

# A firm level perspective on migration

Giulia Bettin, Alessia Lo Turco and Daniela Maggioni\*

## Abstract

Making use of the 9<sup>th</sup> wave of the Capitalia survey for the period 2001-2003, we address the role of migrant workers from extra-EU in manufacturing production providing firm-level evidence on their substitutability/complementarity with respect to the other production factors. We also try to uncover whether their role in production changes according to the firm's size, location, activity and international involvement. The insight gathered from the analysis of partial price and demand elasticities confirms the complementarity (both *p*- and *q*-complementarity) between migrants and natives in manufacturing production and show their *p*-complementarity with respect to capital and *p*-substitutability with respect to material and services. However some differences emerge across the heterogeneity dimensions that we explore (i.e. size, location, sector and international involvement). Also, we calculate the Morishima elasticities of substitution which show that in general domestic and foreign labour seem to be MES-substitutes.