

# Do migrants displace native-born workers on the labour market?

## The impact of workers' origin

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The number of **migrants** has increased these past years.

Their **integration** on the labour market has garnered attention from natives, political parties, and researchers.

Scientific theoretical or empirical literature **lack** consensus on the impact of 1<sup>st</sup>-generation migrants (*i.e.*, workers born outside the host country) on native-born workers.

Using rather aggregated data, empirical studies either suggest:

- | a substitutability;
- | a complementarity;
- | no relationship;

in the employment of 1<sup>st</sup>-generation migrants and native-born.

Caveats in previous empirical studies:

| Quite aggregated levels of analysis;

| Even though differences in human capital, no differentiation between:

- | 2<sup>nd</sup>-generation migrants (*i.e.*, workers born in the host country but with at least one parent born abroad);
- | natives (*i.e.*, workers born in the host country with both parents born in the host country).

Using a quite disaggregated level of analysis (*i.e.* the firm-level), we **investigate** the impact of 1<sup>st</sup>-generation migrants on natives and 2<sup>nd</sup>-generation migrants separately in Belgium.

| Does the relationship between 1<sup>st</sup>-generation migrants and native-born workers change when we divide the latest's workers according to their parents' origin?

| What can a native worker expect when 1<sup>st</sup>-generation migrants arrive in her country?

**Table 1. FE estimates of the impact of hours worked by migrants on hours worked by workers born in Belgium**

Dependent variable:	All workers born in Belgium	Natives	2 <sup>nd</sup> -generation migrants
Number of hours worked by:	(1)	(2)	(3)
1 <sup>st</sup> -generation migrants	0.818*** (0.103)	0.181** (0.071)	0.245*** (0.019)
<b>Control variables</b>	Yes	Yes	Yes
(Within) Adjusted R <sup>2</sup>	0.46	0.48	0.32
Number of obs.	61,779	61,779	61,779

→ Our results suggest that 1<sup>st</sup>-generation migrants are **complementary** to native-born workers.

→ This complementarity decreases when we divide native-born workers according to their parents' origin.

→ 1<sup>st</sup>-generation migrants are slightly more complementarity to 2<sup>nd</sup>-generation migrants than to natives.

**Our results do not support a substitutability between 1<sup>st</sup>-generation migrants and native-born workers, but rather a complementarity.**

These results are robust when considering:

- | different levels of aggregation;
- | the occupation of workers;
- | the sector.

These results are driven by workers with:

- | the same level of education;
- | the same region of origin.

Natives cannot expect to lose their job when 1<sup>st</sup>-generation migrants arrive in their country.