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WHO LEAVES AND WHO STAYS?

THE HETEROGENEOUS EFFECT OF UNEMPLOYMENT ON REMIGRATION

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MOTIVATION

- Temporary migration often overlooked by the literature on migration
- Remigration: a sizeable phenomenon
 - around 20 to 50% of migrants remigrate within 5 years of their arrival in an OECD country (OECD, 2008)
- **Who are those who remigrate?**

PREVIOUS LITERATURE – DEBATES (1)

- **Labor market integration & remigration:** Conflicting theories and empirical findings:
 - **Neoclassical Migration Theory:** return migration explained by unsuccessful economic integration (Lewis 1954, Harris and Todaro, 1970) → *negative selection*
 - **New Economics of Labor Migration:** migration as a risk diversification strategy (Stark, 1991) → *positive selection*
 - Most studies find that successful economic integration is **negatively** associated with remigration...
 - ... But others dispute the universality of this effect

PREVIOUS LITERATURE – DEBATES (2)

- **Initial educational selection & remigration:**
 - Overall, remigrants **positively selected** on education and skills (Lam 1994, Reagan & Olsen 2000, Nekby 2006, Jensen 2007, Gundel & Peters 2008)

HETEROGENEOUS EFFECT OF ECONOMIC INTEGRATION ON REMIGRATION?

- **However**, no analysis on the **heterogeneous effect** of economic integration on remigration depending on migrants' **initial selection**
 - Borjas & Bratsberg's (1996): The direction of **selection of remigrants** depends on migrants' **initial selection** in term of skills
- Because of **faulty measures** of migrant initial selection into emigration

MAIN LIMITATIONS: MEASURING SELECTION (1)

1) Initial **migrant selection** is often measured through **aggregated** indicators

e.g geographical distance, differences in GDP per capita, policy indicators

- Does not capture the relative nature of selection (comparing those who left to those who stayed)
- Hides differences in the level of selection of individual migrants from the same country of origin

- 2) **Remote** proxies based on **strong assumptions**,
e.g. migrants-natives income differences as a measure of
“migrants’ quality” or skills
- Distinction between immigrants’ initial selection and remigrants’ eventual level of economic integration at destination blurred into a single indicator of ‘migrant quality’
 - Ignores differences in skills transferability and discrimination

AIMS OF THE PAPER & CONTRIBUTIONS

- A **direct** and **individual-level** measure of initial selection in terms of education (comparing immigrants to the population in their country of origin)
- To investigate whether immigrant **initial educational selection *modifies*** the effect of **unemployment** on remigration

HYPOTHESIS

- The effect of economic hardships, such as unemployment, is **likely to vary** depending on immigrants' initial educational selection.
- Specifically, initially highly selected migrants who find themselves unemployed are more likely to remigrate than other unemployed migrants.

- British **ONS Longitudinal Study** (LS), 1971-2011
- 1/100 random sample of the population living in England and Wales, followed over censuses linked to “life events”
- Unique strengths to study immigrant mobility:
 - large sample size
 - representative
 - exhaustive coverage
 - long-term prospective panel
- **Barro-Lee** dataset (2013): educational attainment distributions in 146 countries by sex and birth cohort

- **Dependent variable:** leaving England or Wales (presence at time t and absence at time $t+1$ and $t+2$ not explained by death certificates)
- **Variables of interest:**
 - *Initial educational selection:* relative position in the educational distribution of country of origin

MIGRANTS' INITIAL EDUCATIONAL SELECTION



ONS
Longitudinal
Study

Educational attainment of immigrants born in *country c* of *sex s* and *year of birth y* in England/Wales

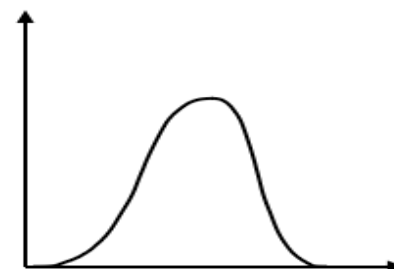
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Distribution of educational attainment of population of *country c* of *sex s* and *year of birth y*



Barro-Lee dataset

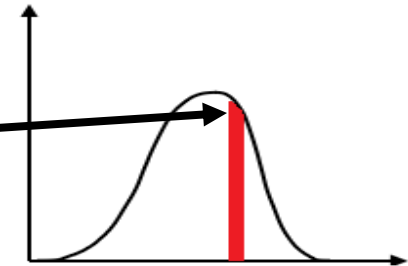
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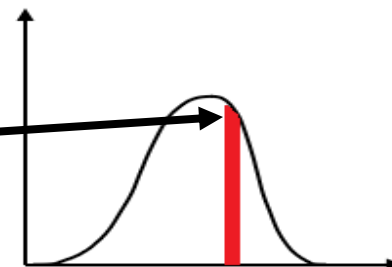
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Barro-Lee dataset

