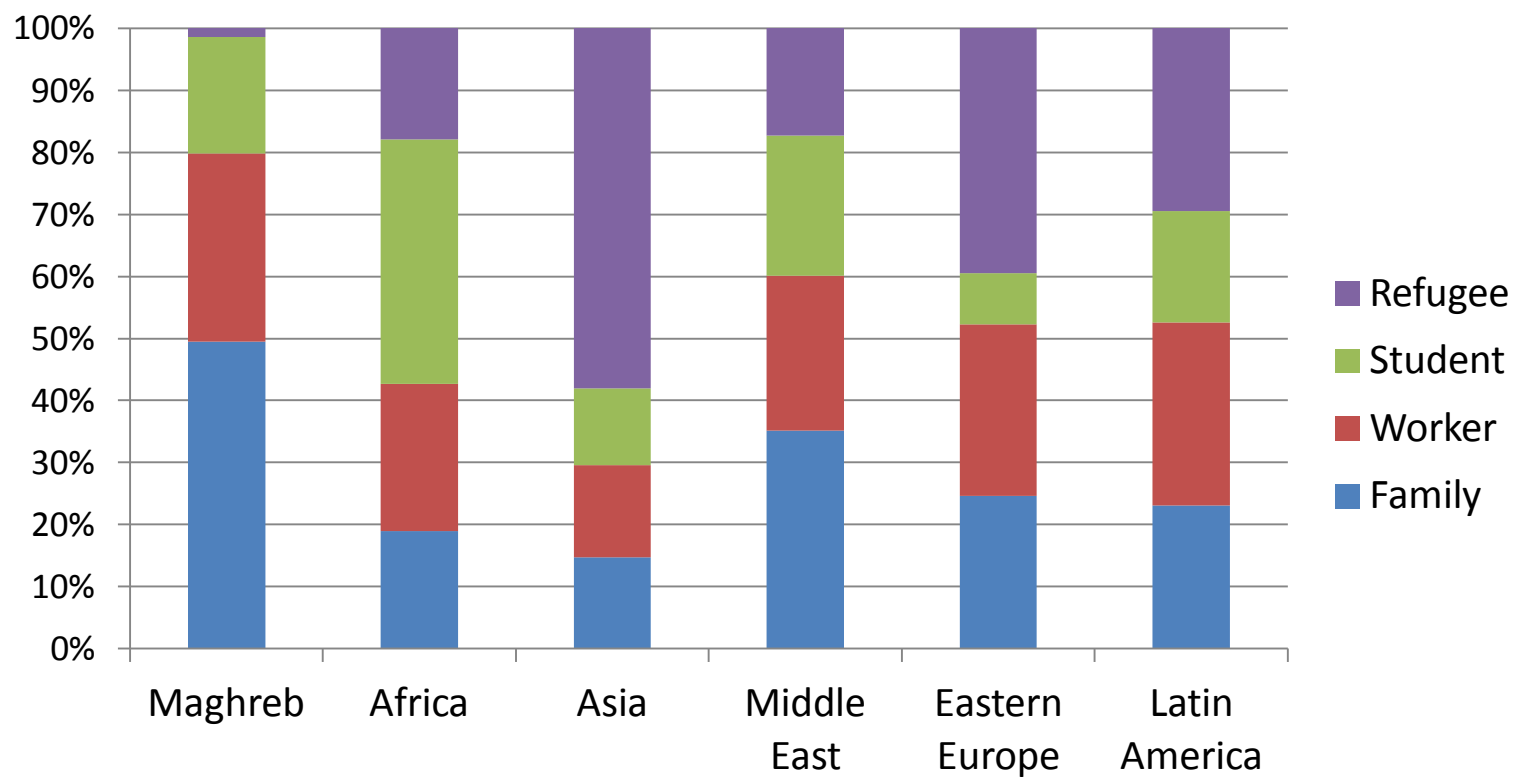
Total Entry Visa Types



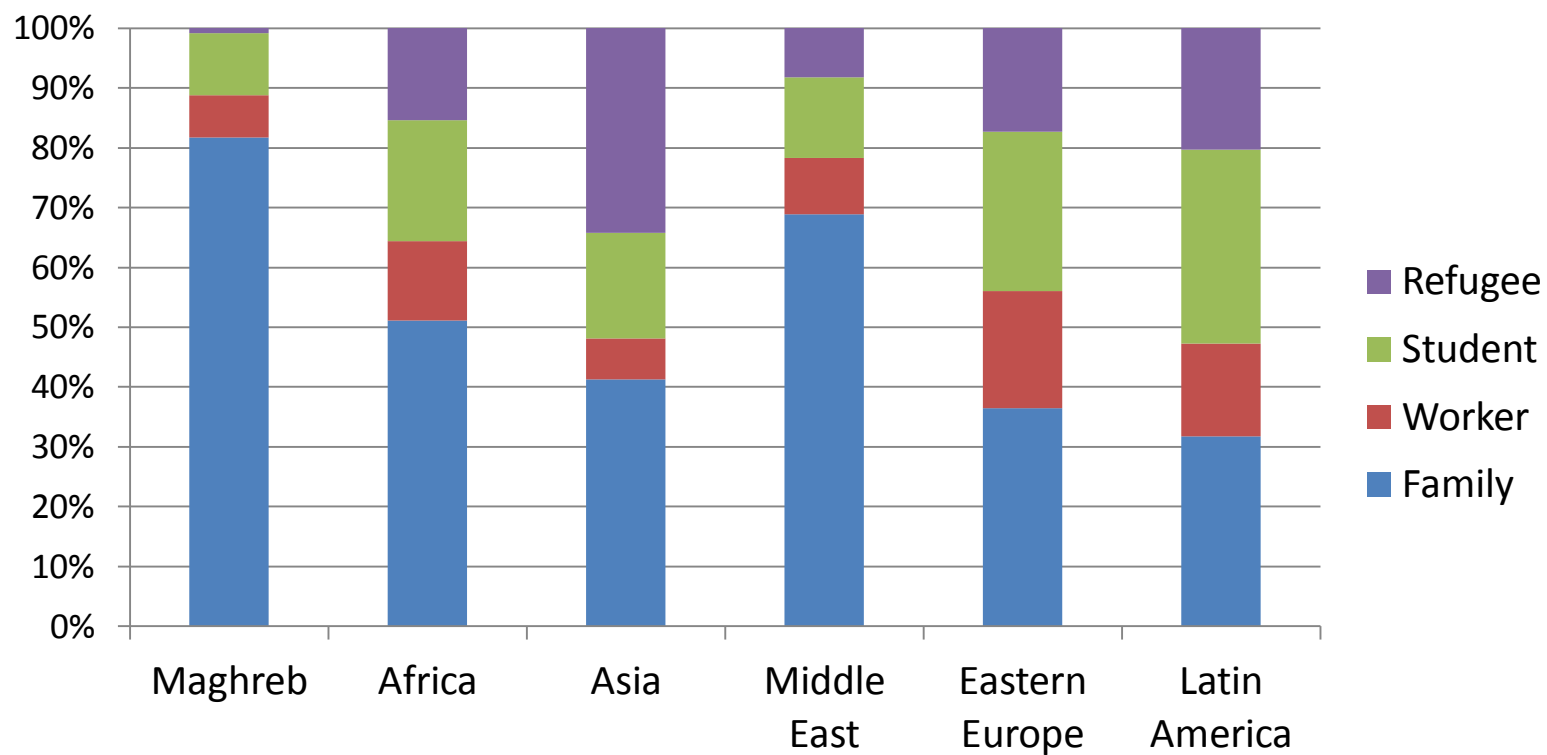
Entry Visa Types by Gender



Entry Visa Types by Origins - Men



Entry Visa Types by Origins - Women



Selected descriptive statistics

	Men				Women			
	Family	Worker	Student	Refugee	Family	Worker	Student	Refugee
Age	35.99 (8.892)	46.26 (10.22)	40.75 (9.874)	42.09 (9.643)	38.31 (10.10)	43.55 (8.886)	38.00 (9.160)	42.71 (10.80)
YSM	17.70 (11.85)	21.91 (12.09)	19.76 (10.74)	17.96 (9.386)	16.47 (11.31)	19.18 (11.17)	17.11 (10.70)	19.15 (10.35)
Education (yrs)	9.080 (4.708)	7.891 (5.018)	14.96 (3.452)	9.863 (4.881)	8.326 (5.016)	8.375 (5.197)	14.23 (3.949)	8.690 (5.036)
LFP	0.949 (0.221)	0.866 (0.341)	0.983 (0.128)	0.931 (0.253)	0.597 (0.491)	0.781 (0.415)	0.895 (0.307)	0.723 (0.448)
Employment	0.820 (0.385)	0.752 (0.432)	0.909 (0.289)	0.795 (0.404)	0.490 (0.500)	0.673 (0.470)	0.786 (0.411)	0.595 (0.492)
Monthly wage (€)	1484.6 (731.8)	1643.5 (1351.1)	2193.6 (1362.6)	1519.9 (657.5)	1075.0 (493.6)	1317.6 (778.7)	1683.9 (862.5)	1309.3 (832.6)

Methodology

- Study three outcome variables: LFP, employment, and (monthly) wages
- Visa categories are included as dummy variables (Worker, Student, and Refugee) where Family category is the omitted group
- The visa dummies are interacted with YSM to check if there is convergence over time across categories
- Probit models used for binary outcomes; marginal effects calculated at means are reported
- OLS and selection corrected wage regressions (only wage workers)
- All models are adjusted by population weights, standard errors are robust, cohort of arrival dummies are included

