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General presentation of the work carried out by the CEPII “International migrations” program 2016-2021

Introduction

CEPII published its first working paper on migrations back in 2001. In 2011, the “International Migrations” research program was created as a sub-section of another program that focused on emerging economies. This same year, CEPII and OECD jointly organized the first “Immigration in OECD countries” annual conference, which has since become a major event of the academic community interested in this field of research with many research organization involved. In 2017, the field of “international migrations” became a research program on its own.

Between January 2016 and may 2021, CEPII economists have published 35 articles in peer-reviewed articles and one book chapter. 10 working papers, posted on the CEPII website, were not yet published.

Most academic publications during this period dealt with the five research areas explored by CEPII migration economists who are mostly concerned by the consequences of immigration on industrialized/advanced economies:

1. Factors affecting the flows of migrants
2. Migrations and the international flows of goods, services, and capital
3. Migration, productivity, and competitiveness
4. The impact of migrations on the labor market and public finance
5. The political economy of migrations

1. Factors affecting the flows of migrants

The academic work of CEPII economists dealing with the factors that may affect the flows of migrants relate to 3 topics: climate change, immigration policies, and migrants’ networks.

Climate change

Climate change will surely affect migrations be they within a given country or outside. The first contribution of CEPII on this issue (Bertoli, Docquier, Ruysen, and [Rapoport](#), 2020) characterizes the relationship between weather shocks and migration intentions in Western Africa. It finds that droughts are associated with a higher probability of domestic migration intentions in Senegal, Niger, and the Ivory Coast. The effect on international migration intentions is only significant in Niger. They are amplified, but qualitatively similar when restricting the sample to rural low-skilled respondents. The authors use the Gallup surveys, which include detailed questions on internal and international migration intentions and granular data on weather shocks.

Immigration policies

Though key to understanding migration flows, migration policies are complex, multifaceted, and not always specifically or openly targeted at migrants. It is therefore difficult to apprehend them and their actual impacts on migrations. Yet, during the period under review, CEPII economists have published three papers that relate specifically to migration policies.

[Mitaritonna](#) and [Ragot](#) (2020) have reflected on the consequences of borders’ closure consecutive the covid-19 crisis that has affected the mobility of seasonal migrant workers. They describe the different

¹ Migration, Trade and Wages CEPII Working Paper, N°2005-06, mai 2005, Alexander Hijzen, Peter Wright

strategies that EU governments have urgently adopted to avoid disruptions. They also analyze the alternatives that seek to dispense seasonal foreign labor force. They conclude that the Covid-19 pandemic may well accelerate the substitution of capital (robots) to labor for picking fruit and vegetables in EU fields.

Umana-Dajud's paper (2019) analyzes the impact of visa policy on trade. He shows that visas have a large negative impact on bilateral trade flows. To show the causal nature of the link between visas and trade flows, he exploits a natural experiment triggered by Schengen members' common visa policy. This negative impact is larger for differentiated products than for homogeneous ones. Umana-Dajud shows that removing visas would increase welfare by 1,1% on average for developing countries and by around 5% for some sub-Saharan African.

As part of a wider research program on students' migrations, Beine, Delogu, and Ragot (2020) study the role of tuition fees as a determinant of international students' mobility at the university level. They derive a gravity model from a Random Utility Maximization model of location choice for international students in the presence of capacity constraints. The model is calibrated using data on student migration flows at the university level for Italy. They obtain evidence for a robust and negative effect of fees on international student mobility, with an elasticity of about -0.8 . The estimations also confirm the positive impact of the quality of the education. They support an important role of additional destination-specific variables such as host capacity, the expected return of education, the cost of living, and the existence of education programs taught in English.

Rapoport and several co-authors (2016) undertook the construction of a database that systematically measures the characteristics (stringency and selectivity) of immigration policies. The data collected for nine OECD countries between 1999 and 2008 reveal robust trends toward more complex and, often, more restrictive regulations since the 1990s, as well as differential treatment of groups, such as lower requirements for highly skilled than for low-skilled labor migrants. In Mountford and Rapoport (2016), the authors show that changes in the selectivity of immigration policies can have substantial effects on the demographic dynamics of sending (especially African) countries.

