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Titolo: The impact of immigration on local labor markets: evidence from the 2007 EU enlargement

Migration has a central role in the public debate, and increasingly so. There is widespread concern that immigrants exert downward pressure on wages and reduce job opportunities for natives, resulting in an overall negative impact for local workers. While the issue has been intensively studied in other countries, Italy does not have a comprehensive economic literature on the impacts of immigration yet. The Italian case is of particular interest because of the major changes that brought it to be a destination country for migrants only in recent years.

In this project, we aim at providing a general understanding of the impacts of immigrants' influx on the labor market outcomes for native workers in Italy, with a particular focus on dynamics induced by immigration in local labor markets. To do so, we are going to exploit a unique quasi-natural experiment: the enlargement of the European Union, that suddenly changed the legal status of immigrants coming from specific countries.

We start with a preliminary descriptive analysis in order to understand the evolution of immigrants' employment and their distribution across locations and industries. We then proceed to evaluate how immigration-induced changes in these relative supplies affect the employment/labor force rate and wages of the native population, adopting empirical strategies that correct for the potentially endogenous immigrants' location choices.

Focusing only on wage and employment of native workers would not provide, however, a complete picture of the dynamics at place. A more comprehensive approach needs to study local labor market responses, accounting for both workers and firms responses. We will therefore investigate the effect of immigration on natives' geographic and sectorial mobility, as well as movement within and across firms. Furthermore, we will look at firms' responses in terms of investment, technology adoption and job creation. We are interested also in exploring whether within firm or within industry capital/labor relationships will be affected. Lastly, we plan to study heterogeneous effects that take place across different types of industry and across country regions.