Labor force participation (MEs)

	Men		Women	
	No other covariates	All covariates	No other covariates	All covariates
Worker	-0.002 (0.019)	-0.004 (0.016)	0.392*** (0.083)	0.244*** (0.084)
Student	0.213*** (0.042)	0.136*** (0.030)	0.391*** (0.073)	0.208*** (0.076)
Refugee	0.003 (0.021)	0.006 (0.019)	0.059 (0.071)	0.008 (0.077)
Region dummies	Yes	Yes	Yes	Yes
Cohort of entry dummies	Yes	Yes	Yes	Yes
Observations	2188	2188	2247	2247

Reference group: Family migrants

All covariates: Age and its squared, education, marital status, children, language fluency, employment before migration, country of origin.

Employment (MEs)

	Men		Women	
	No other covariates	All covariates	No other covariates	All covariates
Worker	0.080 (0.050)	0.056 (0.053)	0.361*** (0.088)	0.221** (0.092)
Student	0.147** (0.064)	0.064 (0.067)	0.383*** (0.077)	0.252*** (0.084)
Refugee	-0.012 (0.053)	-0.001 (0.056)	-0.075 (0.080)	-0.118 (0.083)
Region dummies	Yes	Yes	Yes	Yes
Cohort of entry dummies	Yes	Yes	Yes	Yes
Observations	2234	2234	2247	2247

Reference group: Family migrants

All covariates: Age and its squared, education, marital status, children, language fluency, employment before migration, country of origin.

Wage regressions (1): baseline

(Dependent variable: log of monthly wage)

	Men		Women	
	No other covariates	All covariates	No other covariates	All covariates
Worker	0.159** (0.072)	0.061 (0.066)	0.366*** (0.109)	0.266** (0.115)
Student	0.380*** (0.086)	0.144* (0.081)	0.612*** (0.105)	0.277*** (0.105)
Refugee	-0.104 (0.111)	-0.174 (0.111)	0.098 (0.108)	0.071 (0.111)
Region dummies	Yes	Yes	Yes	Yes
Cohort of entry dummies	Yes	Yes	Yes	Yes
Observations	1551	1551	1141	1141

Reference group: Family migrants

All covariates: Age and its squared, education, language fluency, employment before migration, country of origin.

Wage regressions (2): selection issue

(Dependent variable: log of monthly wage)

	Men		Women	
	Heckman corrected	Full-time workers	Heckman corrected	Full-time workers
Worker	0.092 (0.064)	0.078 (0.066)	0.204** (0.099)	0.183** (0.090)
Student	0.156** (0.077)	0.189** (0.074)	0.306*** (0.081)	0.214*** (0.072)
Refugee	-0.145 (0.095)	-0.079 (0.064)	0.009 (0.080)	-0.036 (0.099)
Region dummies	Yes	Yes	Yes	Yes
Cohort of entry dummies	Yes	Yes	Yes	Yes
Observations	1551	1461	1141	808

Reference group: Family migrants

All covariates: Age and its squared, education, language fluency, employment before migration, country of origin.

Exclusion restrictions: Marital status, children of age 2-17 in the household, house ownership, rural area residence

Wage regressions (3)

(Dependent variable: log of monthly wage)

	Men	Women
Worker	0.005 (0.061)	0.153 (0.114)
Student	-0.120* (0.072)	0.049 (0.097)
Refugee	-0.165 (0.115)	0.035 (0.105)
Region dummies	Yes	Yes
Cohort of entry dummies	Yes	Yes
Occupation controls	Yes	Yes
Observations	1551	1141

Reference group: Family migrants

All covariates: Age and its squared, education, language fluency, employment before migration, country of origin.

Exclusion restrictions: Marital status, children of age 2-17 in the household, house ownership, rural area residence

Robustness Checks

- ✓ Correct selection into employment
- ✓ Control for part-time / full-time work status
- ✓ Rerun the specifications by origins
- ✓ Control for “francophone” status

Other mechanisms?

- Occupational segregation
 - Might be a reason, but cautious with this interpretation because of selection into occupation
- Unobserved individual heterogeneity: no panel data

Concluding remarks

- First evidence on the relation between entry visa categories and immigrant outcomes in LMs in France
- First paper to consider as many visa types in a European context