Migrants' networks

Using two alternative databases, covering about 190 world countries for the period 1960–2000, Fagiolo and Santoni (2016) revisit the role of migrant social networks (MSNs) as determinants of bilateral migration flows. In line with previous estimates, they consistently find a significant, positive, impact of MSNs at the destination. They also find that geographical distance is becoming less and less important over time.

Migration and economic shocks.

CEPII economists have analyzed how migration in the EU reacts to economic shocks mostly through policy contributions.

Recently, the simultaneity of Brexit and the health crisis have fostered the interest in the possibility that low-skilled mostly migrant workers be replaced by robots. Mitaritonna and Ragot (2020) have published a policy brief underlying right after the start of the COVID crisis. They are contemplating to develop a research agenda on this issue through an in-depth analysis of the impact of the labour supply shock after the enlargement of the EU that took place in 2004 and 2007 on capital accumulation in the French fruits and vegetable sector.

In an earlier study on the consequences of the financial crisis on migration in the Eurozone, Chojnicki, Edo, and Ragot (2016) find that (i) over the period 2000-2013, intra-European migration responds to regional differences in employment (ii) the 2008 economic crisis led to a strong reallocation of individuals within the EU15 between the southern countries, which were the most affected by the crisis, to the least affected countries (iii) responsiveness to regional employment disparities is far greater among non-EU15 immigrants, compared to European-born people.

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2. Migrations and the international flows of goods, services, and capital

The interactions between migrations and international flows of goods, services, and capital are perhaps the most thoroughly researched topic of the economics of migrations. This is all the more true for trade. No doubt that CEPII's interest in trade policies has fostered studies on a possible link between the latter and migrations whereas the link between migrations and financial flows is not as frequently studied but may be an interesting avenue for research.

Migrations and trade

Research in this field is surveyed by Rapoport (2018) in a handbook chapter.

The contribution of CEPII economists since 2016 has focused on both exports (the role of immigrant entrepreneurs and the impact of birthplace diversity on the export of creative products, the role of returning migrants in exporting to their temporary host country) and imports, through the impact of relative prices on the bundle of goods consumed by migrants.

Bratti M. and De Benedictis and Santoni (2020) demonstrate the positive effect of immigrant entrepreneurs on manufacturing exports. Using small-scale regional administrative data, their export gravity model underlies the positive effect of a migrant becoming an entrepreneur to the export flows toward her country of origin. They also show that immigrant entrepreneurs unlike nonentrepreneurial immigrants raise a region's overall competitiveness and export flows toward other destinations as well.

Figueiredo, Lima, and Orefice (2020) identify a new channel through which migrants can affect the import demand of goods in the host country. In migrating from origin to destination country, migrants observe a change in the price of the bundle of consumable goods. In particular, the migration decision can imply a reduction in the price of imported goods for the consumption bundle of migrants: emigration towards less (tariff) protected countries allows the consumption of products that were prohibitively protected in

the origin countries of migrants. To test this channel, they estimate the import demand effect of migrant groups coming from third high (tariff) protected countries. Their empirical results strongly confirm this channel.

Bahar, Hauptmann, Ozguzel, and [Rapoport](#) (2019) use the effect on Yugoslavian exports of the refugees who flew to Germany during the Balkan wars of the early 1990s and then returned to the new Republics of the former Yugoslavia by the end of the decade. They provide causal evidence on the role that return migrants play in explaining export performance in global markets. They find that the elasticity of exports to return migration is between 0.1 to 0.24 in industries where migrants were employed during their stay in Germany. To deal with endogeneity, they construct an instrumental variable that relies on the exogenous rules of allocation of asylum seekers across different German states. The results are mostly driven by knowledge-intensive industries, and by workers in occupations intensive in analytical and managerial activities.

In a previous paper, [Orefice](#) and [Santoni](#) (2018) analyze the effect of birthplace diversity on exports of creative and cultural goods, for 19 OECD countries, over the period 1990–2010. They match UNESCO's creative and cultural exports classification to trade and migration data and find a strong positive effect of birthplace diversity on the export of creative products: a 10% increase in the birthplace diversity index implies a 4% increase in creative goods exports. These results are robust across several specifications and shed light on a potential new channel through which migrants can contribute to the host country's export performance. An instrumental variables approach addresses the potential endogeneity problems and confirms the results.

The role of regional free trade agreements

Because of the complexity of the subject, works in this field require advanced methodologies.

