



Programme



IAAEU
Institute for Labour Law
and Industrial Relations
in the European Union

Workshop on Labour Markets & Migration

Institute for Labour Law and Industrial Relations in the European Union | Trier University

Workshop on Labour Markets & Migration

30th October 2020

Institute for Labour Law and Industrial Relations in
the European Union (IAAEU)
Trier University, Campus II
Behringstraße 21
54296 Trier

Welcome to the Institute for Labour Law and Industrial Relations in the European Union

The Institute for Labour Law and Industrial Relations in the European Union (IAAEU) was established as a public foundation in 1983 and is funded by the state government of Rhineland-Palatinate. While being a public foundation, the IAAEU is also a research institute of Trier University and is situated in the heart of the Petrisberg Technology Park on Campus II. The IAAEU comprises two working groups of which one engages in research in the area of European labour law (Legal Team) and one engages in the theoretical and empirical analysis of personnel and labour economic issues (Economics Team). Depending on the research questions and the available data the economists rely on experimental data drawn from the experiments conducted in the institute's laboratory or on survey and corporate data. Since January 2012 Laszlo Goerke is one of the directors of the IAAEU and head of the Chair of Personnel Economics at Trier University. He is also a research fellow of the Institute of Labor Economics (IZA) and the CESifo Group Munich.

For detailed information have a look at our website: <https://www.iaaeu.de/en>

Registration

To register for the workshop, please use the following form:

<https://bit.ly/36kaDaM>

You will receive a confirmation email once your registration is noted.

The workshop will take place online via Zoom software. Information on how to log in will be sent around one day before the workshop.

Please refer to page 9 for more organizational information.

Schedule – Workshop on Labour Markets & Migration

Friday, October 30th 2020

09:00 – 09:10	Welcome and Opening
09:10 – 10:20	Session I
10:20 – 10:40	General Discussion + Short Break
10:40 – 11:50	Session II
11:50 – 12:10	General Discussion + Short Break
12:10 – 12:55	Keynote Lecture
12:55 – 14:00	General Discussion + Lunch Break
14:00 – 15:10	Session III
15:10 – 15:30	General Discussion + Short Break
15:30 – 16:40	Session IV
16:40 – 17:00	General Discussion + Farewell

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09:00 – 09:10 **Welcome and Opening**

09:10 – 10:20 **SESSION I: RETURNS TO HUMAN CAPITAL** (*SESSION CHAIR: NORA PAULUS*)

Fenet Bedaso: “The Labour Market Integration of Refugees and other Migrants in Germany”

Salvatore Carrozzo: “Economic Assimilation of Immigrants: Adverse Effect of Integration Program”

10:20 – 10:40 **General Discussion + Short Break**

10:40 – 11:50 **SESSION II: MIGRATION THEORY** (*SESSION CHAIR: ALBERTO PALERMO*)

Selen Yildirim: “Return Migration, Investment in Children and Preference of the Second Generation”

Jan Fidrmuc: “Comfort and Conformity: A Culture-based Theory of Migration”

11:50 – 12:10 **General Discussion + Short Break**

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- 12:10 – 12:55** **KEYNOTE LECTURE** (*MODERATOR: LASZLO GOERKE*)
Yuliya Kosyakova: “Rational Expectations and Human Capital Accumulation of Immigrants”
- 12:55 – 14:00** **General Discussion + Lunch Break**
- 14:00 – 15:10** **SESSION III: MIGRATION IMPACT ON HOST SOCIETIES** (*SESSION CHAIR: FENET BEDASO*)
Riccardo Turati: “The Impact of Immigration on Workers Protection”
Lisa Sofie Höckel: “The Intergenerational Transmission of Gender Role Attitudes: Evidence from Immigrant Mothers-In-Law”
- 15:10 – 15:30** **General Discussion + Short Break**

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15:30 – 16:40 **SESSION IV: MIGRANT EMPLOYMENT** (*SESSION CHAIR: YUE HUANG*)

Eva Markowsky: “Does Early Exposure to Gender Equality Influence Labor Market Outcomes as Adults? Migration as a Natural Experiment”

Ignat Stepanok: “International Trade, Intellectual Property Rights and the (Un)employment of Migrants”

16:40 – 17:00 **General Discussion + Farewell**

Organizational Information

Instructions for Presenters:

All sessions will be chaired by IAAEU staff.

We scheduled 35 minutes for each paper:

- 25 minutes for your presentation and 10 minutes for questions.

The workshop will take place online via Zoom Software.