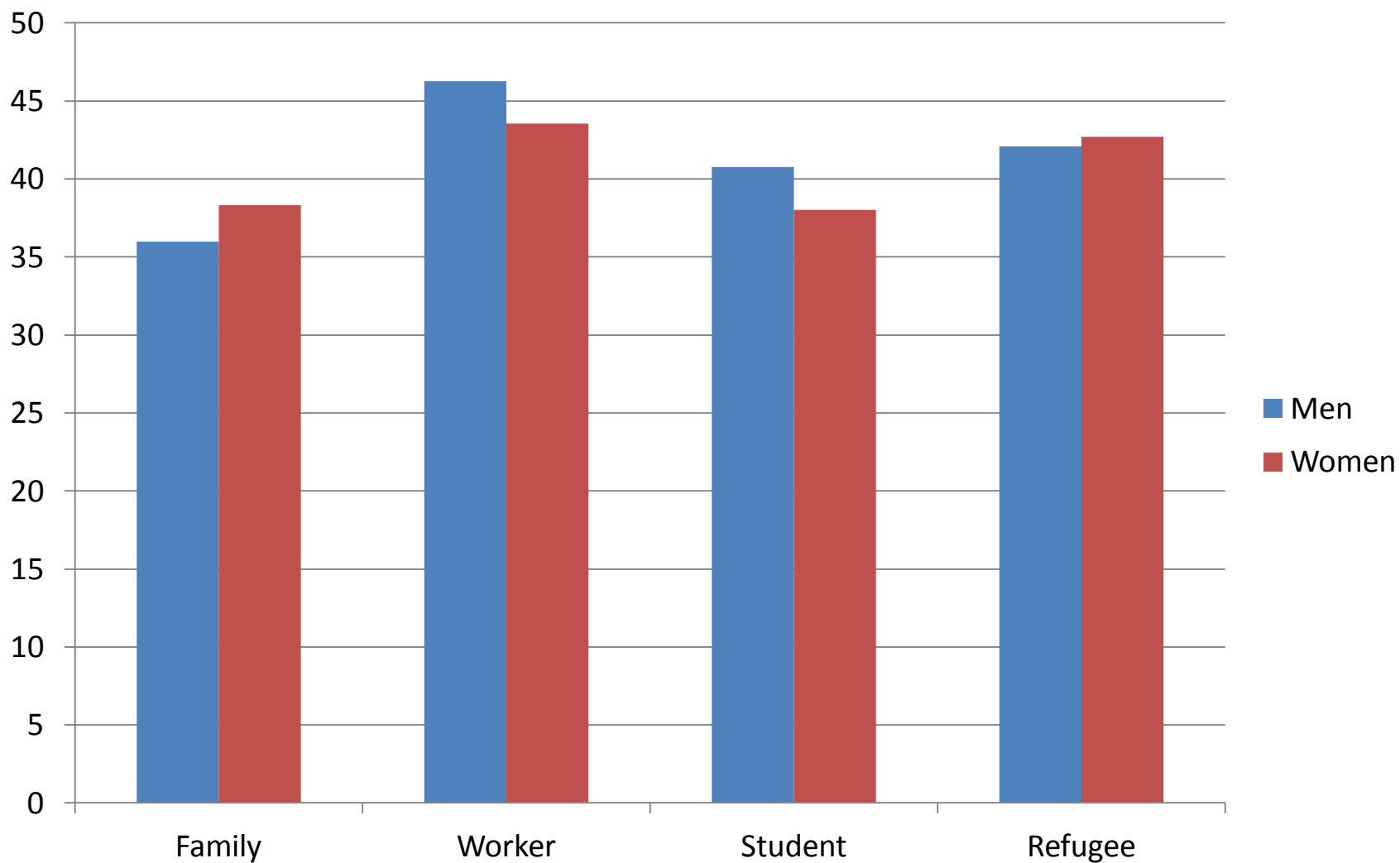
Snapshot of results:

- Immigrants who arrived under student and/or worker visa have higher LFP, employment rates, and wages w.r.t. family migrants
- Refugee migrants do not differ from family migrants in terms of labor market outcomes
- There seems to be convergence in LM outcomes across visa types, but catch-up time is long
- Policy aspect:
 - Role of international students as future skilled labor force

