

Referee Report

Discussion paper 2011-51

Title: A Counterfactual Decomposition Analysis of Immigrants-natives Earnings in Malaysia

The paper analyzed the Immigrants-natives wage gap to find the extent of potential discrimination against the immigrants in Malaysia. The idea is quite interesting in the sense that it has implications on the foreign labor issues especially in the light of proposed implementation of minimum wages in Malaysia.

However, I found it difficult in grasping and comprehending the materials presented due to poor written English. For example, the sentences are not properly constructed and wordy. I would suggest that the paper to be extensively corrected in terms of the language use before it can be reviewed properly.

Other problems with the paper that I managed to observe despite not fully able to comprehend the paper are as follows:

1. The method used in deciding whether to pool the data is questionable since it is more proper to use Chow test to determine whether pooling is appropriate.
2. I don't understand why some tables are in the text while some are included after the text.
3. In the methodology section, the author fails to describe all the variables chosen in the estimation, why it is chosen, and also the hypothesized relationship.
4. The paper should provide an overview of the Malaysian labour market especially with regards to information on immigrant and native workers in Malaysia so as to provide a basis for discussions on the empirical result later.