In case of unforeseen technical problems, our IT team is available during the workshop:

Email: edv@iaaeu.de

Tel.: +49 (0) 651 / 201 4747

Abstracts

Session I: Return to Human Capital

Fenet Bedaso: “The Labour Market Integration of Refugees and other Migrants in Germany”

This paper analyses the labour market integration of refugees and other migrants from non-EU countries and compares their employment outcome with natives using the German Socio-Economic Panel for the period 1995-2018. Assuming homogeneous demographic factors, country of origin, and residence duration, the result suggests that refugees and other migrants have a lower employment probability than natives. The employment gap varies across countries of origin and by gender. Refugee men are less likely to find employment than native men, while other migrant men do not significantly differ from native men in their probability of being employed. On the contrary, migrant women (refugees and other migrants) show difficulties in employment outcomes compared to native women and migrants men. The comparison between refugees and other migrants suggests that refugees have lower employment probability than other migrants even after controlling for residence duration in Germany. Furthermore, language proficiency, years since migration, and countries of origin partially explain the employment gap between refugees and other migrants. The study highlights the importance of reason for migration, language proficiency, country of origin, and gender when assessing the integration of immigrants into the host country labour market.

Salvatore Carrozzo: “Economic Assimilation of Immigrants: Adverse Effect of Integration Program”

Integration programs play a key role to increase the economic assimilation of immigrants. However, these programs might affect also labor market outcomes of people who are not directly involved in the program through peer effects. This paper studies whether a language training program has adverse effects on labor market outcomes within peer groups. To do it, I take advantage of a natural experiment in France where immigrants are more likely to attend a language training if they fail a French language test. I exploit the discontinuity in the labor force participation of program takers at the cut-off within each peer group to identify the peer effects. Exploiting the discontinuity of the language training assignment, I solve the issues of reflection and correlated unobservable variables. Results show that an increase in peer labour force participation has a negative effect on the probability to participate in the labor force and to be employed.

Abstracts

Session II: Migration Theory

Selen Yildirim: “Return Migration, Investment in Children and Preference of the Second Generation”

Previous literature has shown that economic behavior of immigrants who plan to return differs significantly from behavior of the ones who plan to stay permanently. Also, the impact of children on return behavior is shown to be important. In this paper, we study the interdependent location choices of children and parents, and human capital investment of immigrant parents to their children in relation to expected assimilation of the children. Empirically testable predictions are derived from a simple model where parent makes child's human capital investment decision and child decides the amount of attention he wants to give to his parent as well as the migration strategy. Parents with weak preference over home country consumption intend to stay and invest more in human capital. Increase in human capital investment decreases the probability of return for both child and parent. The effect of cost of attention in case of separation (distance to home country) on human capital investment and return probability depends on characteristics of the family. The predictions of the model are tested using German Socio-Economic panel (GSOEP).

Ruxanda Berlinschi, Jan Fidrmuc: “Comfort and Conformity: A Culture-based Theory of Migration”

This paper proposes a theory of migration decisions in which cultural values play a role. Individuals are assumed to desire comfort (high wages) and conformity (sharing similar values in social interactions). Countries are assumed to differ economically (average wages) and culturally (the distribution of values). The theory predicts that the relationship between individual values and the desire to move to a different country may be U-shaped, hump-shaped, monotonic or flat, depending on the relative wages and on the relative cultural diversity at the origin and destination. The theory implies that (1) Tieboutian sorting (people moving to countries where cultural values are closer to theirs) does not hold if countries differ substantially in terms of cultural diversity or wages and (2) migration makes richer and culturally diverse regions more culturally diverse, and poorer and culturally homogeneous regions more culturally homogeneous. Historical examples of migration to North American settlements and an analysis of survey data on migration intentions from Moldova lend empirical support to the theory.

Abstracts

Keynote Lecture

Yuliya Kosyakova: “Rational Expectations and Human Capital Accumulation of Immigrants”

Integration of immigrants is a priority in many destination countries. However, empirical evidence constantly reveals that immigrants are overrepresented among the unemployed and underrepresented among the employed; they face lower wages, larger overqualification rates, and lower job quality compared to native population. These disadvantages are persistent over time, across countries, across migrant groups, and over generations. What are the causes of these enduring economic disadvantages of migrants? The first part of the keynote intends to present a basic model of the integration of migrants in the labor market and to discuss relevant components of the model considering findings from the previous research. The model hinge on the newer theoretical developments from the Segmented Assimilation Theory or New Assimilation Theory (Alba and Nee 1997) following which, immigrant integration should be conceived as a two-sided process involving integration efforts from both newcomers and established members of the receiving society. Looking for the optimal solution from their own point of view, the involved actors are assumed to act in a rational way in order to maximize their utility levels in a given opportunity structures. The model additionally elucidates the link between immigrants’ labor market integration and national institutional settings.

The second part of the keynote focuses on the immigrants’ investments into host-country human capital, a strategy allowing immigrants to mitigate their economic disadvantages in the destination labor markets. In particular, the co-authored article analyzes¹ individual factors and situational conditions under which immigrants are more or less likely to invest in host country-specific human capital. Theoretically, we root our expectations in a strand of the immigrant human capital investment model combined with a basic model of educational decisions. Using a choice experiment, we simulate a decision process among refugees in Germany and examine the determinants of investment decisions into host country-specific credentials such as vocational education. The choice experiment was introduced in the IAB-BAMF-SOEP Survey of Refugees (2020), a representative longitudinal survey of recently arrived refugees in Germany. We find that refugees’ probability of investing in vocational education is guided by the transferability of foreign human capital, the time horizon to reap investments, and rational cost-benefit considerations. The probability of success is influential on its own but also bolsters the relevance of costs and benefits in educational choices.

