

Immigrants Who Naturalize Outearn their Peers

Gaining citizenship led to a sizeable increase in income among marginalized immigrants in Switzerland.

The moment when an immigrant becomes a citizen of his adopted country looks remarkably similar in ceremonies around the world: a hand raised, an oath taken, a flag waved, and a celebration with family and friends. But the road leading to that moment differs widely by country. Some are long and steep and others more walkable, depending on the country's policies.

Behind this divergence is a kind of chicken-and-egg problem. Is citizenship a prize, something to be won only after considerable striving? Then it should be surrounded by hurdles, like requirements that you've mastered the language, lived in the country a long time, and achieved a certain level of economic success. Or is citizenship an invitation to build a future in the country, something that helps immigrants succeed? Then it should be easier to get.

Which side has the better of the argument? A new study from the Immigration Policy Lab at ETH Zurich and Stanford University (IPL) sheds light on the importance of citizenship in immigrants' trajectories.

Looking at more than thirty years of data on thousands of immigrants in Switzerland, IPL researchers found that those who had naturalized earned more money each year than those who hadn't—and the boost in

income was largest for people facing the greatest disadvantages in the labor market.

A Puzzle for Researchers

Considering the benefits usually reserved for citizens, it's easy to imagine how naturalizing early on could equip immigrants to prosper: access to advantageous jobs, eligibility for scholarships to get education and training, and the assurance that they can stay in the country indefinitely and invest in the future.

But it's hard to prove that citizenship actually delivers on this promise, because those who get citizenship and those who don't aren't similar enough to allow for meaningful comparison. People who jump the hurdles to apply for citizenship differ in many ways from those who hold back, and successful applicants differ from unsuccessful ones.

If naturalized immigrants do better in the long run, this could be due to any number of factors—factors that, like work ethic or resources, also account for their ability to successfully navigate the citizenship application process.

“To accurately assess the benefits of citizenship it is essential to compare

naturalized and non-naturalized immigrants that are similar in all characteristics but for their passport,” said Dalston Ward, a postdoctoral researcher at ETH Zurich.

This is where Switzerland is a boon to social scientists. Between 1970 and 2003, some Swiss towns put citizenship applications to a popular vote. To become a Swiss citizen, an immigrant would have to receive more “yes” than “no” votes. For applicants who won or lost by only a handful of votes, the decision may as well have been pure chance, enabling an apples-to-apples comparison.

Combine that with decades of records from the Swiss pension system showing annual earnings, and you have a trustworthy way to determine whether or not citizenship actually improves immigrants’ fortunes.

Long-term Benefits

After identifying those who narrowly won or lost their bid for citizenship, the researchers looked back at the five years leading up to the vote that would divide

them. There, they had similar incomes. But after the vote, the new citizens went on to earn more money than those who remained in permanent residency status, and the earnings gap increased as time went on.

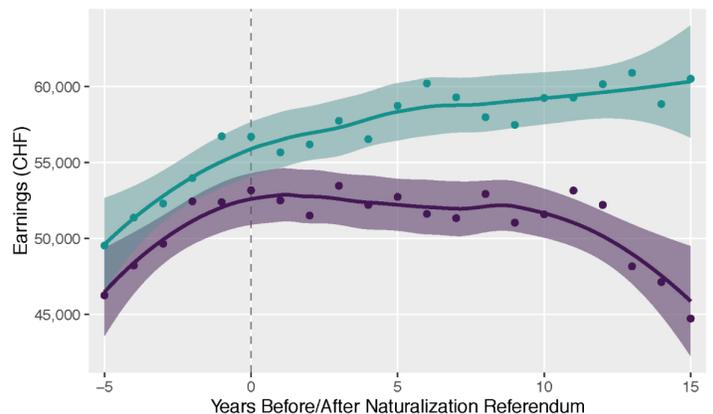
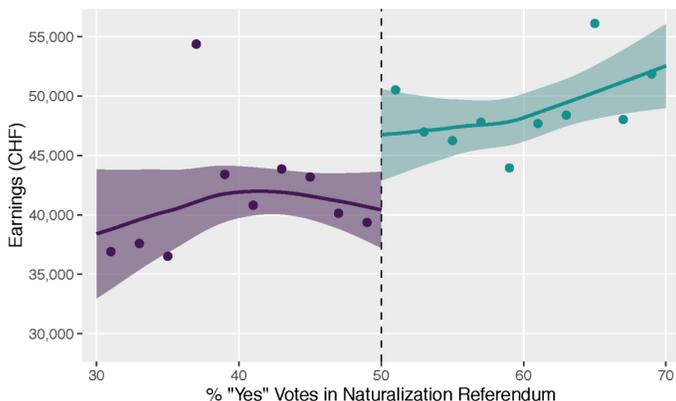
At first, they earned an average of about 3,000 Swiss francs more (roughly the same in U.S. dollars), and that increased to almost 8,000 a decade later. In any given year after the vote awarded them citizenship, these immigrants earned an average of 5,637 more than their peers.

“In sum, these findings provide causal evidence that citizenship is an important catalyst for economic integration, which benefits both immigrants and host communities”, said Jens Hainmueller, a professor of political science at Stanford University.

If citizenship was the wedge between the two groups, how exactly did it lift one above the other? The most likely explanation, the researchers thought, was that it counteracted the discrimination that colors immigrants’ lives in the job market.

When immigrants apply for jobs in Switzerland, their citizenship status is

Earnings gap, 15 years after referendum



almost as visible as hair color or height, and individual employers can use it to filter candidates. Immigrants who haven't become citizens may be seen as less skilled or less likely to remain in the country. On the other hand, because it is relatively difficult to gain citizenship in Switzerland, it may act as a kind of credential.

A closer look at the data bears this out. Citizenship made the greatest difference for immigrants facing obstacles—those likely to be discriminated against for their religion or country of origin, or those in low-wage occupations. When the researchers focused on immigrants from Turkey and the former Yugoslavia, who were often refugees and potentially targets of anti-Muslim sentiment, they found an average yearly earnings gain of 10,721—roughly double that of the new citizens as a whole.

According to Dominik Hangartner, a professor of public policy at ETH Zurich, “the finding that the benefits are disproportionately larger for poorer and more marginalized immigrants speaks to the important role that citizenship policies can play in facilitating more equal access to employment opportunities for immigrants.”

While income is only one element of an immigrant's life, the persistence of the earnings gap revealed in this study raises an important question about the public purpose of citizenship. We tend to think of citizenship as a private issue, personally meaningful to the immigrant but not necessarily something society or state should invest in.

But if citizenship can counter discrimination, boost social mobility, and act as a stepping stone toward deeper

integration, then its benefits reach beyond immigrants themselves.

That means that we all have a stake in the debate over whether to obstruct or ease access to citizenship. At a time when cities, states, and countries around the world are reconsidering their welcome to immigrants, it's all the more important to have solid evidence about the contributions newcomers can make—and the policies that best encourage them.

For full details see “[The Effect of Citizenship on Long-Term Earnings of Marginalized Immigrants: Quasi-Experimental Evidence from Switzerland](#),” Jens Hainmueller, Dominik Hangartner, and Dalston Ward, *Science Advances* (2019).



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We evaluate and design policies surrounding the integration of immigrants and refugees worldwide. By translating new evidence into creative solutions, our work can improve immigrants' lives and strengthen their host communities.