Assimilation of Immigrants in Spain: a Longitudinal Analysis

Paper by: Mario Izquierdo, Aitor Lacuesta and Raquel Vegas
Discussion by Julián Messina (Univ. de Girona, FEDEA and IZA)

December 11, 2008
The question

- Paper studies the assimilation of immigrants in Spain

The talk

Background Information

Main Results

Sample Selection

Selection of Covariates

Final suggestions
The question

- Paper studies the assimilation of immigrants in Spain
- This is an important topic from a policy perspective:
The question

- Paper studies the assimilation of immigrants in Spain
- This is an important topic from a policy perspective:
  - more than 4 million immigrants arrived to Spain in the period 1997-2007
The talk

Background Information

Main Results

Sample Selection

Selection of Covariates

Final suggestions

The question

- Paper studies the assimilation of immigrants in Spain
- This is an important topic from a policy perspective:
  - more than 4 million immigrants arrived to Spain in the period 1997-2007
  - incredible employment boom. 8.3 million (net) jobs created in the period 1994-2007
The question

- Paper studies the assimilation of immigrants in Spain
- This is an important topic from a policy perspective:
  - more than 4 million immigrants arrived to Spain in the period 1997-2007
  - incredible employment boom. 8.3 million (net) jobs created in the period 1994-2007
  - a reduction of 14pp in the unemployment rate: from 24% in 1994 to 8% in 2007
The question

- Paper studies the assimilation of immigrants in Spain
- This is an important topic from a policy perspective:
  - more than 4 million immigrants arrived to Spain in the period 1997-2007
  - incredible employment boom. 8.3 million (net) jobs created in the period 1994-2007
  - a reduction of 14pp in the unemployment rate: from 24% in 1994 to 8% in 2007
- ...and it is likely to become a crucial topic in the years to come:
The question

- Paper studies the assimilation of immigrants in Spain
- This is an important topic from a policy perspective:
  - more than 4 million immigrants arrived to Spain in the period 1997-2007
  - incredible employment boom. 8.3 million (net) jobs created in the period 1994-2007
  - a reduction of 14pp in the unemployment rate: from 24% in 1994 to 8% in 2007
- …and it is likely to become a crucial topic in the years to come:
  - OECD forecast an unemployment rate of 14.2% by the end of 2009.
First comments

The question

The question

- Paper studies the assimilation of immigrants in Spain
- This is an important topic from a policy perspective:
  - more than 4 million immigrants arrived to Spain in the period 1997-2007
  - incredible employment boom. 8.3 million (net) jobs created in the period 1994-2007
  - a reduction of 14pp in the unemployment rate: from 24% in 1994 to 8% in 2007
- ...and it is likely to become a crucial topic in the years to come:
  - OECD forecast an unemployment rate of 14.2% by the end of 2009.
- Authors use a nice dataset, probably the only one to properly study wages in Spain. However, it suffers from important limitations
**Overall Assessment**

- **The good points:**
  - The paper is timely
  - On an important topic that has not been studied much in the literature
  - A topic that is crucial to understand the functioning of Spanish labour markets
  - Econometrics are well done

**Limitations:**
- Preliminary data has some limitations
- Some choices are questionable

**Overall assessment:**
- Great effort
- I learnt a lot (so, thanks!)
- Nice paper already
- Please, keep on working on it!
Overall Assessment

- The good points:
  - paper is timely
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done
Overall Assessment

▶ The good points:
  ▶ paper is timely
  ▶ on an important topic that has not been studied much in the literature
  ▶ a topic that is crucial to understand the functioning of Spanish labour markets
  ▶ econometrics are well done

▶ The limitations:
Overall Assessment

▶ The good points:
  ▶ paper is timely
  ▶ on an important topic that has not been studied much in the literature
  ▶ a topic that is crucial to understand the functioning of Spanish labour markets
  ▶ econometrics are well done

▶ The limitations:
  ▶ preliminary
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done

- The limitations:
  - preliminary
  - data has some limitations
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done

- The limitations:
  - preliminary
  - data has some limitations
  - some choices are questionable
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done

- The limitations:
  - preliminary
  - data has some limitations
  - some choices are questionable

- Overall assessment:
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done

- The limitations:
  - preliminary
  - data has some limitations
  - some choices are questionable

- Overall assessment:
  - great effort
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done

- The limitations:
  - preliminary
  - data has some limitations
  - some choices are questionable

- Overall assessment:
  - great effort
  - I learnt a lot (so, thanks!)
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done

- The limitations:
  - preliminary
  - data has some limitations
  - some choices are questionable

