

Massive Regularization and Assimilation in the Southern Cone:

Estimating the Effects of Patria Grande

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1 – Motivation

The objective of this paper is to empirically estimate the economic and social effects of Patria Grande, a large regularization program implemented in Argentina between 2006 and 2010 that allowed almost half a million of undocumented immigrants to regularize their situation, representing approximately 30% of the total immigrant population. In a nutshell, immigrants were able to obtain a temporary residency permit and an Argentine tax-ID number (i.e., CUIL) by simply showing evidence that they were born in a MERCOSUR country and signing an affidavit that they had no criminal records.¹

We are particularly interested in measuring whether this massive regularization program improved economic and cultural assimilation. Theoretically, there are reasons to expect that access to citizen's rights should improve, mainly because legalization allows previously undocumented immigrants to come out of the shadows. Thus, we expect that Patria Grande helped immigrants (and their families) accessing public education, health, and formal registered jobs in Argentina. But, assimilation is not only about access to rights; it is also about compliance with the civic duties of the host country. Therefore, we will also estimate whether Patria Grande produced an improvement in the civic behavior of immigrants, particularly with respect to crimes, tax payments and the illegal occupation of land.

From a policy perspective the subject is important. Immigration is a hotly debated issue all over the world, and the fate of the unauthorized immigrant population is at the center

¹ Additional documentation and fees were asked to obtain a permanent residency permit. Accordingly to the ENAPROSS II household survey, Patria Grande was very successful regularizing unauthorized immigrants: 98.8% of immigrants surveyed during 2015 report having a residency permit.

of this debate (Facchini et al., 2017). In the US, where the last legalization program occurred more than three decades ago (i.e., IRCA in 1986), the topic is of obvious relevance. From an academic perspective, the paper will constitute a contribution to a literature that has almost exclusively focused on legalization programs implemented in the United States and the European Union (see for example Cook et al. 2018; Kossoudji and Cobb-Clark 2002; Amuedo-Dorantes et al. 2007; and Bansak 2016 for a recent review of the literature). In these more advanced societies, unauthorized immigrants face strong restrictions since the law is usually enforced. But, what about Latin American countries like Argentina, where laws are only partially enforced? Regrettably, there is almost no available evidence.² This paper attempts to contribute towards filling the gap.

2 – Data and Methodology

There are two important limitations: First, treatment (i.e., regularization) was not randomly assigned. Second, there is no individual-level data that allows distinguishing the legal status of immigrants in Argentina (except for the ENAPROSS II surveyed conducted during 2015). Despite these two shortcomings, we consider that much can be learnt with the available data from this large and important policy intervention.

The key source of variation we will exploit is the degree of regularization by country of birth. This variation occurs for two main reasons: First, the *Patria Grande* program made regularization particularly simple for MERCOSUR countries; and second, there was large variation in the extent of unauthorized immigration within immigrants from MERCOSUR. As a consequence, the number of immigrants from Paraguay who received regularization represented almost 50% of the total immigrants from Paraguay living in Argentina. The share of immigrants regularized was also high among immigrants from Bolivia and Peru (above 30%). On the other extreme, the number of immigrants from

² There is a small, and mainly local, literature about *Patria Grande*. The debate is between those who argue that *Patria Grande* did not provide immigrants access to sufficient rights, and those who argue that the program did have a positive effect on accessing some rights. Conceptually, this literature ignores issues about compliance with civic duties; and methodologically, most papers only provide anecdotal evidence. See for example Bruno 2010; Gallinati 2008; Garcia 2015; Nejamkis and Rivero Sierra 2007; Perera and Velázquez 2013; Pereira 2019. There is also little knowledge on the effects of immigration in Argentina (see OECD/ILO, 2018).

