



Determinants of localisation of recent immigrants across OECD regions

Joint work GOV/RDP and ELS/IMD

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19th WPTI meeting
7 June 2010

Motivations

Providing an international comparative picture of the migrants' localisation:

- Descriptive analysis of the regional differences
- Understand the main determinants of the localisation
- Identify some key elements to help regional authorities to attract and retain migrants as well as to design appropriate policies to ensure social inclusion of the new waves of migrants

Outline of the presentation

1. The data (sources and definitions)
2. Cross-country descriptive analysis of the patterns of localisation of immigrants at the regional level (with a focus on recent and skilled migrants)
3. Multivariate analysis of the determinants of localisation

1. The data – Sources and definitions

1. New data collection on migration around 2005 at the regional level (21 countries, of which 9 at TL3 level) in the framework of the update and extension of DIOC dataset at ELSA

- Data on the foreign- and native-born populations by age groups, educational attainment, duration of stay and region of birth

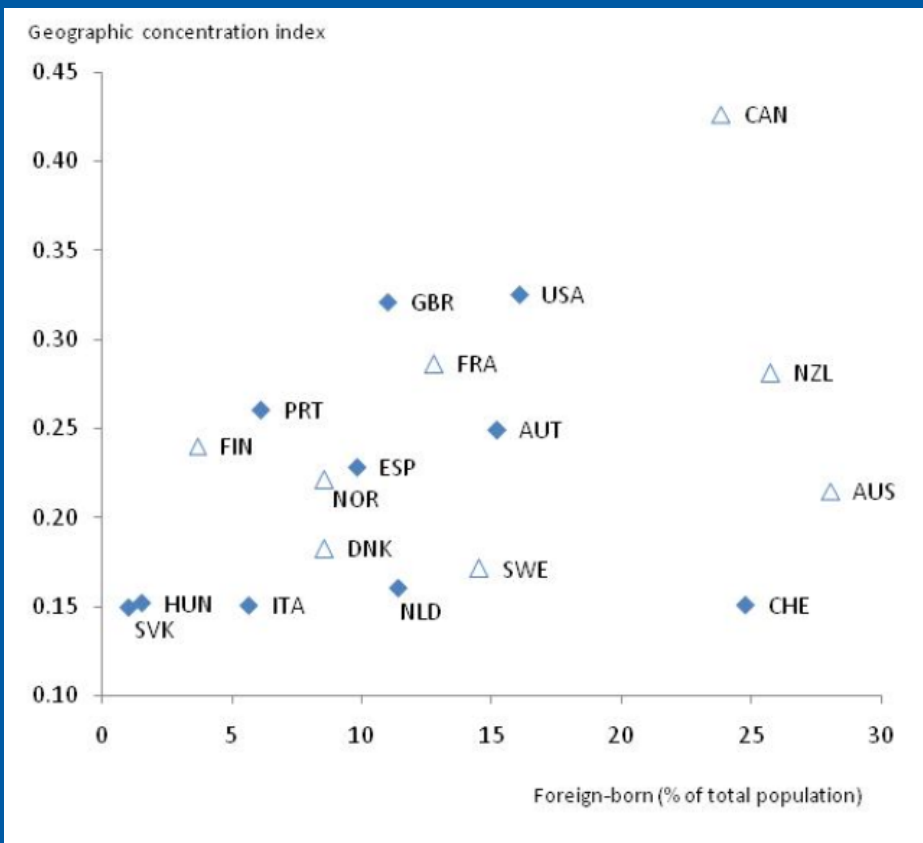
2. Sources

3. Definitions

- Foreign- versus native-born populations
- Recent versus long-standing migrants
- Highly skilled versus low skilled