- Overall assessment:
  - great effort
  - I learnt a lot (so, thanks!)
  - nice paper already
Overall Assessment

- The good points:
  - paper is timely
  - on an important topic that has not been studied much in the literature
  - a topic that is crucial to understand the functioning of Spanish labour markets
  - econometrics are well done

- The limitations:
  - preliminary
  - data has some limitations
  - some choices are questionable

- Overall assessment:
  - great effort
  - I learnt a lot (so, thanks!)
  - nice paper already
  - Please, keep on working on it!
Structure of the discussion

1. Background information:
1. Background information:
   1.1 about the immigration process in Spain
Structure of the discussion

1. Background information:
   1.1 about the immigration process in Spain
   1.2 about the Spanish labour market
Structure of the discussion

1. Background information:
   1.1 about the immigration process in Spain
   1.2 about the Spanish labour market

2. Main findings
Structure of the discussion

1. Background information:
   1.1 about the immigration process in Spain
   1.2 about the Spanish labour market

2. Main findings

3. Discuss sample selection
Structure of the discussion

1. Background information:
   1.1 about the immigration process in Spain
   1.2 about the Spanish labour market

2. Main findings

3. Discuss sample selection

4. Discuss some problems with the covariates
Structure of the discussion

1. Background information:
   1.1 about the immigration process in Spain
   1.2 about the Spanish labour market

2. Main findings

3. Discuss sample selection

4. Discuss some problems with the covariates

5. Propose some extensions
The surge of immigration
The Regional Distribution of Immigrants
The Evolution of the Spanish Labour Market

Activity, employment and unemployment in Spain, 1976-2007 (LFS-05), by gender
A Peculiar Distribution of Employment

Sectoral Structure of Employment

<table>
<thead>
<tr>
<th></th>
<th>Allemagne</th>
<th>France</th>
<th>Italie</th>
<th>Suède</th>
<th>Royaume Uni</th>
<th>Espagne</th>
<th>UE-15</th>
<th>UE-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2,3</td>
<td>3,8</td>
<td>4,1</td>
<td>2,3</td>
<td>1,4</td>
<td>5,2</td>
<td>3,7</td>
<td>4,9</td>
</tr>
<tr>
<td>Industrie</td>
<td>23,2</td>
<td>17,4</td>
<td>22,1</td>
<td>16,1</td>
<td>14,3</td>
<td>17,2</td>
<td>18,6</td>
<td>19,6</td>
</tr>
<tr>
<td>Construction</td>
<td>6,7</td>
<td>6,6</td>
<td>8,6</td>
<td>5,9</td>
<td>7,9</td>
<td>12,4</td>
<td>8</td>
<td>7,9</td>
</tr>
<tr>
<td>Commerce</td>
<td>14,5</td>
<td>13,6</td>
<td>15,1</td>
<td>12,4</td>
<td>15,3</td>
<td>15,0</td>
<td>14,7</td>
<td>14,6</td>
</tr>
<tr>
<td>Hôtels et restaurants</td>
<td>3,6</td>
<td>3,2</td>
<td>4,9</td>
<td>2,7</td>
<td>4,3</td>
<td>7,1</td>
<td>4,4</td>
<td>4,2</td>
</tr>
<tr>
<td>Transports et communications</td>
<td>5,3</td>
<td>6,6</td>
<td>5,5</td>
<td>6,3</td>
<td>6,9</td>
<td>5,8</td>
<td>6,1</td>
<td>6,1</td>
</tr>
<tr>
<td>Activités financières</td>
<td>3,5</td>
<td>2,9</td>
<td>2,8</td>
<td>1,8</td>
<td>4,2</td>
<td>2,5</td>
<td>3,2</td>
<td>3,0</td>
</tr>
<tr>
<td>Immobilier, location et services aux entreprises</td>
<td>9,9</td>
<td>10,2</td>
<td>10,3</td>
<td>13,9</td>
<td>11,5</td>
<td>8,9</td>
<td>10,1</td>
<td>9,4</td>
</tr>
<tr>
<td>Administration publique</td>
<td>7,8</td>
<td>9,6</td>
<td>6,5</td>
<td>5,6</td>
<td>7,1</td>
<td>6,3</td>
<td>7,5</td>
<td>7,4</td>
</tr>
<tr>
<td>Education</td>
<td>5,7</td>
<td>7,1</td>
<td>6,9</td>
<td>11,0</td>
<td>9,1</td>
<td>5,9</td>
<td>7,1</td>
<td>7,2</td>
</tr>
<tr>
<td>Santé et action sociale</td>
<td>10,9</td>
<td>12,2</td>
<td>6,7</td>
<td>16,4</td>
<td>12,3</td>
<td>5,9</td>
<td>10,4</td>
<td>9,8</td>
</tr>
<tr>
<td>Autres services collectifs</td>
<td>6,0</td>
<td>4,3</td>
<td>5,1</td>
<td>5,5</td>
<td>5,5</td>
<td>4,1</td>
<td>5,0</td>
<td>4,8</td>
</tr>
<tr>
<td>Ménages employeurs de personnel domestique</td>
<td>0,5</td>
<td>2,6</td>
<td>1,4</td>
<td>0,0</td>
<td>0,4</td>
<td>3,6</td>
<td>1,3</td>
<td>1,2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
</tr>
</tbody>
</table>

