

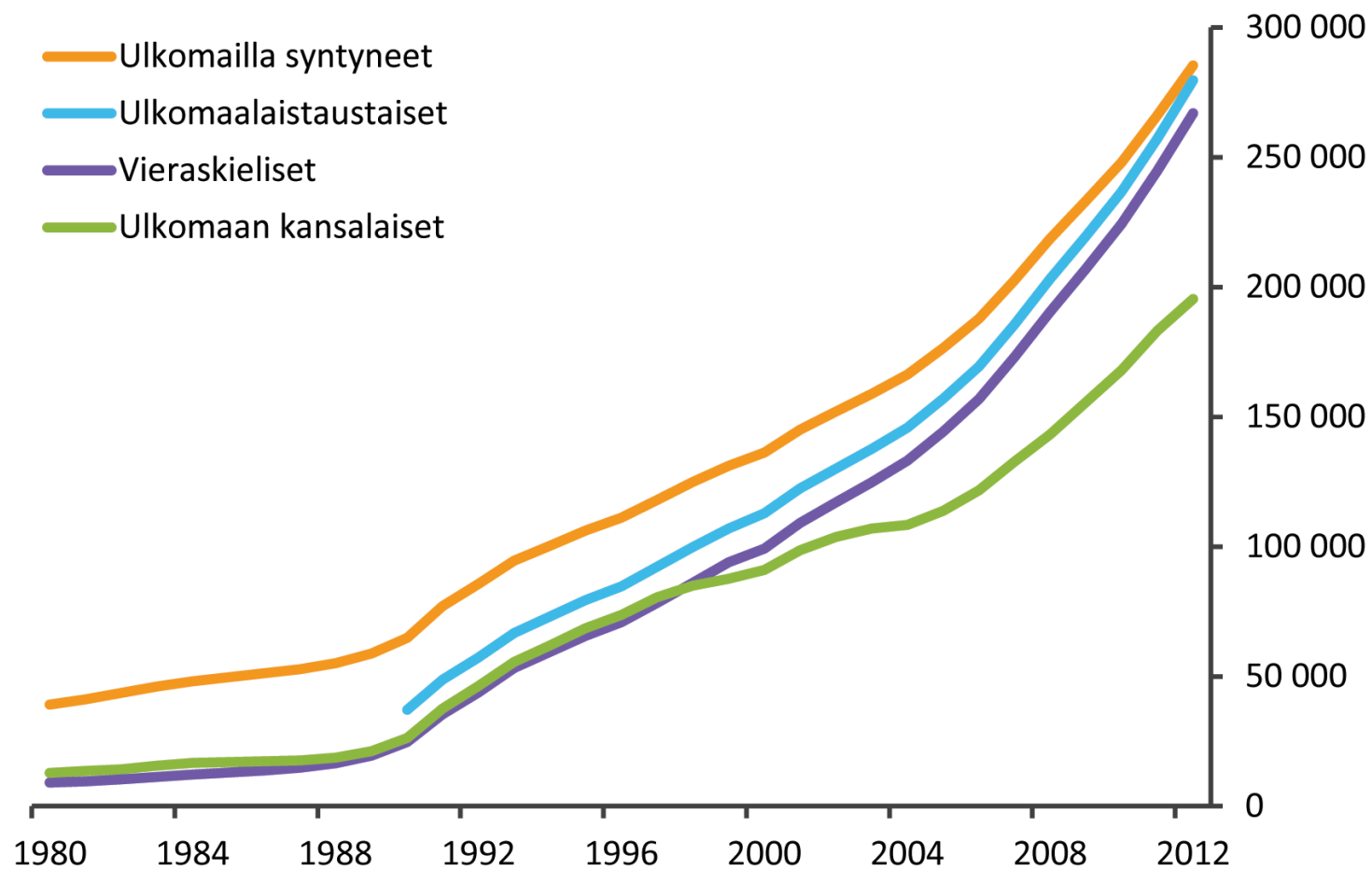
International Mobility of Immigrants and Their Descendants

Ilpo Kauppinen (VATT)

