

MANAGEMENT

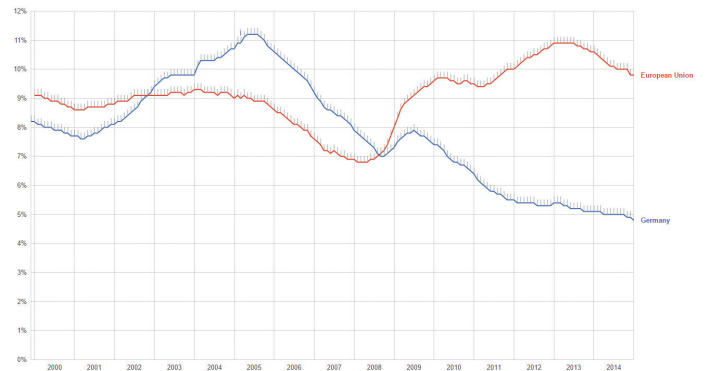
The Impact of the Population of Foreigners From Specific Regions on German Employment from 2000 to 2014

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Many unemployed persons in the European Union lost their jobs after the outbreak of the European debt crisis, while Syrians were forced to leave their country due to the Syrian civil war and fled to the European Union. Meanwhile, Germany encouraged citizens from the European Union to work in Germany as high-skilled laborers and received millions of refugees in 2015. With the rapid population growth, Germany still retained a low unemployment rate. The effects of the population of foreigners on German employment were unknown. Using data from GENESIS-Online Datenbank from Statistisches Bundesamt, the effect of the foreign population from the European Union as well as South and West Asia on Germany's employment and unemployment rates was examined. Controlled by education level and age, the sample pulled employment data from 16 Länders (federal states) from 2000–2014. After applying the fixed effects model, I conclude that the foreigners from different regions have little impact on the employment and unemployment rates. One explanation could be that people move from place to place to fill job vacancies in Germany. Therefore, there would be no impact at the country level. For European countries, non-German speakers might not come to Germany to find employment. The pull effects for people to work in Germany seem ineffective due to factors such as language and cultural barriers among different countries. For graduate degree holders from other countries, huge gaps exist between Germany and other countries' citizens due to language, culture, religious beliefs, and so forth; however, for refugees and

asylum seekers, more and more people are granted permission into Germany, but the availability of job opportunities is limited. Moreover, the high requirements of market entry and relatively long waiting periods for foreigners might also be factors that affect their performance in the German labor market. Further research and tests need to be carried out due to the limitations of this research.

Research advisor Jillian Carr writes: "Zhuolin tackles an important and timely question about immigration and labor markets. He is able to separate out immigrants with different educational and regional backgrounds to show that regardless of region of origin and level of educational achievement, immigrants have no negative effects on unemployment rates in Germany."



The unemployment rate between the European Union and Germany from 2000 to 2014. The German unemployment rate is below the unemployment rate of the European Union after 2008. Data courtesy of Eurostat.