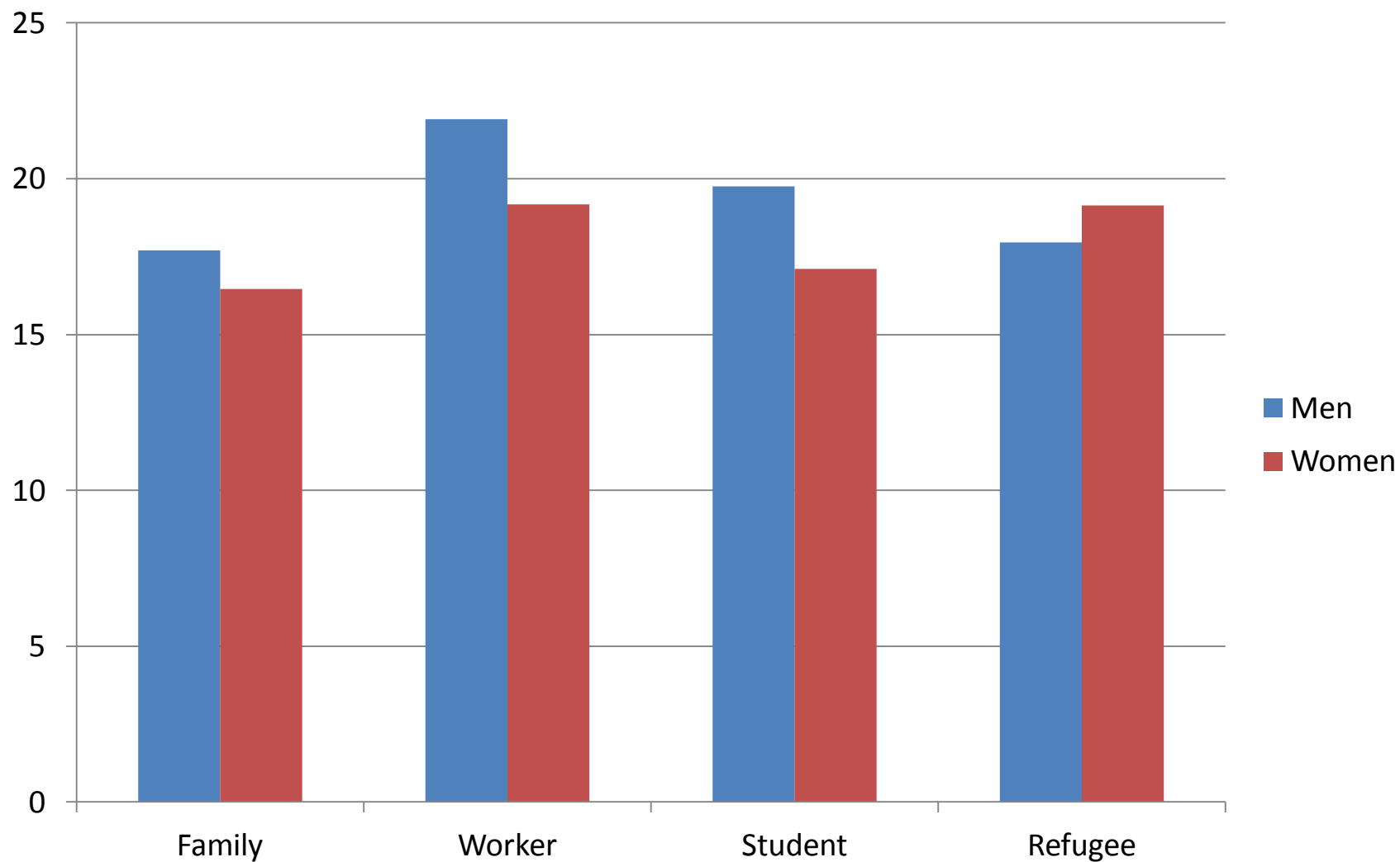
Annex 1: List of country of origin groups

Maghreb	Algeria, Morocco, Tunisia
Africa	Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Mali, Mauritania, Niger, Nigeria, Senegal, Togo
Asia	Cambodia, Laos, Vietnam, and the rest
Middle East	Middle East, Turkey
Eastern Europe	Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovenia, Slovakia
Latin America	Central America, South America