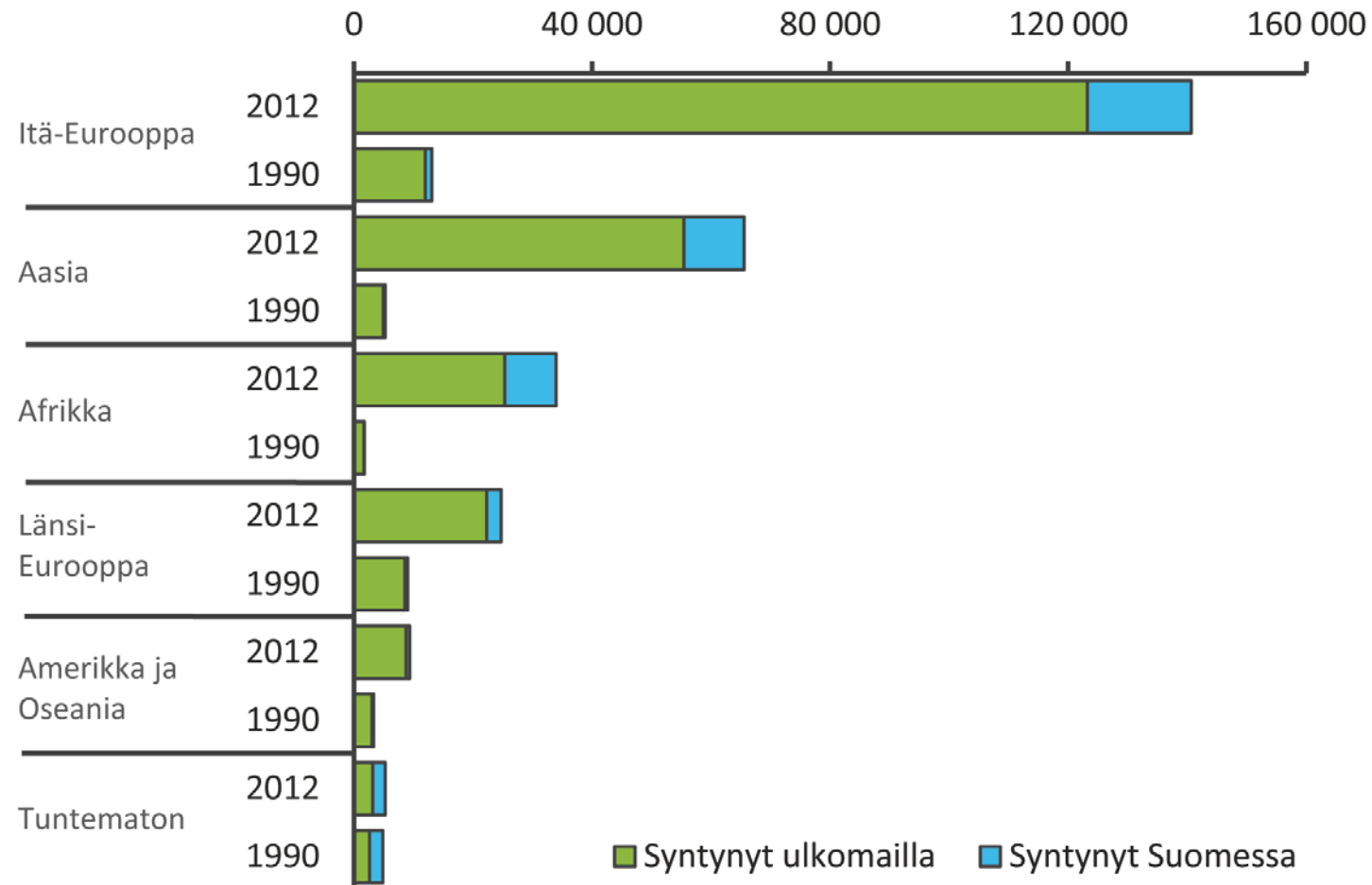
Taidot Työhön -tutkimusseminaari 10.8.2017