[Umama-Dajud](#), [Rapoport](#), and [Mayer](#) (2021) analyze the vast amount of information contained in the texts of trade agreements using a specially designed text analysis and machine learning algorithm. The algorithm can identify whether a topic is covered by an agreement and then determine whether it is included in the dispute resolution mechanisms specified in that agreement. This tool can rigorously demonstrate that trade agreements play an increasing role in regulating the movement of people around the world. The data produced by the algorithm are then used to analyze the impact of these provisions on the movement of people on trade and migration flows. The results show a correlation between facilitating business travel and increasing trade flows. In contrast, the provisions in trade agreements dealing with the movement of persons do not appear to affect migration flows.

In their 2019 paper, [Beverelli](#) and [Orefice](#) derive and estimate a migration gravity equation featuring bilateral and third country migration and offshoring costs to investigate whether there is migration deflection across origin countries. Such deflection occurs if migration from an origin country to a destination country is negatively affected by reductions in the costs of migrating from third origin countries to the destination country. The paper uses information on migration- and offshoring-related provisions contained in Preferential Trade Agreements to proxy for migration and offshoring costs. It finds robust empirical evidence in favor of migration deflection across economically similar origin countries with some degree of cultural affinity, as measured by sharing a common language.

The results of the 2016 paper by [Figueiredo](#), [Lima](#), and [Orefice](#) suggest that the presence of an RTA stimulates migration stocks among member countries. The pro-migration effect of RTAs is magnified if the agreement includes also provisions easing bureaucratic procedures for visa and asylum among member countries. They build a gravity model for migration introducing fixed effects controlling for the origin and destination-specific factors that favor emigration or deter immigration and solve the zero migration flows problem by using a censored quantile regression approach. The endogeneity problem is addressed by using instrumental variable censored quantile regression.

Migrations and financial flows

In an ongoing project, [Rapoport](#) and [Resheff](#) study the effects of migration jointly on exports and foreign direct investment, while taking into account the interdependence between the two. They develop a new estimation methodology based on the combination of the Helpman-Melitz-Yeaple (AER 2004) theoretical model and the Helpman-Melitz-Rubinstein (QJE 2008) empirical frameworks. Preliminary analyses show that migration has a larger effect on FDI than on trade, at both the extensive and intensive margin.

In an earlier paper, Kugler, Levintal, and [Rapoport](#) (2018) study the link between migration and financial flows. Indeed, migration facilitates the flow of information between countries, thereby reducing informational frictions that potentially hamper cross-country financial flows. Using a gravity model, migration is found to be highly correlated with financial flows from the migrant's host country to her home country. The correlation is strongest where information problems are more acute (e.g., between culturally more distant countries), for asset types that are more informational sensitive, and for the type of migrants that are most able to enhance the flow of information on their home countries, namely, skilled migrants. These differential effects are interpreted as evidence for the role of migration in reducing information frictions between countries.

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3. Migration, productivity, and competitiveness

Diversity in ethnicity or birthplaces generates economic costs and benefits that may be conditional on a given institutional environment or production process. CEPII economists have contributed to the analysis of this field in assessing whether immigrants affect productivity and economic performance at the macro level, at the micro-level, or through the diffusion of knowledge and skills that complement domestic ones.

Global analysis

Global analysis proceeds from the development of models that rely on the existing literature and are then calibrated. During the period under review, CEPII economists have published three such studies.

Orefice, Rapoport, and Santoni (2021) estimate, in a unified empirical framework, the contribution of immigration to international competitiveness, by disentangling the three main channels identified in the literature to date: network effects, diversity, and knowledge transmission. In the first part, they design a unified empirical framework allowing for the joint estimation and comparison of the effects of these three channels on export performance. In the second part, they aim to analyze whether the productivity effect of cultural diversity translates into an increase in the international competitiveness of the host country. They match bilateral international trade databases (BACI) with information on the stocks of immigrants in each host country (by country of origin) and use the Herfindahl-Hirschman index to measure the cultural diversity contributed by immigrants in each host country. They find that while network effects (which operate at the bilateral level) explain most of the trade creating effect of immigration, diversity and knowledge diffusion (which operate at the aggregate level) contribute a significant part to explaining export performance.