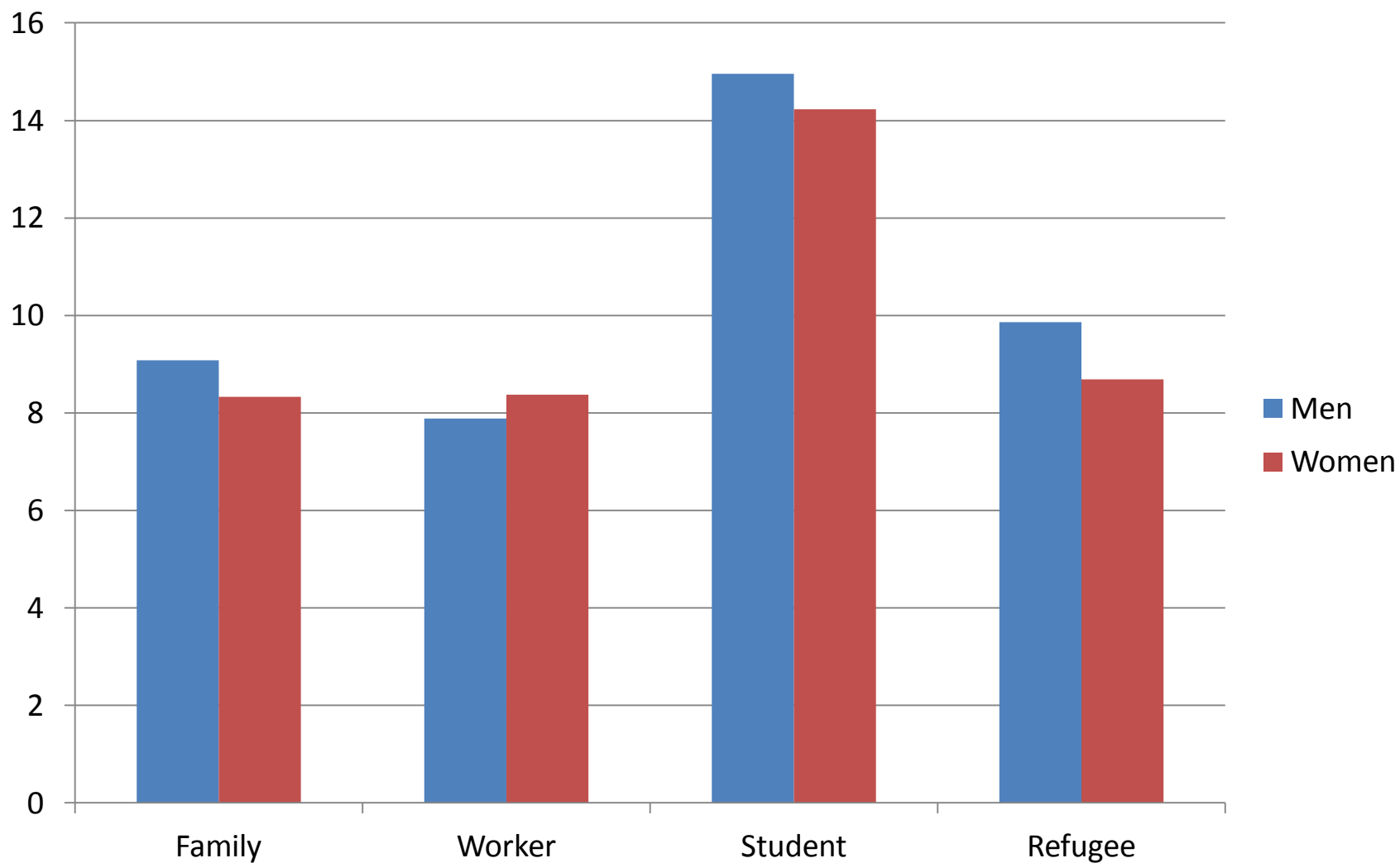
Annex 2: Descriptive statistics by graphs: Age



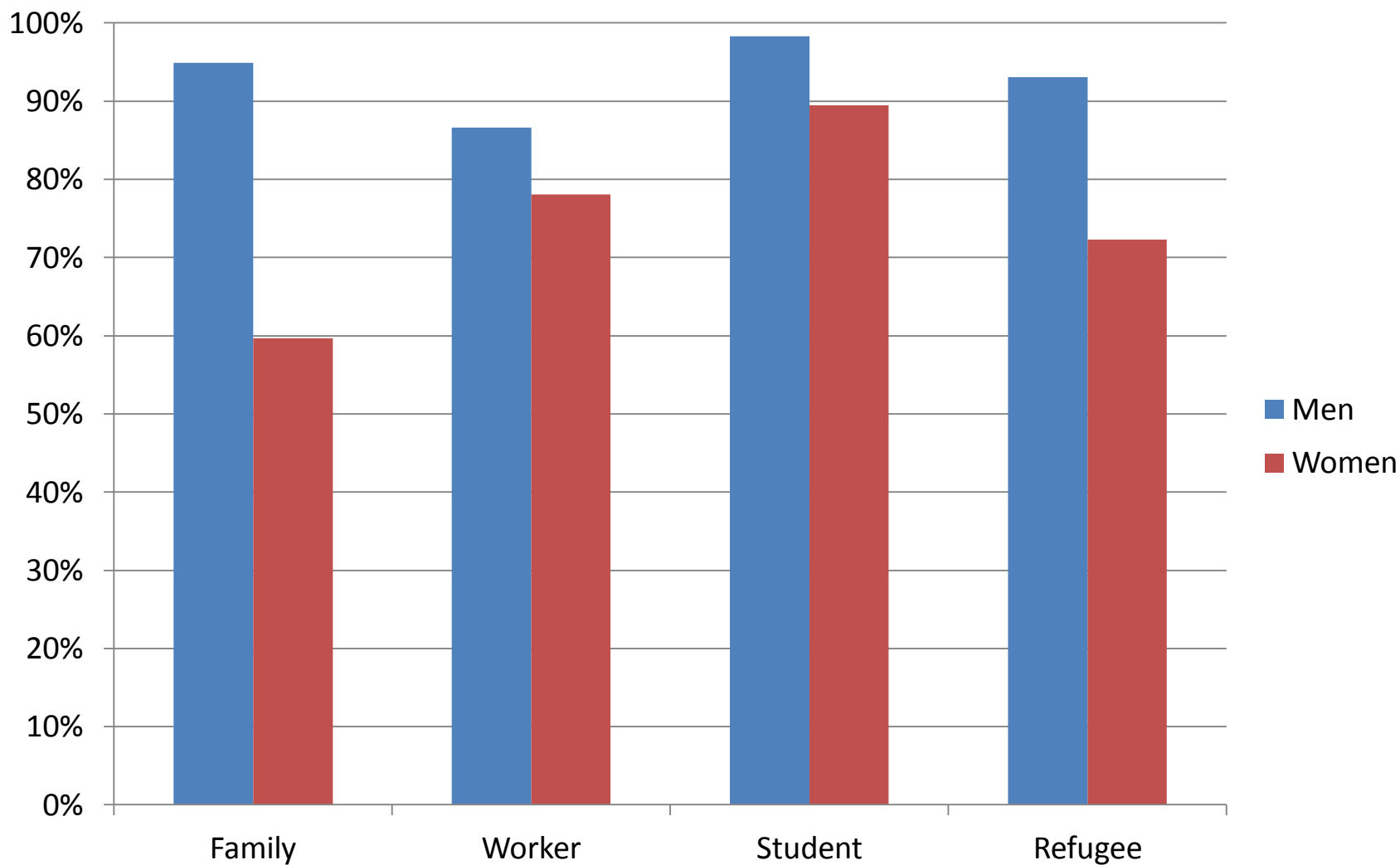
Annex 2: Descriptive statistics by graphs: Years since Migration



