Research Statement

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My research interests lie in the fields of labor and development economics. In particular, my research focuses on analyzing the economic assimilation of immigrants. As is well-recognized, migrants contribute economically to a host country by working in sectors where labor is scarce (for instance Guestworker programs in Germany or United States' Barcero program with Mexico), creating jobs by becoming entrepreneurs, and paying taxes. However, immigrants' successful participation in the labor market is crucial for such contributions to materialize. Immigrants' failure to assimilate economically can in fact adversely affect the host country by increasing the fiscal burden and by aggravating the income and social inequality. Hence, economic assimilation of immigrants has always been a political and economic concern for the host countries. Moreover, a better understanding of immigrant assimilation also informs future immigration policy decisions.

In my job market paper titled ***"Timing of Migration, Immigrant Quality and Labor Market Assimilation: Evidence from a Long Panel in Germany"***, I show that it is important to account for the timing of migration while analyzing the economic assimilation of immigrants. In previous literature, the average rate of economic assimilation (given by the percent increase in earnings on an additional year spent in the host country) has been estimated under the assumption that the length of stay in the host country is exogenous. I relax this assumption and account for the selective timing of migration which affects the length of stay. For the first time in literature, I develop and estimate a joint model of timing of migration and wage assimilation. Using German Socio-Economic Panel data from 1984 -2014, the paper estimates the individual-specific rate of assimilation while accounting for unobserved immigrant quality and unobserved propensity of early migration. Estimates from the joint model reveal four key findings. First, the average rate of assimilation estimated under the exogeneity assumption is biased upwards. Second, the average rate of assimilation hides significant variation in assimilation rates between immigrants of different quality. Third, immigrants of low quality have a faster rate of assimilation than their high quality counterparts. Fourth, immigrants with a high propensity of early migration have a

higher individual-specific rate of assimilation. The joint model allows us to find the inter-dependence between the timing of migration and labor market assimilation of immigrants, mechanisms that up until now had been assumed to be independent in literature.

In my ongoing project **"Old Questions, New Country: Labor Market Assimilation of Immigrants in Russia"**, I use immigrant data in Russian Longitudinal Monitored Survey from 1994 to 2011 and estimate the individual rates of economic assimilation using the joint model developed in the job market paper. This project would be the first study on economic assimilation of immigrants in Russia. The Russian Federation has one of the largest stocks of immigrants in the world[1] and has a unique composition of immigrant population. Russia experienced an influx of immigrants after the break-up of the Soviet Union and still receives a large number of immigrants from former Soviet states. These immigrants, for the most part, are linguistically, ethnically, and culturally similar to the natives. Interestingly, the results are similar to those estimated for Germany (in the job market paper) despite the different mix of immigrants and different immigration policies. Again, the individual rates of assimilation vary significantly and they are inversely correlated with the immigrant quality. These results provide external validity to the findings on immigrants in Germany.

In a supplementary paper **"Wage Divergence: Why Does the Gap between Natives and Immigrants Get Bigger?"** (with Klara S. Peter), we start from where the first two papers left off, i.e., we examine the factors of assimilation that explain the significant variation found in individual rates of assimilation and study assimilation of immigrants with respect to natives. The study finds strong empirical evidence of wage divergence between immigrants and natives over their life cycle in Germany using the country-wide household panel from 1984 to 2014. In order to analyze this empirical evidence, we incorporate the possibility of wage divergence into the standard two-period model of economic assimilation by modeling the differences in the technology of human capital production and prices per unit of human capital between immigrants and natives. The paper derives and estimates the empirical model of wage convergence using the average 5-year growth in absolute and relative wage as a dependent variable. The individual rates of wage convergence are found to be positively associated with the increase in per capita GDP in the country of origin, GDP growth in the host country, linguistic distance, and the share of immigrants old networks,

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[1]Almost 11 million immigrants; source: Trends in International Migrant Stock: The 2015 Revision, United Nations Population Division.

among other convergence factors. We differentiate between pre- and post-migration education and job training and use supply shifters in government-sponsored training programs to instrument for endogenous post-migration human capital. Immigrants rates of wage convergence increase with higher pre-migration formal schooling and post-migration job training, but they appear not affected by formal schooling in the host country. Hence, the empirical analysis suggests that effective integration programs should emphasize on the practical job training programs apart from the usual language training courses. The paper also addresses the commonly ignored sample selection issue due to non-random survey attrition and employment participation.

My research agenda is informed by my personal experiences as an immigrant in United Kingdom and United States. Going forward, I am excited to explore the cultural and social dimensions of immigrant assimilation. I also plan to work in the area of migration in developing countries.