

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 interdependence 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 1994-2011 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 stock of immigrants in the world¹ and has an interesting composition of immigrant population. Russia experienced an influx of immigrants after the break-up of Soviet Union and still receives a large number of migrants 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 migrants and different migration 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. The paper theoretically derives the hypotheses of economic assimilation, empirically tests them and explains the overall declining trend in the convergence rate between immigrants and natives in Germany. Using a wage growth model, we analyze the role of five factors of assimilation: pre-existing human capital, degree of skill-transferability, discounting factor of future earnings, technology in human capital production, and market price per unit of human capital. We differentiate between pre- and post-migration human capital and work experience using precise information available in SOEP data. Furthermore, we employ an instrumental variable approach to control for endogeneity in acquisition of post-migration human capital, which is a first in literature. The paper also addresses the commonly ignored sample selection issue due to survey participation and employment.

My research agenda is informed by my personal experiences as an immigrant. 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.

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