

Discussion of “Migrants’ labour supply response to fiscal policies” by Figari, Fiorio and Scarchilli

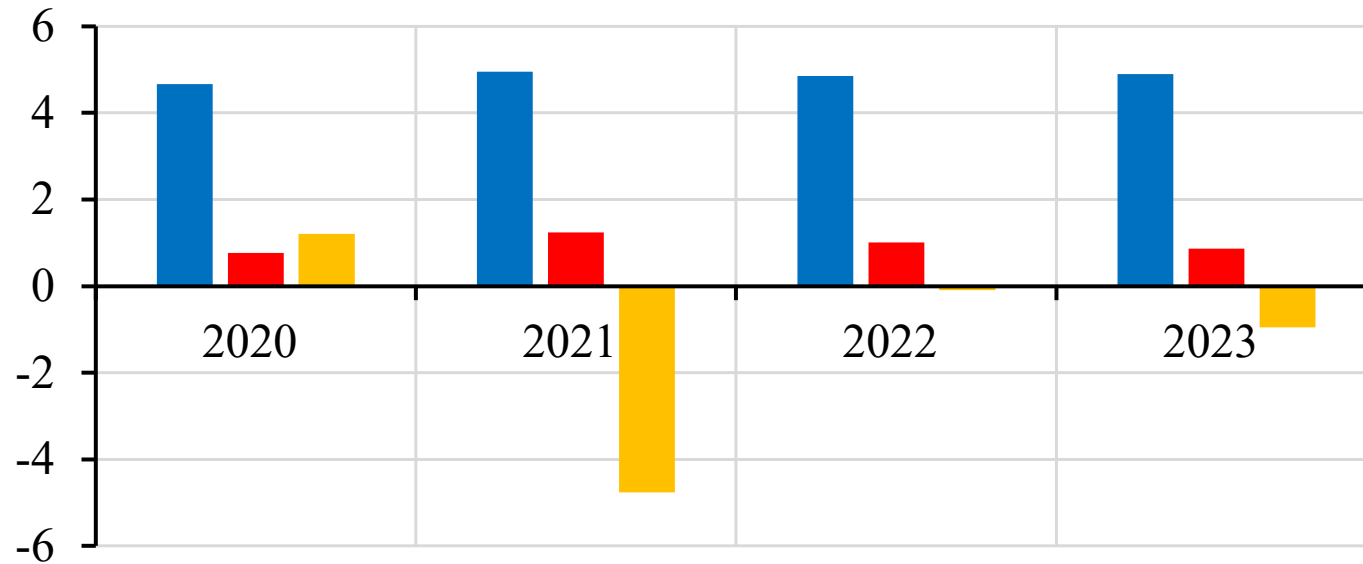
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Are migrants more geographically mobile? (1)

- One of your main findings is that **male foreign-citizens have lower wage elasticity**.
- **Your estimates are conditional on not moving:**
 - You do not observe people that leave the country;
 - And I fear SILC underrepresents people who change residence (I did not have time to check, but I think that they are dropped from the panel, and anyway they might be difficult to track).
- But migrants are **much more mobile** (see Basso et al., 2019, and references therein).

Are migrants more geographically mobile? (2)



■ Fraction of foreign citizens moving to other municipalities (%)

■ Fraction of foreign citizens moving abroad (%)

■ Statistical adjustment in the number of foreign citizens (%)

...and also immigration likely depends on wages.

Which wages are we predicting?

- Comparing the Heckman model with Random forests based on predictive performance confounds the main issues.
- The Heckit is designed to estimate a **structural model, which is what you need** for the microsimulation
 - You need the counterfactual wage for those currently not working.
- A plain random forest is **designed to build good predictions**, which are potentially useless for your scope.
- Perhaps one can use ML to improve the Heckit prediction component, but that is another story.
 - E.g. double-lasso for IV estimation of causal parameters (to be reconsidered as your focus is on a counterfactual distribution, not a single parameter).