The Impact of Foreign Workers on the Labour Market of Cyprus

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Abstract

We examine the impact of the very substantial increase in the employment of foreign workers on production, the growth in output and the wages of domestic workers using time series and cross-sectional data. We find that most recent growth in output can be explained by the increase in foreign workers, which also impacted favourably on the wages of the more educated and skilled domestic workers.

Keywords: Foreign workers, output, growth, wages.