

## **“A firm level perspective on migration”**

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We address the role of migrant workers from extra-EU countries in Italian manufacturing production at the firm-level. Cross price and demand elasticities confirm the complementarity found in previous studies between migrants and natives, which holds when native workers are split into white and blue collars. However, when measuring how the ratio of domestic to migrant (migrant to domestic) workers changes in response to a change in the migrant (domestic) wage - Morishima Elasticity of Substitution - we find that the two labour inputs are substitutes.

We further analyse the effect of the use of foreign labour in manufacturing firms on the industry composition. We find that, *ceteris paribus*, had migrant labour not grown in our sample period, the weight of Low Skill intensive sectors would have been approximately 2% lower and the white to blue collars ratio would have been slightly higher than observed, even accounting for the complementarity between natives and migrants.