

# Stay Longer, Fill de Vacancy: Evidence from South Korea's New Visa System

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# Summary of the paper

- ✓ The impact of an immigration policy: a new type of visa in South Korea (E-7-4 visa system in 2017-2018)
  - key feature: affects the **duration of stay** of immigrants, not their overall number
- ✓ Impact on **three economic outcomes**:
  - local labor shortages
  - labor productivity
  - employment
- ✓ Methodology: **Difference-in-difference event study design**
  - timing of the policy
  - variation across districts

# Main results

- ✓ **Reduction in labor shortages** in targeted sectors (agriculture and low-skilled manufacturing) and in regions with severe population decline
- ✓ **Certain improvement in labor productivity** in targeted sectors (manufacturing) and in Seoul Metropolitan area
- ✓ Slight increase in local employment in manufacturing and low-skilled services (but not statistically significant)

# Strengths of the paper

- ✓ **Rich datasets** covering:

- the entire immigrant population in South Korea (visa types by district)
- local labor shortages, by district and industry

- ✓ **Unique context: South Korea**

- highly-educated and aging population
- persistent labor shortages in low-skilled sectors

- ✓ **Timely and relevant contribution:** focus on the **duration of immigrants' stay** (rather than on the inflows and number of immigrants)

# Comments and suggestions

## Data:

- ✓ consider showing the **job vacancy rates at sector level** for greater granularity
- ✓ clarify the **levels of data aggregation**:
  - job vacancy and value added: district-industry level
  - employment: city-level

## Industry classification:

- ✓ distinguish between three groups of industries **across all outcomes**: direct exposure, partial exposure and no exposure

## Robustness check

- ✓ use the actual number of E-7-4 visa holders to validate your findings

# Comments and suggestions

- ✓ Better position the contribution of the paper (impact of immigration on local labour shortages?)
- ✓ Policy recommendations
- ✓ The external validity of the results
- ✓ Contextual factors for immigration in South Korea: countries of origin, language, socio-demographics, etc.

# Minor comments

## Presentation of results

- ✓ In the main text, consider showing only the graphs
- ✓ Move detailed estimation tables (e.g., regression outputs) to the Appendix.