Immigrants in Finland 1980-2012



Population with immigration background by origin 1990 and 2012



International mobility of immigrants and their descendants

- The project uses register data to analyze the further international mobility of migrants and their descendants
 - Emigration of immigrants is general: of those who immigrated to Finland during the years 2002-2006 roughly 20% left Finland during five years
- Immigrants and descendants can be more mobile for multiple reasons: return migration, networks abroad, lower migration costs after having relocated once
 - Migration might have been planned to be temporary
 - Immigrants might have based the initial migration decision on false expectations

International mobility of immigrants and their descendants

- We want to study how later international mobility is related to socioeconomic characteristics, education and labor market performance in Finland
- The question is important, as the long-run economic impact of immigration depends on the composition of the migrant population that stays in the country
 - For instance, a cross-section finding that immigrants who have been longer in the country have higher earnings can result from economic assimilation, but selective outmigration can also play a central role

Some background

- There is a large economic literature on self-selection of migrants
 - A central finding is that the economic characteristics of migrants typically differ from those of the general population in the source country
- Many of these studies rely on an application of the so called Roy model
- As long as skills are sufficiently transferable across countries, the sorting of persons across countries is mainly determined by international differences in the rate of return to skills
 - High-skilled workers would migrate from more egalitarian countries to countries with higher returns to skill and the other way around
 - Multiple empirical studies do indeed suggest a negative correlation between the earnings of immigrants in the country of residence and income inequality in the source countries
 - Also evidence of how migrants differ from those who stay

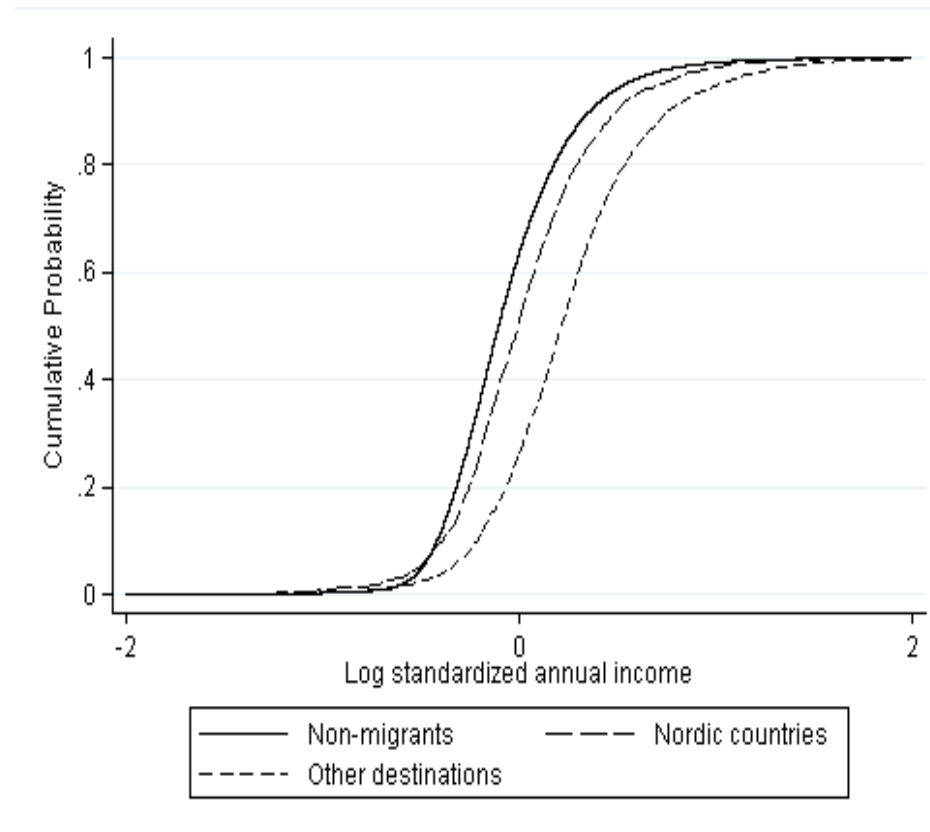
Example: emigration from Denmark (Borjas, Kauppinen, Poutvaara)

