



You are cordially invited to

## **UCLouvain Economics Seminar**

**On Thursday March 21, 2019, from 12:45 to 14:00**  
**Doyen 22, Place des Doyens, 1**

**Gianluca Orefice**  
(CEPII)

Will give a presentation on

### **Immigration and Worker-Firm matching**

**Abstract:** The matching between firm and workers is an important mechanism affecting average productivity and wage dispersion. Denser and more diversified labor markets may encourage positive assortative matching which in turn increases average productivity, average wages and profits in the area. We think of immigration as increasing the range of skills and the "thickness" of local labor markets. This may increase the returns to doing screening for firms, which increases the extent of positive assortative matching. Using French matched employer-employee (DADS) data we document a novel fact about the hiring decision of French firms. Positive changes in the local supply of immigrant workers improves the matching between workers and firms captured by a stronger rank correlation in the firm-worker types. We show that this association may be causal. This is a quantitatively significant and yet unexplored channel through which immigrants may be beneficial to local productivity. It contributes to explain the lack of a negative effect of more immigrants on native wages (Joint paper with G. Peri)

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