Is naturalization a passport for better labor market integration? Evidence from a quasi-experimental setting

ABSTRACT

Better integration is beneficial for migrants and the host country. In this respect, granting citizenship is deemed to 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 of applicants by increasing the required number of years of marital life from 2 to 4, providing a quasi-experimental setting. Using administrative panel data, I first show evidence of the impact of the reform on the naturalization rates. I then use a dynamic triple differences model to estimate the labor market returns to naturalization. I find that, among those working, citizenship leads to an increase in annual earnings by 28%. It is driven by a significant increase in the number of hours worked, as well as an effect on hourly wages. A gender decomposition reveals that both men and women experience an increase in earnings, while the effect on the number of hours worked is stronger for men. I further show that obtaining the nationality potentially helps to reduce discrimination by signaling better language proficiency. This paper thus provides evidence that naturalization acts as a catalyst for labor market integration.