Burzynski, Docquier, and Rapoport (2018) investigate the welfare implications for OECD native citizens of two pre-crisis immigration waves (1991–2000 and 2001–2010) and the post-crisis wave (2011–2015). They develop a general equilibrium model that accounts for the main channels of transmission of immigration shocks – the employment and wage effects, the fiscal effect, and the market size effect – and for the interactions between them. Their model is parametrized for 20 OECD member states. They find that the three waves induce positive effects on the real income of natives. However, the size of these gains varies considerably across countries and skill groups. In relative terms, the post-crisis wave induces smaller welfare gains compared to the previous ones. This is due to the changing origin mix of immigrants, which translates into lower levels of human capital and smaller fiscal gains.

In a previous study, Alesina, Harnoss, and Rapoport (2016) showed that the diversity of immigrants relates positively to measures of economic prosperity especially for skilled immigrants in richer countries at intermediate levels of cultural proximity. Endogeneity was addressed by specifying a pseudo-gravity model predicting the size and diversity of immigration, as well as by carefully accounting for skill-selectivity into migration.

Efficiency gains and small-scale analysis

CEPII economists and co-authors have benefited from access to granular French data from 1995 to 2005 to document migrant-induced efficiency gains. Mitaritonna, Orefice, and Peri (2017) show that a supply-driven increase in the share of foreign-born workers in a French department increased the total factor productivity of firms in that department. This effect is significantly stronger for firms with low initial productivity and small size. The positive productivity effect of immigrants is associated with faster growth of capital, larger exports, and higher wages for natives. Highly skilled natives, in competition with immigrants, moved towards firms hiring fewer immigrants spreading positive productivity effects to those firms too.

Knowledge transmission

The diffusion of tacit knowledge involves direct human interactions. This implies that the international diffusion of knowledge should follow the pattern of international migration. Whereas one study has focused on the impact of foreign-born inventors on the dynamic of patenting in the receiving countries, the other one uses new exports in the host countries of products that the home countries already exports as a proxy of knowledge transmission between the former and the latter through migration.

Bahar, Chojdhury, and Rapoport (2020) investigate the relationship between the presence of migrant inventors and the dynamics of innovation in the migrants' receiving countries. They find that countries are 25 to 60% more likely to gain an advantage in patenting certain technologies given a twofold increase in

the number of foreign inventors from other nations that specialize in those same technologies. Endogeneity concerns are dealt with by using historical migration networks to instrument stocks of migrant inventors. Their results generalize the evidence of previous studies that show how migrant inventors “import” knowledge from their home countries, which translates into higher patenting in the receiving countries. They interpret these results as tangible evidence of migrants facilitating the technology-specific diffusion of knowledge across nations.

Bahar and [Rapoport](#) (2018) test knowledge transmission through migrants using cross-country productivity spillovers leading to new exports as a proxy for knowledge diffusion. They find that a 10% increase in immigration from exporters of a given product is associated with a 2% increase in the likelihood that the host country starts exporting that good ‘from scratch in the next decade.

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4. The impact of migrations on the labor market and public finance

During the period under review, the CEPIL team has worked extensively to improve how the impact of migrations on labor markets and wages is assessed. The published studies include literature surveys, a study of a natural experiment, and analyses of the impact of migrations when there are labor market rigidities or on the gender wage and employment gap.

Literature surveys

The literature reviews include the introduction to a special issue of the *Canadian Journal of Economics* on Immigration in OECD Countries ([Edo](#), [Ragot](#), [Rapoport](#), [Sardoschau](#), [Steinmayr](#) and [Sweetman](#) 2020) and an extensive literature review published by the *Journal of Economic Surveys* ([Edo](#) 2019). While the latter deals exclusively with labor market issues, the former encompasses a broader range of topics.

The impact of immigration on the labor market

[Edo](#) (2020) contributes to the literature that takes advantage of a natural experiment resulting from massive, rapid, and unexpected immigration episodes driven by political factors to address the identification issue arising from the non-random allocation of immigrants across labor markets. He extends a previous work by [Hunt](#), published in 1992 on the large influx of repatriates from Algeria to France after the Algerian independence war in 1962. He shows that the regional average wage of native-born workers indeed declined between 1962 and 1968 but fully recovered by 1976.

