

Do immigrants enjoy working more than British natives?

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A growing perception of risks related to immigration is bringing many European countries to question the free mobility of workers. Particularly critical is the position of the UK, after voting on exiting the European Union, the so-called “Brexit”.

These episodes reveal a very pessimistic and negative view about migration, which does not consider the important contribution of immigrants to the economic success of destination economies in the medium and long run. Immigration increases diversity of productive skills supplied in the labor market, and favours innovation thus raising productivity of the country (Ortega and Peri, 2014). Immigrants, by filling up manual intensive and relatively unskilled jobs, allow companies to expand and create jobs that also natives will take (Peri and Sparber 2009). Through this job creation effect, immigration has a positive effect also on wages, particularly of less educated native workers, with no negative consequence on native employment (Docquier et al., 2014).

The migration phenomena are also likely to benefit the country of destination through an interesting effect based on the cultural preference for work of some immigrants. In a recent study, we analyse how the presence of immigrant workers contributes to creating a cultural diversity in preferences between work and free time, which can have beneficial effects on the labor market of a country. Individual preferences have a cultural trait, common to all the workers from the same country of origin, which is transmitted from one generation to the next.

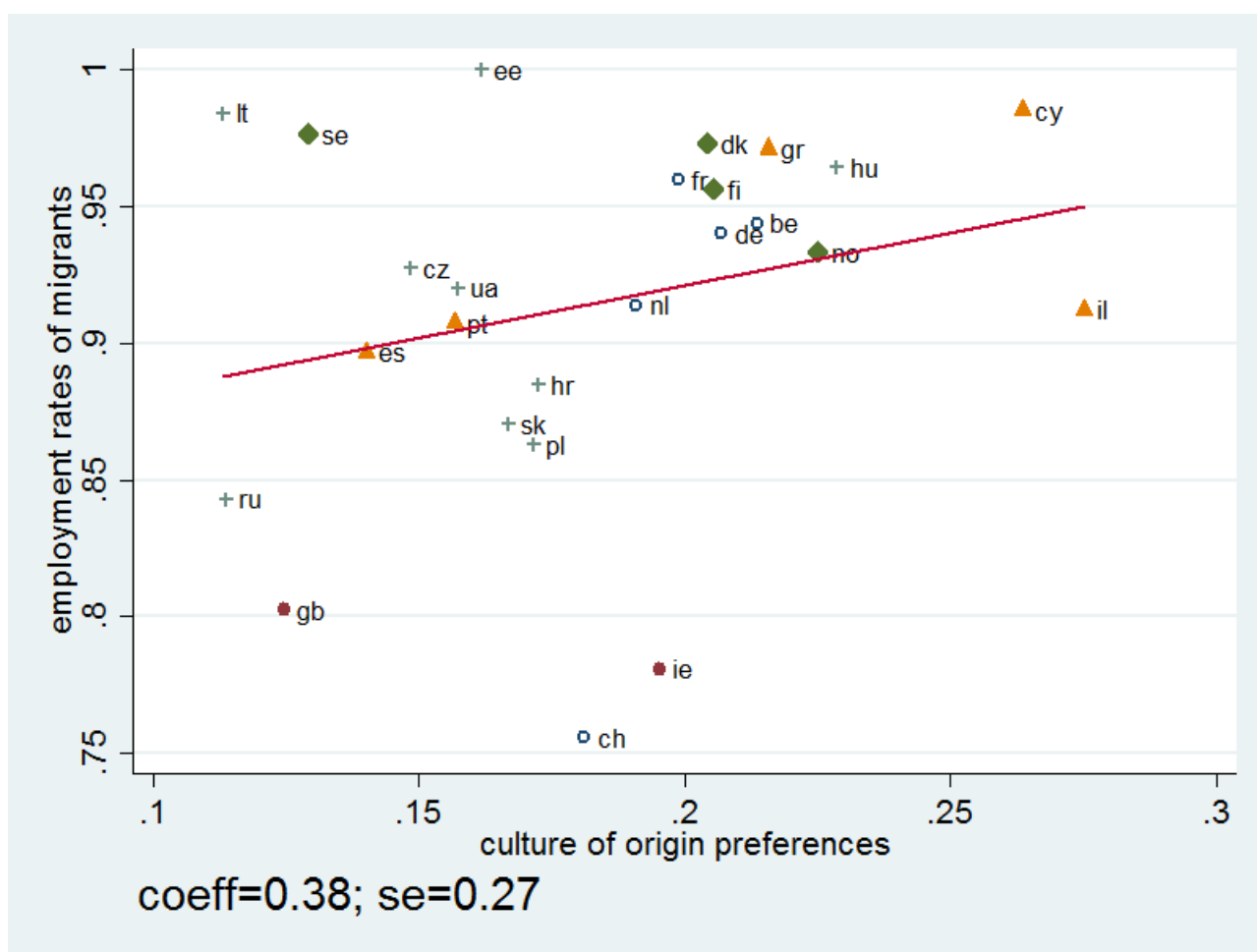
Using surveys on preferences, it is easier to identify the effect of this cultural trait on the employment outcomes of individuals who live and work in a European country other than their own. As institutions and policies have a remarkable influence on employment outcomes and are often correlated with the country culture, it is difficult to isolate the effect of cultural-driven preferences on employment for individual who live and work in their country of origin. Conversely, observing the emigrants allows us to isolate the effect of preferences from those of country institutions, as migrants bring their preferences but not their labor market institutions to the receiving countries.