¹ Damelang A. and Kosyakova Y. (2020) To work or to study? Postmigration educational investments of adult refugees in Germany – evidence from a choice experiment. *IAB Discussion Paper* 31.

Abstracts

Session III: Migration Impact on Host Societies

Adam Lavai, Riccardo Turati: “The Impact of Immigration on Workers Protection”

Even though the current literature investigating the labor market impact of immigration assumes implicitly or explicitly labor market regulation as exogenous to immigration (both in terms of size and composition), this is not necessarily the case. This paper shows that the composition of the immigrant population affects the degree of workers protection over a sample of 70 developed and developing countries from 1970 to 2010. After building a workers protection index based on 36 labor law variables and exploiting a dynamic panel setting using both internal and external instruments, we find that migrants impact the destination countries’ workers protection mainly through the degree of workers protection experienced in their origin countries, captured by an “epidemiological” effect. On the other hand, the size of the immigrant population has a small and rather insignificant effect. The results are robust to alternative and competing immigration effects such as diversity, polarization and skill-selection. The effects are particularly strong across two dimensions of the workers protection index: worker representation laws and employment forms laws. This paper provides suggestive evidence that immigrants’ participation to unions and its implications for the political actors is one of the potential mechanisms through which the epidemiological effect could materialize. Finally, calculations based on the estimated coefficients suggest that immigration contributes to a reduction of the degree of workers protection, particularly in OECD high-income countries.

Julia Bredtmann, Lisa Sofie Höckel, Sebastian Otten: “The Intergenerational Transmission of Gender Role Attitudes: Evidence from Immigrant Mothers-In-Law”

Previous literature has shown that attitudes and preferences are intergenerationally transmitted from parents to their children. We contribute to this literature by analyzing whether gender role attitudes are also transmitted across cultural boundaries, i.e., from immigrants to natives. Focusing on mixed couples, we examine whether the gender role attitudes of foreign-born mothers-in-law can explain the fertility and labor supply decisions of native US women. Our results reveal that women’s labor market participation is significantly positively related to the gender role attitudes in her mother-in-law’s country of origin. Employing a new identification strategy, we show that this finding is due to the intergenerational transmission of gender norms rather than other unobservable characteristics of the mother-in-law’s country of origin. These results suggest that the cultural values held in their source country do not only influence the behavior of immigrants and their descendants, but can also affect the labor force participation of native women. We do, however, not find evidence that intergenerationally transmitted gender role attitudes affect the fertility behavior of native women.

Abstracts

Session IV: Migrant Employment

Miriam Beblo, Luise Görge, Eva Markowsky: “Does Early Exposure to Gender Equality Influence Labor Market Outcomes as Adults? Migration as a Natural Experiment”

In this paper, we study childhood immigration as a natural experiment to examine the influence of length of exposure to gender equality on gender gaps in education and labor market outcomes. We compare immigrants' gender gaps in 29 European host countries with differing levels of gender equality in formal and informal institutions. Our findings suggest that females who migrate to host countries with higher gender equality scores show higher levels of education, a higher probability to be employed and more working hours - even more so if they arrived before the age of ten compared to 10 to 14 years of age. While males are generally better integrated into the labor market than females, and also when they arrive at young age, we find no influence of gender equality in the host country on their levels of education and labor force participation. We conclude that gender equal host societies are benefitting the economic success of female migrants.

Lucas Guichard, Ignat Stepanok: “International Trade, Intellectual Property Rights and the (Un)employment of Migrants”

We study the effect of trade liberalization and intellectual property rights (IPR) protection on the unemployment rate of migrants relative to non-migrants. We build a North-South trade and growth model with a positive steady state rate of migration. We find that bilateral trade liberalization decreases the relative unemployment rate of migrants when migration is low and increases the relative unemployment rate when the migration rate is high. The results do not rely on assumptions about net network effects, the probability to find a job for a migrant is independent of the size of the migrant diaspora. IPR protection leads to a higher relative unemployment rate of migrants regardless of the size of migration. We empirically test and confirm the theoretical predictions on trade liberalization and IPR protection using data for 20 OECD countries over the period 2000-2014.

Participants

Last Name	First Name	Affiliation
Bedaso	Fenet	IAAEU Trier & Trier University
Carrozzo	Salvatore	University of Turin and Collegio Carlo Alberto
Feld	Jonas	IAAEU Trier & Trier University
Fidrmuc	Jan	Brunel University London
Goerke	Laszlo	IAAEU Trier & Trier University
Hartmann	Sven	IAAEU Trier & Trier University
Höckel	Lisa Sofie	RWI – Leibniz Institute for Economic Research
Homolka	Konstantin	IAAEU Trier & Trier University
Huang	Yue	IAAEU Trier & Trier University
Kosyakova	Yuliya	IAB Nuremberg & University of Mannheim & University of Bamberg
Markowsky	Eva	University of Hamburg
Palermo	Alberto	IAAEU Trier
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Notes

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