RESEARCH ABSTRACTS
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<u>Job Market Paper</u>

The Impact of Language Training on the Transfer of Pre-Immigration Skills and the Wages of Immigrants

In this paper, I estimate the impact of English-language courses on the wages of new immigrants. These estimates are the first of the kind in the literature. I develop a model of immigrants' investment in language skills in which language proficiency may affect wages directly, but also may increase the proportion of pre-immigration skills transferred into the host-country economy. The model shows that participation in language courses depends on immigrants' unobserved abilities, as well as the cost-shifters, such as the distance to the nearest course provider and refugee status. I use a unique panel data set, the Longitudinal Survey of Immigrants to Canada, to estimate the equations of the model. I address the endogeneity of language course participation by using instrumental variables. I find that attending language courses for six months leads to a 0.3 standard deviations gain in language skills, corresponding to an average wage increase of 11.7 percent. The increase in the total return to language skill accounts for 5.5 percent of wage growth, while the remaining 6.2 percent is driven by the transfer of pre-immigration cognitive skills into the host-country economy. Given the declining labour market performance of successive cohorts of immigrants to Canada, the immigration policy which selects individuals with high cognitive skills, and the recent cuts to language program budgets, the findings have significant policy relevance.

<u>Publications</u>

Crime, Apprehension and Clearance Rates: Panel Data Evidence from Canadian Provinces, (with Philip A. Curry and Anindya Sen), Canadian Journal of Economics, 49(2), pp. 481-514

The Becker (1968) model of crime establishes the importance of the probability of apprehension as a key factor in a rational individual's decision to commit a crime. In this respect, most empirical studies based on US data have relied on variation in the number of police officers to estimate the impact of the probability of apprehension or capture. We measure the probability of apprehension by clearance rates and study their effects on crime rates, employing a panel of Canadian provinces from 1986 to 2005. OLS, GMM, GLS and IV estimates yield statistically significant elasticities of clearance rates, ranging from -0.2 to -0.4 for violent crimes and from -0.5 to -0.6 for property crimes. These findings reflect the importance of police force crime-solving productivity.

Work in Progress

Understanding Traditional School Choice and Student Achievement: Evidence from the United States

For any school choice policy to be successful, parents have to select schools based on characteristics that have a positive effect on the students' academic achievement. Therefore, understanding how parents select schools for their children in the absence of reforms is essential for implementing school choice policy changes. In this paper I examine the determinants of school choice and its effect on student outcomes. Using ECLS-K data I identify those parents who move in order to place their child at a specific school and parents whose children switch schools due to purely residential moves. Surprisingly, I find that those who move for academic reasons suffer a decline in their math performance while the purely residential movers do not. I estimate a random utility model of parental school choice and a test score production function to provide an explanation for the poor performance of school movers. School movers seem to select schools based on their socio-economic attributes while ignoring attributes important for test score production. Potentially, this results in worsened academic performance of their children.