Source: Toharia (2008)
Some additional features of the Spanish Labour Market

- High union coverage
Some additional features of the Spanish Labour Market

- High union coverage
- Sectoral wage negotiations and an important degree of wage indexation lead to one of the highest levels of real wage rigidity in Europe (Dickens et al. 2008)
Some additional features of the Spanish Labour Market

- High union coverage
- Sectoral wage negotiations and an important degree of wage indexation lead to one of the highest levels of real wage rigidity in Europe (Dickens et al. 2008)
- Among the highest levels of EPL among the OECD countries (OECD, 2004)
Some additional features of the Spanish Labour Market

- High union coverage
- Sectoral wage negotiations and an important degree of wage indexation lead to one of the highest levels of real wage rigidity in Europe (Dickens et al. 2008)
- Among the highest levels of EPL among the OECD countries (OECD, 2004)
- Lots of flexibility at the margin: from 1997, more than 30% of Spanish workers hold a temporary contract featuring enormous rotation
The Spanish Labour Market

Some additional features of the Spanish Labour Market

- High union coverage
- Sectoral wage negotiations and an important degree of wage indexation lead to one of the highest levels of real wage rigidity in Europe (Dickens et al. 2008)
- Among the highest levels of EPL among the OECD countries (OECD, 2004)
- Lots of flexibility at the margin: from 1997, more than 30% of Spanish workers hold a temporary contract featuring enormous rotation
- Similar levels of job reallocation to those in the UK (Gomez-Salvador et al. 2004)
Main results

- A large initial wage gap between immigrants (non-EU15) and natives: between 30% and 40% lower wages
Main results

- A large initial wage gap between immigrants (non-EU15) and natives: between 30% and 40% lower wages
- The gap declines with years since migration:
Main results

- A large initial wage gap between immigrants (non-EU15) and natives: between 30% and 40% lower wages
- The gap declines with years since migration:
  - It is important to take into account changes in the composition of immigration over time:
Main Results

- A large initial wage gap between immigrants (non-EU15) and natives: between 30% and 40% lower wages
- The gap declines with years since migration:
  - It is important to take into account changes in the composition of immigration over time:
    - using cross-sectional data, wages gap declines 17pp up to 8 years from arrival, but then widens again
Main results

- A large initial wage gap between immigrants (non-EU15) and natives: between 30% and 40% lower wages

- The gap declines with years since migration:
  - It is important to take into account changes in the composition of immigration over time:
    - using cross-sectional data, wages gap declines 17pp up to 8 years from arrival, but then widens again
    - using longitudinal data, wage gap declines up to 20pp after 10 years of arrival, and remains constant thereafter
Main results

- A large initial wage gap between immigrants (non-EU15) and natives: between 30% and 40% lower wages

- The gap declines with years since migration:
  - It is important to take into account changes in the composition of immigration over time:
    - using cross-sectional data, wages gap declines 17pp up to 8 years from arrival, but then widens again
    - using longitudinal data, wage gap declines up to 20pp after 10 years of arrival, and remains constant thereafter

- Some sign that recently arrived immigrants have better unobserved characteristics, but other things might be going on (selection into outflows, selection into eligibility for nationality). More on this below.
Main results

- A large initial wage gap between immigrants (non-EU15) and natives: between 30% and 40% lower wages

- The gap declines with years since migration:
  - It is important to take into account changes in the composition of immigration over time:
    - using cross-sectional data, wages gap declines 17pp up to 8 years from arrival, but then widens again
    - using longitudinal data, wage gap declines up to 20pp after 10 years of arrival, and remains constant thereafter

- Some sign that recently arrived immigrants have better unobserved characteristics, but other things might be going on (selection into outflows, selection into eligibility for nationality). More on this below.