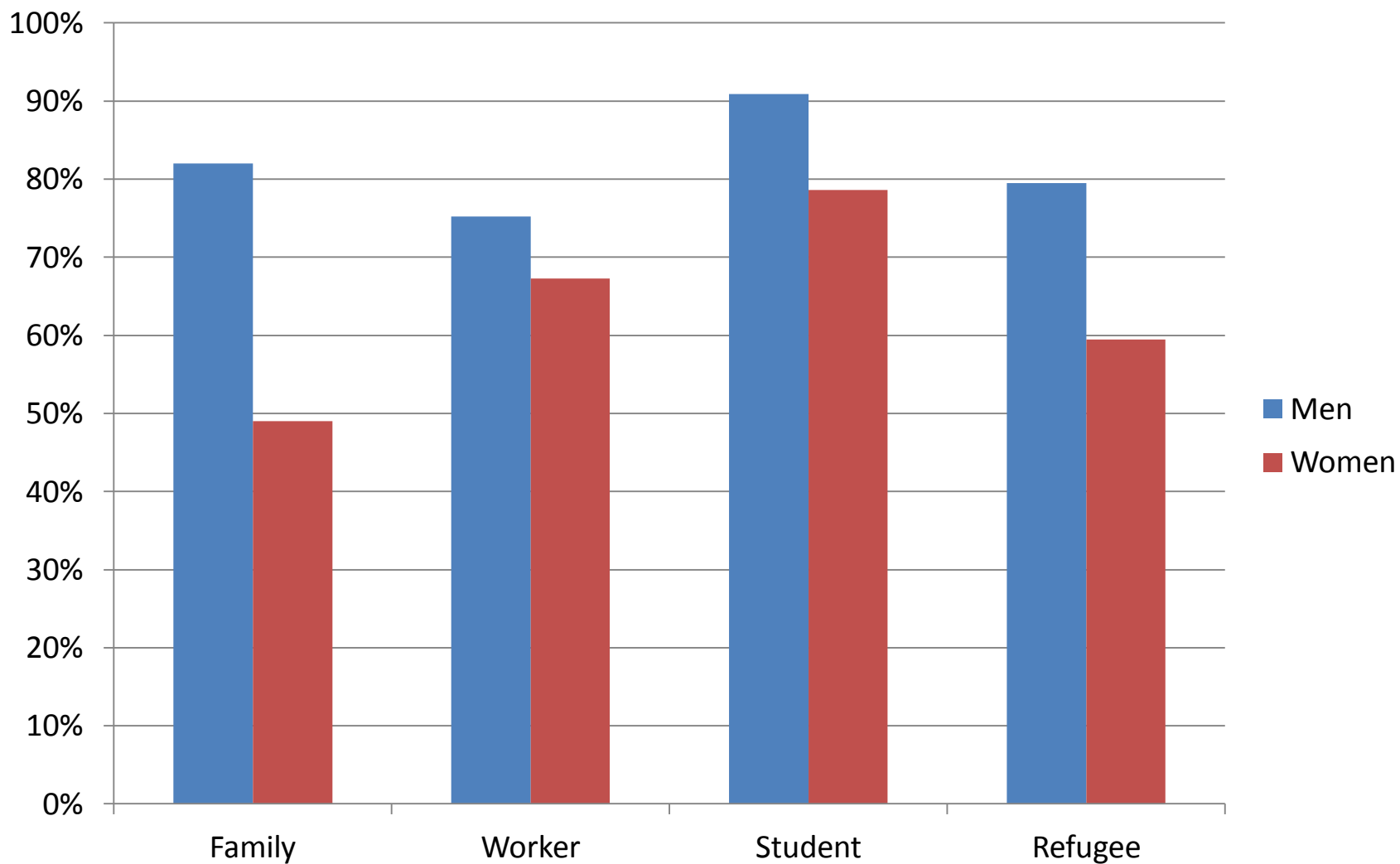
Annex 2: Descriptive statistics by graphs: Years of Education