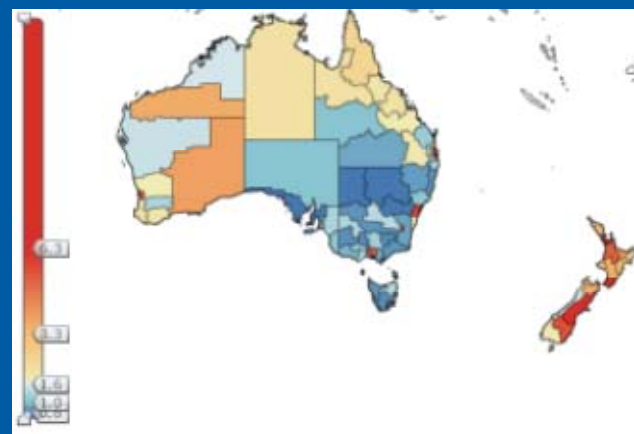
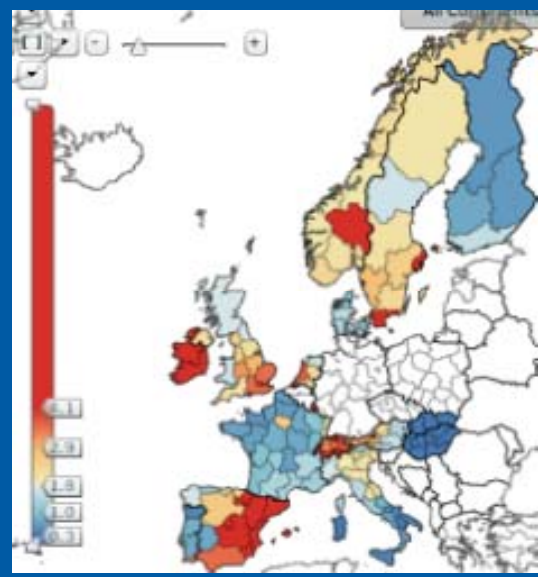
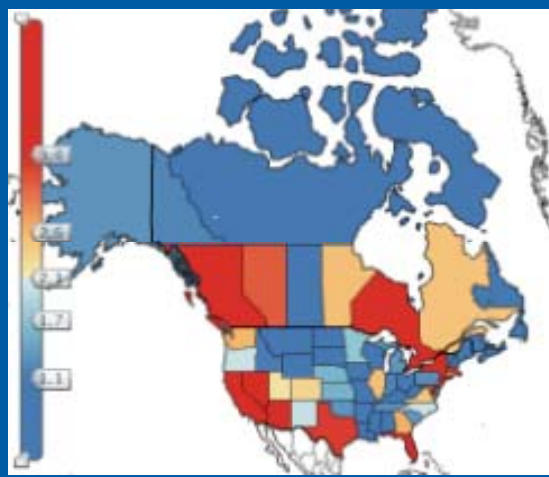
Immigrants tend to be more concentrated than the native population, although significant differences exist across countries



◆ TL2 data ▲ TL3 data

	% of immigrants	Geographic concentration index (TL2 or TL3)
USA	16.1	0.33
GBR	11.0	0.32
CAN	23.9	0.43
FRA	12.8	0.29
PRT	6.1	0.26
AUT	15.2	0.25
ESP	9.8	0.23
NOR	8.6	0.22
DNK	8.6	0.18
FIN	3.7	0.24
NLD	11.4	0.16
SVK	1.0	0.15
HUN	1.5	0.15
SWE	14.5	0.17
CHE	24.8	0.15
ITA	5.7	0.15
NZL	25.8	0.28
AUS	28.1	0.21