- Immigrants are more mobile: across-regions, within and between firms and across contracts
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
  - Why going so far back? Immigration before 1997 was basically anecdotal
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
  - Why going so far back? Immigration before 1997 was basically anecdotal
  - The characteristics of immigrants in the first years are likely to be different from those of recent arrivals, and the set of covariates available in the data are unlikely to pick up these differences
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
  - Why going so far back? Immigration before 1997 was basically anecdotal
  - The characteristics of immigrants in the first years are likely to be different from those of recent arrivals, and the set of covariates available in the data are unlikely to pick up these differences

- Defining immigration by nationality is not a good idea
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
  - Why going so far back? Immigration before 1997 was basically anecdotal
  - The characteristics of immigrants in the first years are likely to be different from those of recent arrivals, and the set of covariates available in the data are unlikely to pick up these differences

- Defining immigration by nationality is not a good idea

- In Spain, during the first years of your sample, obtaining the nationality was not as difficult as it is now:
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
  - Why going so far back? Immigration before 1997 was basically anecdotal
  - The characteristics of immigrants in the first years are likely to be different from those of recent arrivals, and the set of covariates available in the data are unlikely to pick up these differences

- Defining immigration *by nationality* is not a good idea

- In Spain, during the first years of your sample, obtaining the nationality was not as difficult as it is now:
  - The general norm is that immigrants can apply for the nationality after 10 years of residence.
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
  - Why going so far back? Immigration before 1997 was basically anecdotal
  - The characteristics of immigrants in the first years are likely to be different from those of recent arrivals, and the set of covariates available in the data are unlikely to pick up these differences

- Defining immigration by *nationality* is not a good idea

- In Spain, during the first years of your sample, obtaining the nationality was not as difficult as it is now:
  - The general norm is that immigrants can apply for the nationality after 10 years of residence.
  - However, there are some exceptions. Immigrants from the ex-colonies (Latin-America, Andorra, Philippines...) can apply after *two years* of legal residence.
Sample Span and the definition of migrant

- Sample spans from 1980 to 2005:
  - Why going so far back? Immigration before 1997 was basically anecdotal
  - The characteristics of immigrants in the first years are likely to be different from those of recent arrivals, and the set of covariates available in the data are unlikely to pick up these differences

- Defining immigration by nationality is not a good idea

- In Spain, during the first years of your sample, obtaining the nationality was not as difficult as it is now:
  - The general norm is that immigrants can apply for the nationality after 10 years of residence.
  - However, there are some exceptions. Immigrants from the ex-colonies (Latin-America, Andorra, Philippines...) can apply after two years of legal residence.

Question: Who arrived in 1980 and has not obtained the nationality by 2005?
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country.
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country.
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts.
- My suggestion: restrict the analysis to the period 1997-2005.
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts
- My suggestion: restrict the analysis to the period 1997-2005
  - less noisy
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts
- My suggestion: restrict the analysis to the period 1997-2005
  - less noisy
  - the period where a massive immigration phenomenon takes place
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts
- My suggestion: restrict the analysis to the period 1997-2005
  - less noisy
  - the period where a massive immigration phenomenon takes place
  - they arrive to a similar labour market (no major reforms)
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country.
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts.
- My suggestion: restrict the analysis to the period 1997-2005
  - less noisy
  - the period where a massive immigration phenomenon takes place
  - they arrive to a similar labour market (no major reforms)
  - less problems with different definitions of migrant (nationality vs. country of origin)

Why focus only on males? It would be very interesting to know what happens to females.

The exclusion of self-employed also deserves some discussion: in 2005, 1 out of 4 new self-employed was an immigrant (ATA).
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts
- My suggestion: restrict the analysis to the period 1997-2005
  - less noisy
  - the period where a massive immigration phenomenon takes place
  - they arrive to a similar labour market (no major reforms)
  - less problems with different definitions of migrant (nationality vs. country of origin)
- Why focus only on males? It would be very interesting to know what happens to females
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country.
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts.
- My suggestion: restrict the analysis to the period 1997-2005:
  - less noisy
  - the period where a massive immigration phenomenon takes place
  - they arrive to a similar labour market (no major reforms)
  - less problems with different definitions of migrant (nationality vs. country of origin)
- Why focus only on males? It would be very interesting to know what happens to females:
  - but probably an even higher proportion of workers in the black market
Sample Selection (contd.)

