



*Empirical Studies in Labour and Migration Economics*  
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This thesis consists of three empirical studies investigating topics in the fields of labour and migration economics. The summary provides an overview of the research questions addressed, the methodologies used to answer those questions, and the conclusions from this research.

Chapter 2 falls in the realm of labour economics. At the heart of this chapter stands the question of whether international differences in earnings inequality between skilled and (relatively) unskilled workers can be explained by differences in the relative supply and demand for skilled and unskilled workers across countries. The workhorse model for this analysis is the canonical supply and demand model for skill. The empirical implication of the model is a negative relationship between relative net supply (i.e., supply minus demand) differences and earnings inequality: the larger the net supply of, for example, high skilled workers relative to others, the smaller the degree of earnings inequality between high skilled workers and others. The study makes use of a dataset that measures skill on a comparable scale across a wide range of countries to test this relationship. The dataset contains direct measures of numeracy, literacy and computer skills of over 50,000 adults from 15 countries. Using these measures to divide the sample into three skill groups (high, medium and low), the results suggest that, overall, the simple supply and demand framework explains roughly 30 percent of the international variation between skill groups' earnings. This is a sizeable proportion, and in spite of the fact that country-specific labour market institutions may work against this mechanism. The results are particularly pronounced for workers at the bottom of the skill distribution, where supply and demand account for almost 50 percent of the international differences in relative earnings. The estimated relationship across countries states that a 10 percent lower relative net supply of low-skilled workers is associated with 1.5 percent higher relative earnings. This study is the first to look at computer skills in that framework and to consider a complete labour market that includes women and unemployed people in the sample.

Both Chapter 3 and Chapter 4 are placed in the field of migration economics, dealing with the topical issue of refugee migration. Chapter 3 examines one particular aspect of refugee migration that has received little attention in the economics literature: How does the resettlement of refugees into a small township affect social capital among the natives? Specifically, how does the local population's level of trust and attitudes to refugees change due to exposure to refugees? These questions are addressed by means of a case study in rural Australia, in which the locals of a small country town experienced a large influx of refugees over the course of a few years. The resettlement was exogenous with respect to social indicators of the township and filled an unmet labour demand in the host community. The former feature helps to establish a credible comparison between this town and other control towns that are similar in a variety of dimensions, except for the contact with refugees. The latter characteristic allows to focus on the social impact of contact with refugees, without the confounding effects of increased labour market pressures or higher crime rates that are sometimes associated with refugee migration. The study combines self-collected data on trust towards refugees and natives from an incentivised survey (using the trust game) with repeated cross-sectional survey data on other indicators of social capital from treatment and control towns. A difference-in-differences approach shows that the resettlement has left social capital unchanged in most dimensions, but has had a positive effect on trust to refugees relative to natives particularly for the female population. Furthermore,

residents of the treated town developed more favourable views on refugee resettlement in general. A weighted synthetic control group analysis supports these findings, which are a promising first step in advancing research into what could make refugee resettlement beneficial for both sides.

Chapter 4 broadens the perspective on the impact of exposure to refugees on the host population by focusing on attitudes to immigration as a more general outcome measure in a country-wide analysis. This study uses administrative data on all refugee centres in the Netherlands over a six year period, which allows to distinguish between different dimensions and intensities of exposure to refugees. Specifically, the duration of exposure, numbers exposed to and proximity to the individual may influence attitudes in different ways. Looking at these dimensions separately and in interaction with each other is a novel contribution to the literature that has the potential to reconcile the prevailing diverging results. To show this, the study combines the data on exposure to refugees with individual-level panel data on attitudes to immigration. Individual fixed effects regressions reveal that exposure to small numbers of refugees has a significantly positive effect on attitudes if experienced for a long enough time. Exposure to large numbers of refugees significantly reduces attitudes, particularly with a short duration of exposure. Overall, the results only hold when individuals are exposed to refugees in close proximity (i.e., at the level of the neighbourhood as opposed to the municipality). These findings complement the insights from Chapter 3 and help to reconcile differences across several studies; as a first systematic approach to what 'exposure to refugees' entails, they provide useful advice to policymakers.