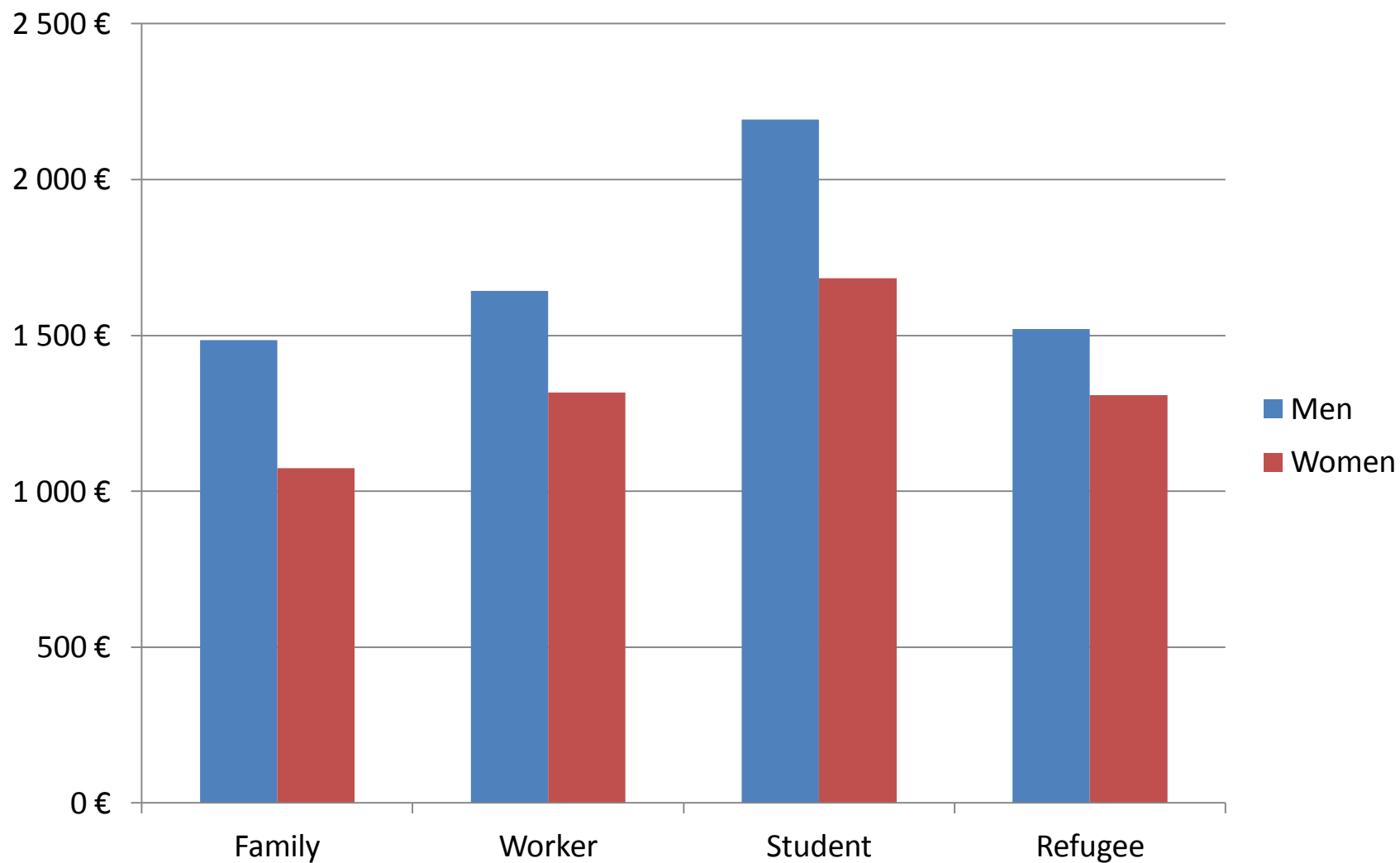
Annex 2: Descriptive statistics by graphs: Labor Force Participation



Annex 2: Descriptive statistics by graphs: Employment



Annex 2: Descriptive statistics by graphs: Monthly Wages



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