- My worry: during the 1980s, only the "worst" immigrants (e.g. those less attached to the Spanish labour market) remain non-national after 10-15 years in the country
- So, results might partly reflect changes in nationality and not skill upgrading of new cohorts
- My suggestion: restrict the analysis to the period 1997-2005
  - less noisy
  - the period where a massive immigration phenomenon takes place
  - they arrive to a similar labour market (no major reforms)
  - less problems with different definitions of migrant (nationality vs. country of origin)

- Why focus only on males? It would be very interesting to know what happens to females
  - but probably an even higher proportion of workers in the black market

- The exclusion of self-employed also deserves some discussion: in 2005, 1 out of 4 new self-employed was an immigrant (ATA)
Selection of Covariates

- The authors exclude regional dummies from the regression. Pros and cons:
  - **Pros:**
    - Likely to underestimate initial wage gap, since immigrants tend to concentrate in low unemployment/high wages regions.
    - Part of the catching up of immigrants' wages might be due to regional mobility.
  - **Cons:**
    - Authors use NAIRU in an attempt to distinguish cohort effects from time effects.
    - Suggestion: regional unemployment rates (possibly by skill and age groups) is probably better.
Selection of Covariates

- The authors exclude regional dummies from the regression. Pros and cons:
  - con: likely to underestimate initial wage gap, since immigrants tend to concentrate in low unemployment/high wages regions
Selection of Covariates

- The authors exclude regional dummies from the regression. Pros and cons:
  - **con**: likely to underestimate initial wage gap, since immigrants tend to concentrate in low unemployment/high wages regions
  - **pro**: part of the catching up of immigrants wages might be due to regional mobility
The authors exclude regional dummies from the regression. Pros and cons:

- con: likely to underestimate initial wage gap, since immigrants tend to concentrate in low unemployment/high wages regions
- pro: part of the catching up of immigrants wages might be due to regional mobility

My preferred option would be to include the dummies plus a dummy for change in region interacted with immigrant status
Selection of Covariates

- The authors exclude regional dummies from the regression. Pros and cons:
  - con: likely to underestimate initial wage gap, since immigrants tend to concentrate in low unemployment/high wages regions
  - pro: part of the catching up of immigrants wages might be due to regional mobility

- My preferred option would be to include the dummies plus a dummy for change in region interacted with immigrant status

- Authors use NAIRU in an attempt to distinguish cohort effects from time effects.
Selection of Covariates

- The authors exclude regional dummies from the regression. Pros and cons:
  - **con**: likely to underestimate initial wage gap, since immigrants tend to concentrate in low unemployment/high wages regions
  - **pro**: part of the catching up of immigrants wages might be due to regional mobility

- My preferred option would be to include the dummies plus a dummy for change in region interacted with immigrant status

- Authors use NAIRU in an attempt to distinguish cohort effects from time effects.
  - **Suggestion**: regional unemployment rates (possibly by skill and age groups) is probably better
Final suggestions. Extensions

- Assimilation is likely to be very different across nationalities. Might be faster for Latin-Americans first (no language barrier), while Eastern European might catch-up at a later stage (higher education)
Final suggestions. Extensions

- Assimilation is likely to be very different across nationalities. Might be faster for Latin-Americans first (no language barrier), while Eastern European might catch-up at a later stage (higher education).

- Suggestion 1: allow for heterogeneity across country of origin, or distinguish between Spanish as native language and the rest.
Final suggestions. Extensions

- Assimilation is likely to be very different across nationalities. Might be faster for Latin-Americans first (no language barrier), while Eastern European might catch-up at a later stage (higher education).

- Suggestion 1: allow for heterogeneity across country of origin, or distinguish between Spanish as native language and the rest.

- Authors show that immigrants are more mobile. Their conjecture is that this helps catching up with natives. Try testing this:
Final suggestions. Extensions

- Assimilation is likely to be very different across nationalities. Might be faster for Latin-Americans first (no language barrier), while Eastern European might catch-up at a later stage (higher education).

- Suggestion 1: allow for heterogeneity across country of origin, or distinguish between Spanish as native language and the rest.

- Authors show that immigrants are more mobile. Their conjecture is that this helps catching up with natives. Try testing this:
  - include mobility variables in wage regressions. In your train of thinking these are intermediate outcomes. Hence, they should lower the coefficients of the catching up variables.
Final suggestions. Extensions

- Assimilation is likely to be very different across nationalities. Might be faster for Latin-Americans first (no language barrier), while Eastern European might catch-up at a later stage (higher education).

- Suggestion 1: allow for heterogeneity across country of origin, or distinguish between Spanish as native language and the rest.

- Authors show that immigrants are more mobile. Their conjecture is that this helps catching up with natives. Try testing this:
  - include mobility variables in wage regressions. In your train of thinking these are intermediate outcomes. Hence, they should lower the coefficients of the catching up variables.

- The paper needs more background information: what’s going on in the Spanish labour market, how are nationality laws put into work, etc.