Destinations of recent migrants

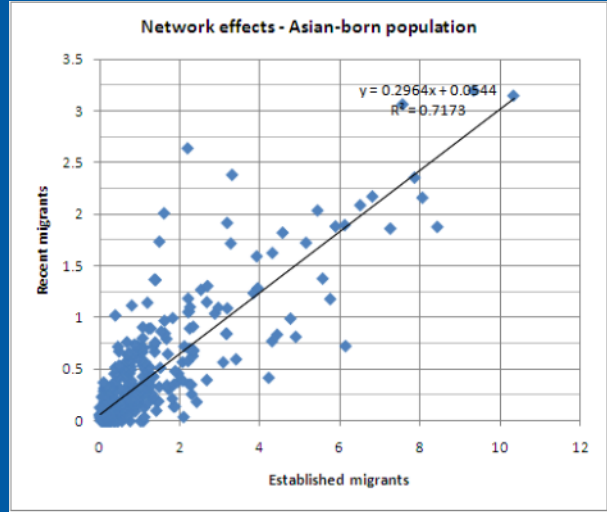


Region	% pop
London (GBR)	13.1
Murcia (ESP)	9.5
Baleares (ESP)	9.4
Com. Valenciana (ESP)	8.8
Madrid (ESP)	8.8
North Island (NZL)	8.3
Rioja (ESP)	7.4
Reg. Lémanique (CHE)	7.3
Cataluna (ESP)	7.1
Luxembourg (LUX)	6.7

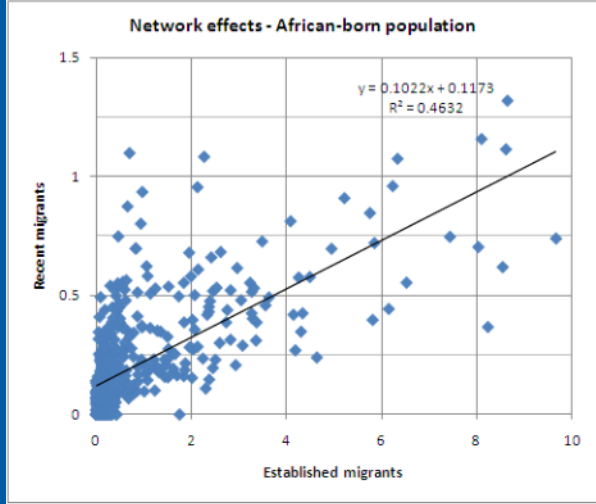
← % of the total regional population

Network effects

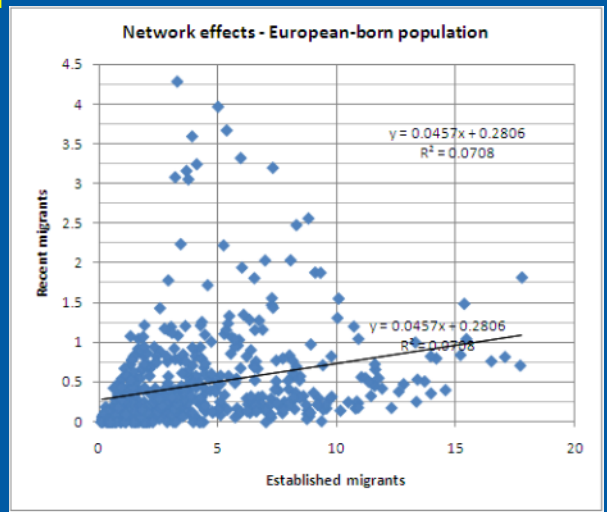
Asian-born



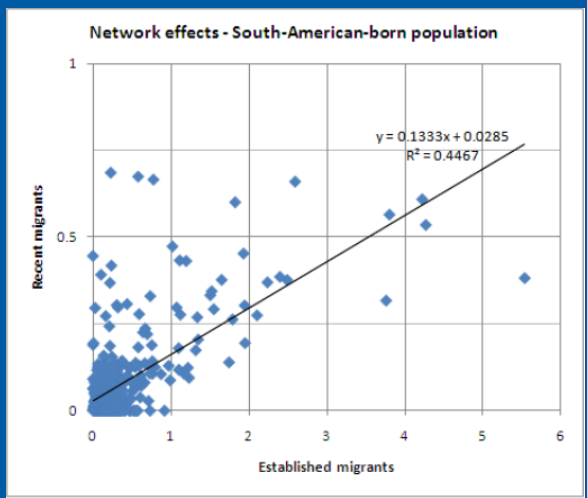
African-born



European-born



South-American-born



Destination of recent skilled migrants



Region	% pop
Reg. Lémanique (CHE)	3.4
Luxembourg (LUX)	3.2
North Island (NZL)	3.2
Ontario (CAN)	2.8
Zurich (CHE)	2.7
British Columbia (CAN)	2.5
Southern & Eastern (IRL)	2.4
Madrid (ESP)	2.1
Com. Valenciana (ESP)	2.1
New South Wales (AUS)	2.0