Chile, Italy and Spain that received regularization represented less than 5% of their respective populations.³

That is, there is large variation in the intensity of treatment across nationalities. Therefore, it is possible to test the effects of regularization on assimilation by analyzing whether the change in behavior of those immigrants' groups that received a high dose of treatment (such as Paraguayans, Bolivians and Peruvians) is indeed different compared to immigrants' groups that received a low dose of treatment (such as Chileans, Italians or Spaniards). Native Argentines (particularly those who migrated internally) could be included as a comparison group.

Furthermore, variation in the intensity of treatment also occurred across other dimensions such as place of residence in Argentina, gender and educational level, and we plan to exploit it. Geographic variation in the intensity of treatment was particularly strong in part because of variation in distance to the nearest governmental office. Approximately 50% of immigrants living in Greater Buenos Aires (City of Buenos Aires and the 24 surrounding municipalities) obtaining regularization compared to less than 10% of immigrants living in the Patagonian provinces, or about 20% in the Cuyo region.

That is, the key explanatory variable (i.e., share of immigrants that obtained regularization) varies by Country of Birth-Location in Argentina-Sex-Education. We will probably group country of birth in 10 categories (Paraguay, Bolivia, Peru, Chile, Uruguay, Brazil, Other countries in the Americas, Europe, and Argentina); place of residency in Argentina will be the 24 provinces (although we might have to group in 6 regions due to the very low number of immigrants in some provinces); 2 sex categories; and 5 education groups (incomplete primary school or less, complete primary, incomplete secondary, complete secondary, some college or more). Using all categories would lead to a total of $10 \times 6 \times 2 \times 5 = 600$ cells.⁴

We will estimate the following benchmark model:

$$Y_{ijgs} = \beta \text{Treatment}_{ijgs} + X_{ijgs} + \text{Fixed Effects} + \varepsilon_{ijgs},$$

³ Figures are computed using administrative data from the Argentine Direccion Nacional de Migraciones.

⁴ I will first compute simpler models, such as for example the case where variation in the intensity of treatment only takes place across country of birth and location (region) in Argentina. One important shortcoming of such a model is lack of statistical power (only $10 \times 6 = 60$ observations).

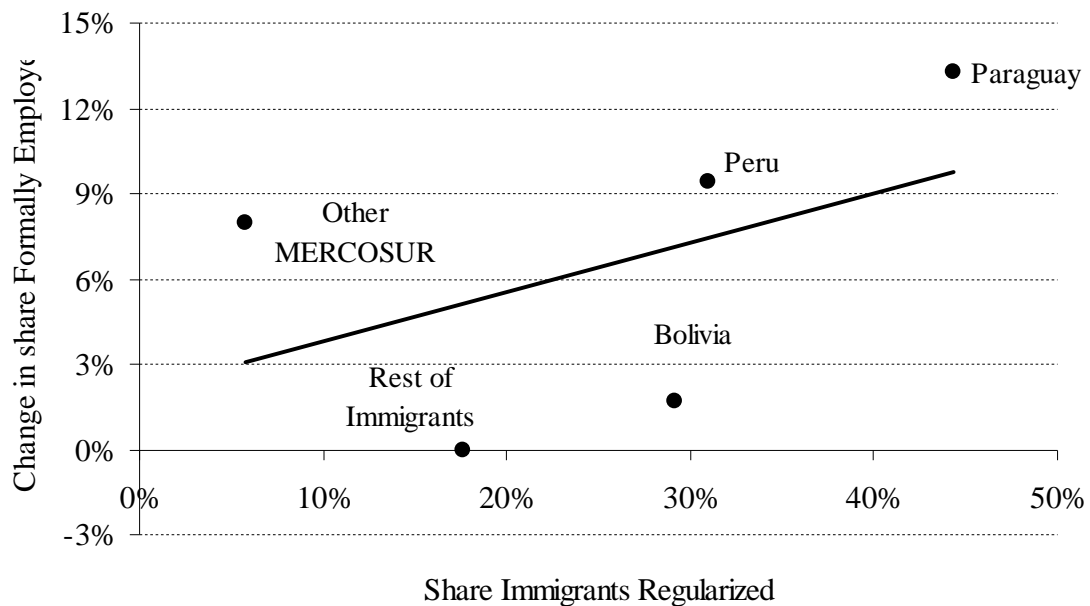
where i is for place of Country of Birth, j for Province/Region, g for Gender, and s for Education. The table below describes the variables and the sources of information.

