

Bargaining and Immigration in a Macro Model

早稲田大学商学部助教 木口 武博

報告要旨

This paper examines theoretically the macroeconomic effects of immigration on labor market outcomes, especially labor share, for alternative assumptions on the bargaining power of workers using a New Keynesian model with labor market frictions and heterogeneous unemployed workers. Unemployed workers are heterogeneous in the sense that some are short-term unemployed (insiders), the others are long-term unemployed (outsiders). This heterogeneity in unemployed workers may well be helpful in discussing the impact of immigration on the macroeconomy since immigration could be thought of as an exogenous shock to the numbers of outsiders.

We find that, when immigrants enter as outsiders and reduce the bargaining power of workers, labor share of national income shows a hump-shaped decline, which is in line with empirical evidence by a VAR analysis. This suggests that the importance of the role of the worker's bargaining power in investigating the dynamic macroeconomic impacts of immigration, to which no role is given in the standard New Keynesian model. We also consider alternative scenarios where immigrants arrives as employed workers or insiders and find that immigration adversely effects, or directly competes with, the sector they enter, but benefits other sector(s).