Two additional contributions directly investigate the role played by labor rigidities in shaping the short-run impact of immigration on natives' wages and employment. [Edo](#) and [Rapoport](#) (2019) investigate how the prevalence and level of minimum wages affect the labor market impact of immigration. Their identification strategy uses the non-linearity created by the coexistence in the United States of state- and federal-level minimum wages. They find that immigration has relatively small detrimental effects on the

wages and employment outcomes of competing native workers. However, the impact of immigration on natives' labor market outcomes is more negative in states where the effective minimum wage is relatively low. Edo (2016) investigates how immigration can affect the labor market outcomes of native workers when their wages are rigid using a rich dataset for France. He exploits the national skill-cell approach which captures the direct effects of an immigrant-induced increase in labor supply on the labor market outcomes of natives who have similar skills. Edo finds that the monthly wage of native workers covered by fixed-term contracts decreases in response to immigration, while employment is the margin through which native workers on indefinite-term contracts is affected.

Gender-related issues

Edo and Borjas (2021) discuss the effects of immigration on the French labor market between 1982 and 2016. They find that immigration reduced the average wage of men but had no impact on their employment rate. In contrast, immigration reduced women's employment and labor force participation rates, with no impact on their average wage. However, if corrected for compositional effects (lower female labor force participation reduces competition among workers, which limits the negative effects of immigration on wages; lower female employment leads to a change in the composition of the female labor force since the women displaced from employment are the lowest paid), the effect of immigration on women's wages is close to the effect on men's wages.

Edo and Toubaï (2017) shed light on the strong feminization of the immigrant workforce which coincides with a rise in the gender wage gap from 1990 to 2010. Based on the imperfect substitutability between men and women workers of similar education, experience, and occupation, their theoretical model predicts that a shift in the supply of female workers increases the gender wage gap when men and women are imperfect substitutes in production. Their econometric result indicates that a 10% increase in the relative supply of immigrant female workers lowers by 4% the relative wage of female native workers belonging to the same education–experience group

Immigration and public finance

Before the period under review, the then CEPII team on migrations focused a lot on the public finance impact of immigration in France. Though research areas have diversified, this line of work has not vanished.

Hence, Ragot, Chojnicki, and Sokhna (2018) use a static accounting approach to evaluate the net contribution of immigrants to public finances in France over more than 30 years (1980 to 2010). They calculate it as the difference between the taxes and various contributions paid by the migrants and the total benefits they obtained from the public sector. The estimates show that, over the entire period under study, the net contribution of immigrants is relatively small (between -0.5% and +0.05% of the GDP).

This study is to be complemented (Chojnicki, Ragot, and Sokhna, ongoing) by a dynamic approach that takes into account all the indirect effects of the migration shock on public finances. This will allow to assess the magnitude of the indirect effects related to the direct effects measured by the static approach. The data from the previous work are integrated into a dynamic computable general equilibrium model (CGEM) to carry out a counterfactual evaluation: what would the state of public finances have been over the period 1980-2010 in the absence of migration flows?

In a previous analysis, Ragot and Chojnicki (2016) evaluated, the contribution of migration policy in reducing the tax burden associated with the aging population in France using a dynamic general equilibrium model. They show that the age and, to a lesser extent, the skill structure of immigrants are the key features that mainly determine the effects on social protection finances. Overall, these effects are all the more positive in the short to medium term if the migration policy is selective in favor of skilled workers. In the long term, the beneficial effects of a selective policy may disappear. In any case, the financial gains from higher consequent migration flows are relatively moderate compared with the demographic changes implied by aging.

Immigration and firm-workers matching

Using granular French data from 1995 to 2005, [Orefice](#) and Peri (2020) show that positive supply-driven changes of immigrant workers in a district can improve the matching of firms and workers measured through the strength of positive assortative matching (PAM) and the average productivity of the district.

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5. The political economy of migrations

Studies in the field of political economy using the tools that are familiar to economists such as models, large data banks and econometrics have blossomed since the mid-2010s. CEPII economists have contributed to this trend in academic literature in the main related fields: elections, the impact immigrants have on social norms and collective preferences in home and destination countries, and factors that affect the integration process.

Elections

Two recent contributions document the impact of immigration on the vote, especially in favor of far-right-wing candidates.

In a policy report, [Edo](#) and Giesing (2020) review the growing literature on this topic and conclude that the positive impact of immigration on votes for extreme right-wing parties is mainly driven by low-skilled immigration and immigration from non-European countries. High-skilled immigration from non-European countries has a negative impact on extreme right-wing parties. These findings suggest that the degree of

economic and social integration of immigrants plays an important role in the formation of anti-immigrant sentiment.