Our study shows that citizens of countries like Poland, Hungary, Bulgaria show strong preference for working as their cultural background stresses the importance of working for own personal and social accomplishment. In

particular, their preference for working is stronger than that of citizens of richer countries such as the UK. Figure 1 shows the correlation between the intensity of preferences for work in the country of origin and the average employment rate of male immigrants, working age (15-64), from the same culture of origin, and residents in all the other countries. The focus on males reduces the role of other cultural and economic factors, which are very important in female participation.

The intensity of preference for the job is measured as the proportion of residents in the country of origin (“natives”), who “strongly agree” with the statement: “I would enjoy having a paid job even if I did not need the money”. This measure of preferences is obtained after taking into account the effect of age, education, household characteristics (e.g., the presence of children), education and employment of the parents. These factors, could affect not only the preferences, but also the individual capacities, and the minimum level of income that makes an individual willing to work (reservation wage).

Figure 1: Culture of origin and employment of migrants, males between 15 and 64 years



Sources: Authors’ calculations on data of the “European Social Survey”, 2004-2012. See Moriconi and Peri (2015)

The figure shows a positive correlation compatible with the interpretation that preferences for working are an important determinant of the probability of employment for emigrants abroad, wherever they are. This positive association emerges more clearly after controlling for the characteristics of the destination countries. In addition, the effect of preferences appears distinct from that of other important characteristics of the country of origin such as the quality of schools, income levels and inequality, employment and unemployment rates, and other values, or

individual attitudes. These factors may be related not only with the migrants' preferences for work, but also with their skills, and with the migrants' choice to leave their country of origin.

The graph also shows considerable heterogeneity in preferences between countries. Surprisingly, a rich country like Britain has a weaker preference for work than countries of South and Central Eastern Europe, although these are less "successful" economies. Once outside the institutions and the policies of their countries of origin these individuals reveal a strong preference for working in that their probability of employment is very high, and higher than that of British people.

In light of this evidence, "Brexit" could be harmful to the United Kingdom. Immigration of workers from countries such as Greece, Hungary and Poland, is not only beneficial from an economic and fiscal point of view. The permanent immigration from these countries also allows the UK to "import" a cultural trait that rewards individual commitment to work. Brexit, by discouraging permanent immigration, will probably hinder this source of cultural diversity. Our back of the envelope calculations suggest that this may cost over three percentage points' decrease in the national employment rate in the long term.

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Notes:

- This article is based on the authors' paper [Country-Specific Preferences and Employment Rates in Europe](#), presented at the 31st Annual [Congress](#) of the European Economic Association in Geneva, August 2016.
- The post gives the views of its author, not the position of LSE Business Review or the London School of Economics.
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