← % of the total regional population

Determinants of location choices, model...

$$\text{Inflows}_{ijy} \text{ (2001-2005)} / \text{Pop}_i = \alpha_{ijy} + \beta' N_{ijy} + \gamma' X_{iy} + \lambda_j + \eta_y + \varepsilon_{ijy}$$

Variables	Model 1, Without country fixed effects	Model 2, With country fixed effects
Established Migrants	0.001***	0.001***
Population Density	4.52E-06	-8.04E-06
Per-capita GDP	2.94E-07	2.24E-07
Unemployment rate	-0.00143*	-0.00366***
Participation Rate Women	-0.00246***	-0.0014
Employ. Agriculture	-0.234**	-0.149
Employ. Services	0.000736	0.145***
Employ. Construction	1.058***	-0.138
Highly educated	0.00124**	-0.00125
<i>Observations</i>	807	807
<i>R2</i>	0.345	0.392

...summary of main results

- **Network effects** and inertia in location choices: around 15% of the variation in recent immigration across regions is explained by differences in stocks of established migrants
 - **Regional production structure** and **local labor market** dynamism matter (also when controlling for country fixed effects). Migrants choose regions, not only countries
 - Once we control for networks and labor market characteristics, **no evidence** of higher concentration of migrants in **highly densely populated** areas
- 
- Higher attractiveness of medium-sized agglomerations and new economic poles?

Modelling the share of skilled immigrants

$$\text{Skilled}_{ijy} \text{ (2001-2005)} = \alpha_{ijy} + \beta_1' \text{NSk}_{ijy} + \beta_2' \text{NUns}_{ijy} + \gamma' X_{iy} + \lambda_j + \eta_y + \varepsilon_{ijy}$$

Variables	Model 1, Without country fixed effects	Model 2, With country fixed effects
Established Skilled	0.257*	0.206**
Established Unskilled	-0.413**	-0.385**
Population Density	-0.00283	0.00204
Per-capita GDP	-0.00011	-0.00015
Unemployment rate	-1.411***	-0.633**
Participation Rate Women	-0.600**	-0.396*
Share of aged 65+	-53.11**	7.426
Employ. Agriculture	-96.68***	-52.40**
Employ. Services	34.02**	-13.87
Employ. Construction	-349.6***	-36.01
Highly educated	0.129	0.443**
<i>R</i> ²	0.354	0.464

Summary of main results

- Proportion of skilled migrants in the region is a significant pull factor for further skilled migration...
- ... skilled and unskilled migrants are likely to use two distinct migration corridors
- Again density fails to be a significant predictor...
- While labor demand characteristics at the regional level seem to play a role (unemployment, labor supply of women and share of old people)
- Education levels explain different skill composition of migrant inflows within countries