A widely cited previous paper ([Edo, Giesing, Öztunc, Poutvaara - 2019](#)) investigate the cross-regional impact of immigration on far-right and far-left-voting in France over the 1988-2017 period. They compare the changes in votes for far-right and far-left voting of high-immigration places with those of low-immigration places. To derive causal estimates, they instrument more recent immigration flows by settlement patterns in 1968. The authors find that immigration to France over the past decades increased support for far-right candidates and had a weak negative effect on support for far-left candidates.

The impact of migrations on social norms and collective preferences in home and destination countries

Though it is much talked about in civil and political societies, the impact of migrations on culture and mentalities is difficult to assess scientifically. CEPII economists who have ventured into this undertaking in the past few years have studied issues related to the sources of negative views on migrants, cultural convergence, the role of diasporas in the cultural integration of source countries, the impact of migrations on natives' preferences for redistribution, the impact of emigration on the home countries' institutions.

[Barrera, Edo, and Bensidoun \(2021\)](#) investigate the role played by non-European immigrants and their offspring in shaping native attitudes toward immigrants in the European Union. By exploiting the 2017 Special Eurobarometer on immigrants' integration, they estimate the effects of first- and second-generation immigrants on a large set of attitudes related to crimes, economic concerns, and culture. Their main empirical strategy combines cross-country variations and using a novel instrument identifying areas of aerial bombing during WWII as a proxy for the attraction of migrants to account for the endogeneity of immigration. We find that that fiscal and security concerns are the main driving force behind the skepticism towards immigration.

[Alesina, Murard, and Rapoport \(2021\)](#) examine the relationship between immigration and preferences for redistribution in Europe using a newly assembled data set of immigrant stocks in 16 Western European countries. Exploiting within-country variations in the share of immigrants at the regional level, they find that native respondents display lower support for redistribution when the share of immigrants in their residence region is higher. They also show that the results are driven by regions of high-welfare state countries, voters who identify themselves as rightist and who hold negative views of immigration, and are stronger when immigrants are low-skill and come from either the Middle East and North Africa or Eastern Europe.

[Rapoport, Sardoschau, and Silve \(2020\)](#) examines both theoretically and empirically how migration affects cultural change in home and host countries. Their results show that while migrants do act as vectors of cultural diffusion and bring about cultural convergence, this is mostly to disseminate cultural values and norms from host to home countries (cultural remittances). Their theoretical model integrates various compositional and cultural transmission mechanisms of migration-based cultural change for which it delivers distinctive testable predictions. The World Value Survey database is then used to build time-varying measures of cultural similarity for a large number of country pairs and exploit variation over time within country-pair.

Surveying the recent economic literature on diaspora networks, globalization, and development [Rapoport \(2020\)](#) insists that diasporas are shown to contribute to the economic and cultural integration of source countries into the global economy in particular through the formation of political attitudes and other aspects of culture.

[Docquier, Lodigiani, Rapoport, and Schiff \(2016\)](#) model the effect of emigration on institutional quality in developing countries. They empirically show that openness to emigration promotes democratization at home. The effect is fully driven by emigration to rich, highly democratic countries. The result holds mostly for de facto indicators of institutional quality and is robust to various instrumental variable strategies.

The integration of immigrants

Three studies by CEPII economists contribute to the understanding of immigrants' integration. They deal with the convergence of food consumption with that of the native-born, the role of language training and ethnic homophily as a cause of discrimination in the labor market.

Rapoport and co-authors (2021) analyze immigrants' food consumption from shopping retail data for understanding if and how it converges towards those of natives. They define a score of adoption of natives' consumption habits by an individual as the probability of being recognized as a native from a machine learning classifier, thus adopting a completely data-driven approach.

Lochmann, Rapoport, and Speciale (2019) estimate the causal effect of immigrants' language training in France, through the method of Regression Discontinuity. They find that the number of assigned hours of training significantly increases the labor force participation of the treated individuals. The effect is larger for individuals with higher levels of education, while there is no robust differential effect by type of migration, gender, or age.

Edo, Jacquemet, and Yannelis (2019) investigate the importance of ethnic homophily in the hiring discrimination process. Their evidence comes from a correspondence test performed in France in which they used different kinds of ethnic identification. They showed that all non-French applicants are equally discriminated against when compared to French applicants and found direct evidence of ethnic homophily.

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