 **Relative position within this educational distribution in percentile, as a measure of initial educational selectivity**

- **Dependent variable:** leaving England or Wales (presence at time t and absence at time $t+1$ and $t+2$ not explained by death certificates)
- **Variables of interest:**
 - *Initial educational selection:* relative position in the educational distribution of country of origin
 - *Economic integration in the country of destination:* economic activity (full-time employed, part-time employed, unemployed, inactive)

METHODS

- Random-effects linear probability models
- Control variables: Country of Birth, Age and Age Squared, Sex, Marital Status, Period
- $N = 25,205$ (person-year: 35,485)

Table 1 – Random-effects regressions predicting remigration with migrants’ initial educational selectivity and economic integration

		Model 1		Model 2	
		Coeff	SE	Coeff	SE
Initial Educational Selectivity		.0028***	.0001	.0026***	.0003
Employment Status	<i>Employed Full-Time</i>	<i>Ref.</i>	<i>Ref.</i>	<i>Ref.</i>	<i>Ref.</i>
	Employed Part-Time	-.0216**	.0078	-.0412*	.0163
	Unemployed	.0123†	.0071	-.0481**	.0158
	Inactive	.0234***	.0060	.0066	.0124
Employment Status*Initial Educational Selectivity				<i>Ref.</i>	<i>Ref.</i>
	Employed Part-Time			.0004	.0003
	Unemployed			.0011***	.0003
	Inactive			.0003	.0002
<i>Person Years Observations</i>		35,485		35,485	
<i>Number of individuals</i>		25,205		25,205	

†p < .10; *p < .05; **p < .01; ***p < .001 (two-tailed z-tests).

Source: Longitudinal Study (ONS, 2011), and Barro-Lee (2013).

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Source: Longitudinal Study (ONS, 2011), and Barro-Lee (2013).

Table 2 – Random-effects regressions predicting remigration with migrants’ initial educational selectivity and economic integration by sex

		Model 3		Model 4	
		Coeff	SE	Coeff	SE
Initial Educational Selectivity		.0027***	.0002	.0025***	.0002
Employment Status	<i>Employed Full-Time</i>				
	Employed Part-Time	-.0948*	.0425	-.0300	.0185
	Unemployed	-.0544**	.0197	-.0522†	.0270
	Inactive	-.1271***	.0344	.0167	.0150
Employment Status*Initial Educational Selectivity					
	Employed Part-Time	.0017*	.0007	.0001	.0003
	Unemployed	.0013***	.0003	.0010*	.0004
	Inactive	.0027***	.0006	.0000	.0002
<i>Person Years Observations</i>		16,799		18,696	
<i>Number of individuals</i>		11,820		13,385	

†p < .10; *p < .05; **p < .01; ***p < .001 (two-tailed z-tests).

Source: Longitudinal Study (ONS, 2011), and Barro-Lee (2013).

Table 3 – OLS regressions predicting remigration with migrants’ initial educational selectivity and economic integration by duration of stay

		<i>Men</i>		<i>Women</i>	
		<i>Recent</i>	<i>Settled</i>	<i>Recent</i>	<i>Settled</i>
Initial Educational Selectivity		.0018*** (.0002)	.0024*** (.0002)	.0014*** (.0003)	.0023*** (.0002)
Employment Status	<i>Employed Full-Time</i>				
	<i>Employed Part-Time</i>	-0.0560 (.0825)	-0.0001 (.0516)	-0.0065 (.0464)	-0.0220 (.0197)
	<i>Unemployed</i>	-0.1279*** (.0368)	.0138 (.0275)	-0.1545*** (.0471)	.0076 (.0385)
	<i>Inactive</i>	-0.1914*** (.0571)	-0.0511 (.0434)	-0.0444 (.0274)	.0326† (.0186)
Employment Status*Initial Educational Selectivity					
	<i>Employed Part-Time</i>	.0011 (.0012)	.0003 (.0010)	-0.0005 (.0007)	.0001 (.0004)
	<i>Unemployed</i>	.0016** (.0006)	.0008 (.0005)	.0017* (.0007)	.0005 (.0007)
	<i>Inactive</i>	.0036*** (.0011)	.0014 (.0010)	.0013** (.0004)	-0.0002 (.0003)
<i>Number of observations</i>		7,720	9,079	8,905	9,791

†p < .10; *p < .05; **p < .01; ***p < .001 (two-tailed z-tests).

Source: Longitudinal Study (ONS, 2011), and Barro-Lee (2013).

CONCLUSION

- Measure of immigrants' initial educational selection to investigate the **heterogeneous effect of economic integration at destination on remigration patterns**
- **Interactive effect:** Highly selected migrants who find themselves unemployed are more likely to remigrate than other unemployed migrants
- Support for the “**Unfulfilled Expectations Hypothesis**”

DATA-RELATED ACKNOWLEDGMENTS

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