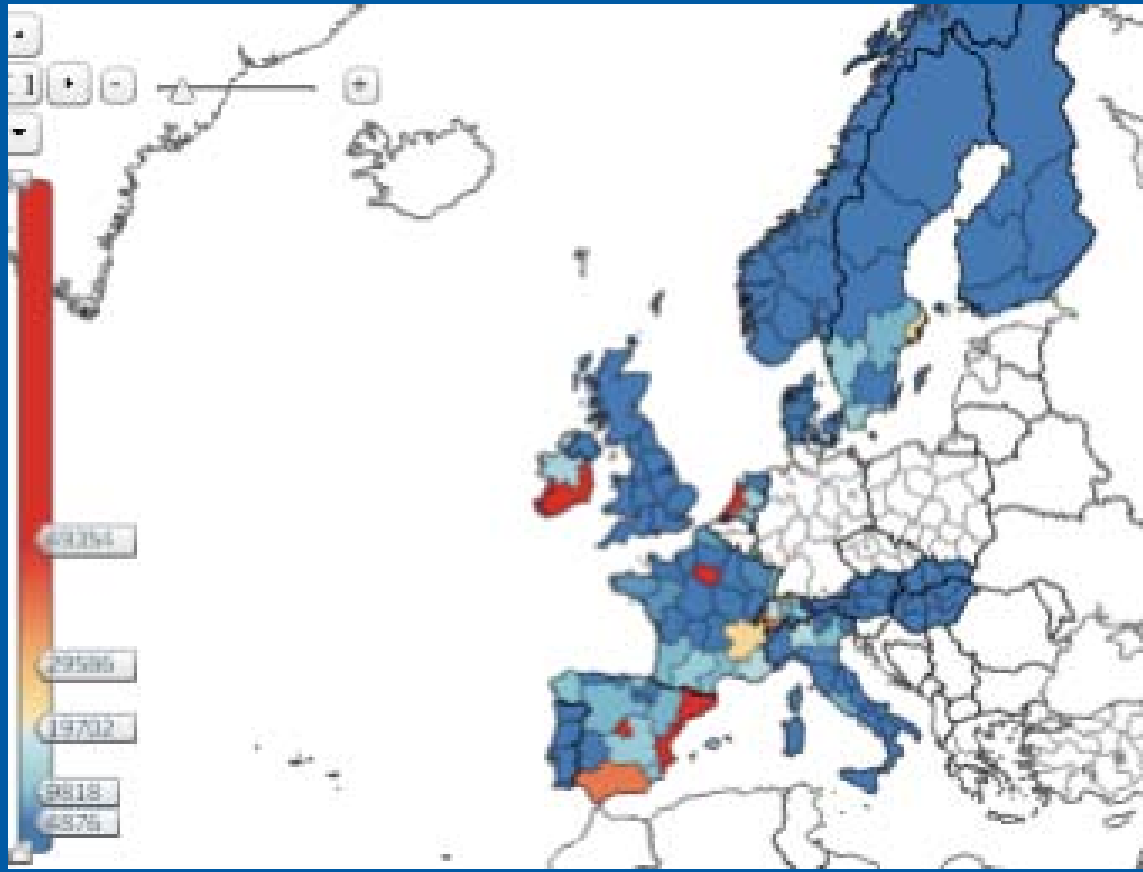
Relevance for regional policies

1. Increasing role of regional authorities in attracting migrants to fill labor shortages
2. Need of better integrating migration and regional policies, mainly through multi-level coordination
3. Importance of improving the effectiveness of policies for:
 - anticipating changes in demand for infrastructure and services due to immigration
 - facilitating integration of migrants through targeted policies

