

Host country citizenship reduces hiring discrimination against immigrant minorities

Abstract

Persistent labor market discrimination diminishes the capacity of immigrants to achieve economic success and to contribute to the host economy. Despite the prevalence of ethnic discrimination in many immigrant-receiving countries, we lack a reliable understanding of policies that can alleviate it. This study provides evidence that host country citizenship substantially reduces hiring discrimination. To generate valid comparisons of immigrants and native citizens and overcome the self-selection into naturalization, we leverage novel data from the online recruitment platform of the Swiss government. Our data enable us to monitor recruiter search behavior and statistically adjust for all jobseeker characteristics that are visible on the platform. This approach allows us to compare recruiter contact rates for otherwise similar naturalized immigrants, non-naturalized immigrants, and native citizens. We find that non-naturalized immigrants are, depending on their origin country, 2--21% less likely to be contacted compared to observably similar native citizens, and that ethnic penalties increase with geographic/cultural distance. Host country citizenship reduces the extent of hiring discrimination by 20--70%, again depending on the origin country. Additional analysis suggest that citizenship acquisition is a credible signal of successful integration that enables immigrants to overcome statistical discrimination.

This paper is joint work with Daniel Kopp and Michael Siegenthaler

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