

Competing with the natives: Does discrimination explain migrants' labor market outcomes?

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Using data from 1990-2013 from the German Socio-Economic Panel study we analyze how the opinion climate in the form of hostility or openness toward migrants shape their opportunity structure on the labor market. The analysis differentiates between natives, first and second generation migrants in West Germany. Hourly wages and in-work poverty are the labor market outcomes of interest. We use subjective experiences of discrimination as reported by migrant respondents in the SOEP and vote shares of extreme right parties in federal elections as indicators of the opinion climate towards migrants for each year in the observation period. Our analysis shows that the opinion climate shapes migrants' labor market outcomes. While first generation migrants are not affected, because they work in jobs not attractive for natives, second generation migrants suffer from a hostile opinion climate. Our research adds another dimension to the analysis of discrimination. Instead of treating discrimination indirectly as a statistical residual we try to provide a direct measure by referring to the society's opinion climate.

Literature:

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