Variable	Definition	Sources	Level of Aggregation
Share regularized (Treatment intensity)	Number of immigrants regularized between 2006 and 2010 / No. of immigrants in 2010	The numerator is administrative data from the Argentine Direccion Nacional de Migraciones; the denominator is from the Census 2010	The administrative data is aggregated by year-country of birth-Argentine province-sex-education. Census is at the individual level (IPUMS)
Dependent Variables (Access to Citizen's Rights and Compliance with Duties)			
Change in share attending school	Change in the share of immigrants' school-age children effectively attending school between 2010-2001	Census 2001 and 2010	Individual level (IPUMS)
Change in share of 6 years old enrolled in school	Change in the share of immigrants' 6 years old children effectively enrolled in primary school; 2010-2001	Census 2001 and 2010	Individual level (IPUMS)
Change in share formally employed	Change in the share of immigrants with legally mandated labor benefits (i.e., employer contribution to pension); 2001/5-2010	Household surveys (2003-2005 for before treatment; and 2010-2012 for after treatment) – EPH	Individual level (EPH) & (Also available from Census-REDATAM)
Change in share contributing	Change in the share of immigrants self-employed who pay taxes, 2001-2010	Census 2001 and 2010	Census-REDATAM
Change in share in prisons	Change in the share of immigrants detained in prisons; 2005-2010	SNEEP (Census of population in Argentine prisons) annual reports before and after treatment	The administrative SNEEP data is aggregated by year-country of birth-location of prison (Argentine province)-sex-education.
Change in share illegally occupying land	Change in the share of immigrants living in a shantytown/illegally occupying land; 2005-2010	Household surveys (2003-2005 for before treatment; and 2010-2012 for after treatment) – EPH	Individual level (EPH)
Change in share without property title	Change in the share of immigrants who do not have the legally-mandated property title of the dwelling; 2010-01	Census 2001 and 2010	Census-REDATAM
Controls			
Change in income, age, and other socio-economic controls	Change in average income of immigrants; age; other controls; 2001-2010	Census and EPH	Individual level (both EPH and IPUMS)

Note I: The data is available. I do have, however, to make a formal request to public authorities to receive the Regularization and Prison data aggregated by country of birth-location -sex-education.

Note II: An additional source of variation to identify a causal effect is that the easiness of accessing a residency permit only applied to those immigrants who arrived before April 2006. Therefore, an RD designed could be applied comparing the performance of those who arrived a few years before and after that date (several surveys such as ENAPROSS provide data about year of arrival). However, this regulation was weakly enforced making it unclear whether it would be useful or not.

The figure below shows, as an illustrative and very preliminary piece of evidence, that immigrants born in countries that received a high dose of treatment between 2006-2010 (i.e., that a large share was regularized such as Paraguayans and Peruvians) tended to experienced higher improvements in access to legally-mandated labor benefits compared with immigrants born in countries that received a low dose of treatment (such other immigrants for other MERCOSUR countries, Africa, Asia or Europe).



3 – My experience

I did some work on the economic effects of immigration in the US (together with Steven Raphael) while I was at UC Berkeley. It was a small contribution, but it had some impact (with David Card supporting the methodology and results, and George Borjas writing a critical paper in response).⁵ I did not work on the subject for quite a time, but I have recently got quite interested about improving immigration assimilation in Argentina. I have plenty of anecdotal evidence from the social work I do at shantytowns that would be a useful complement to the more rigorous work of this proposal.

⁵ See Raphael and Ronconi (2007), Card (2009) and Borjas et al. (2010)

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