

# **Immigration and labour market outcomes: immigrant self-employment, native task reallocation and the role of policies**

By

Magdalena Ulcelușe

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Supervisor: Professor Martin Kahanec

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## Abstract

In order to meet skill shortages, manage incoming migration flows and ensure immigration is a win-win for both immigrants and the host economy, policy-makers need more information about the dynamic between immigration and labour market outcomes: (1) how do immigrants adjust and fare in the local labour market?, and (2) how does immigration affect the host economy? The dissertation explores a number of aspects of precisely these questions, and discusses their implications for policy debates and scholarship. It engages with theoretical arguments concerning the importance of host country policies and the way they impact immigrants' employment, and in the end their productivity and contribution to economic development.

The dissertation is composed of four self-contained chapters that analyse complementary aspects of the interaction between immigration and labour market outcomes. The first substantive chapter investigates the effect of immigration policies, with results highlighting the importance of considering the effect they have in shaping the volume and skill composition of immigrants, as well as their labour market trajectories and subsequent economic activities. The second substantive chapter investigates the effect of employment protection legislation for regular and temporary contracts, with results pointing to the interdependency between the two types of regulations and the fact that changes in one sphere should be interacting with changes in the other one. The third substantive chapter examines how self-employment interacts with overeducation and shows that self-employed individuals have a lower likelihood of being overeducated, likelihood that decreases with age. In accordance with the existing literature, overeducation is also likelier for women. Lastly, the fourth substantive chapter examines the effect of an increase in the relative supply of immigrants on the natives' task reallocation. The chapter finds that an increase in the share of

immigrant population has a negative effect on the native populations' relative supply of manual and communication skills, with significant gender differences.

One major contribution of the dissertation is the bringing back into research the concept of immigrant agency. Immigrants are not passively reacting to external factors, but rather proactively trying to overcome labour market barriers that might come their way, for instance, by becoming self-employed. From a policy perspective, this perception shift might add another layer of complexity to the already intricate matter that is the relationship between immigration and the labour market, yet it may constitute a step further towards ensuring that the right mix of policy measures is put in place to ensure that immigration is a win-win strategy.