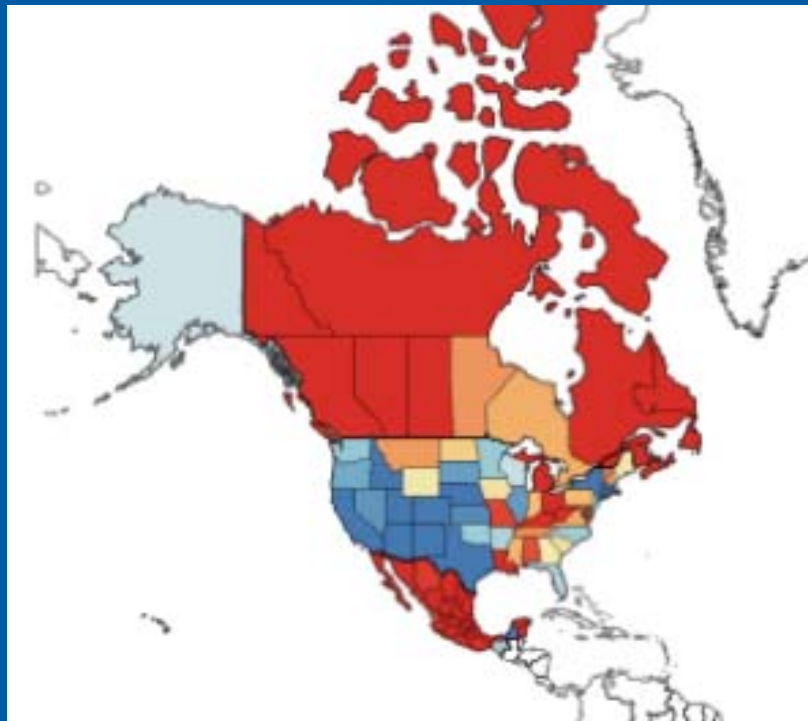
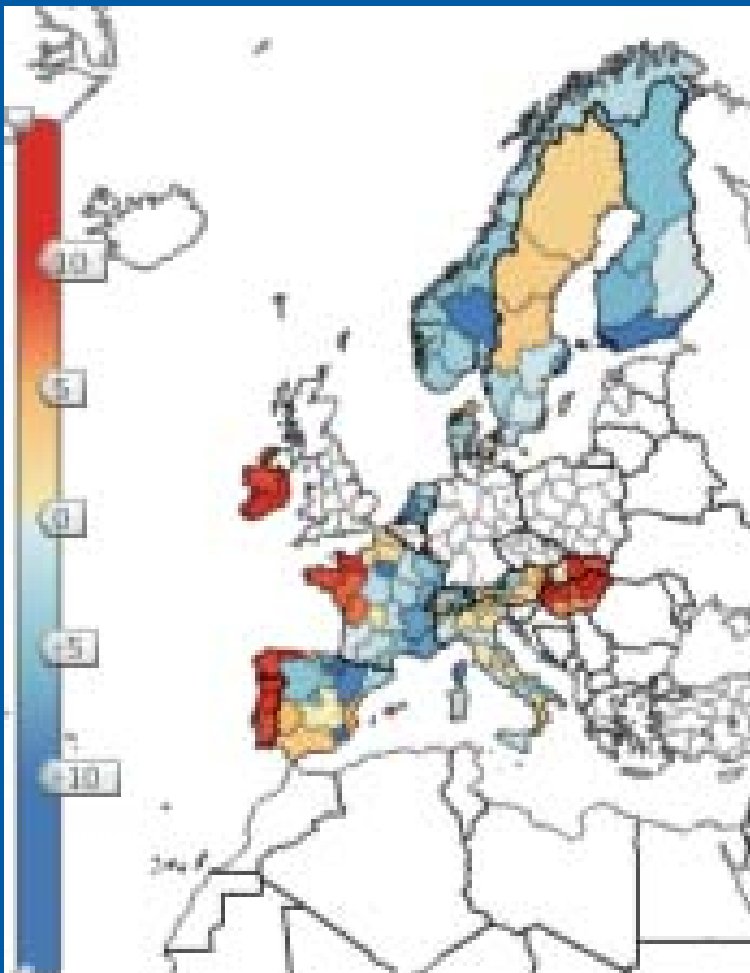
Further work

1. Finalize the data collection of DIOC with extension at the regional level
2. Extend the data to other characteristics of the migrants (e.g. employment status, gender...), cross with Regional Development Database (WPTI) to better assess demographic and skill complementarities among natives and migrants at the subnational level.
3. In the longer term, collect comparable data for 2010-2011 to assess how changes in regional characteristics (and possibly in migration policy) are associated to changes in the size and composition of inflows.
4. Develop case studies on regions or metropolitan areas studying in depth **where migrants locate, the challenges for regional/urban policies and relevant examples of effective policy responses**

Recent Skilled



Difference in education of migrants and natives



Proportion Skilled/Unskilled Migrants