- We used Danish register data sources to study pre-emigration earnings of migrants from Denmark, a rich and redistributive European welfare state
- Earnings regression residuals to study how migrants and non-migrants differ in terms of unobserved ability
- Full population cross sections from 1995-2004.
- To focus on work-related migration we restricted the analysis to individuals who
 - are Danish citizens with no immigration background
 - worked full time before emigration
 - were at least 25 and at most 54 years old the year they were included in the data

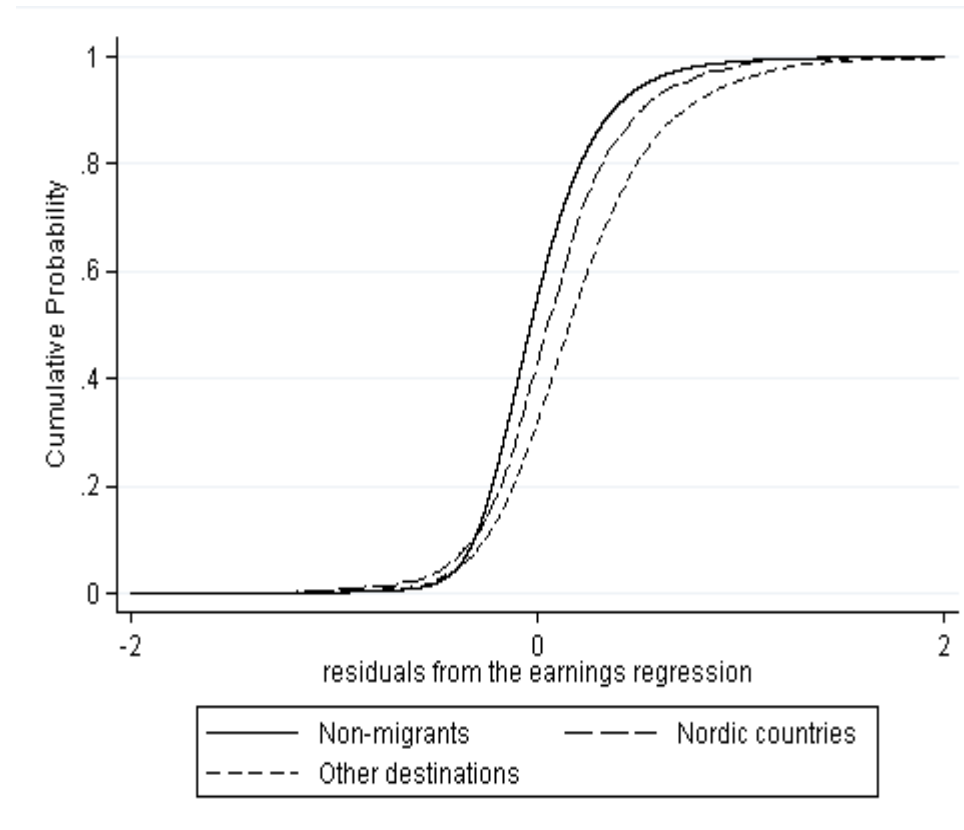
Emigration from Denmark, Education levels of non-migrants and migrants (Borjas, Kauppinen, Poutvaara)

	Men			Women		
Education	Non-migrants	Nordic countries	Other destinations	Non-migrants	Nordic countries	Other destinations
Comprehensive school	21.4	19.8	8.3	21.5	15.7	8.9
High school	3.2	7.8	8.6	3.1	6.9	8.9
Vocational school	49.8	43.5	30.3	41.8	36.5	30.8
Advanced vocational	5.6	5.7	6.6	4.9	5.1	7.8
Bachelor or equivalent	12.2	11.6	20.6	23.3	22.9	25.4
Master's or equivalent	7.3	10.6	23.9	5.1	12.3	17.6
Doctoral or equivalent	0.5	1.0	1.7	0.2	0.7	0.7

Emigration from Denmark, distribution functions of standardized annual earnings for migrant and non-migrant men



Emigration from Denmark, distribution functions of wage regression residuals for migrant and non-migrant men



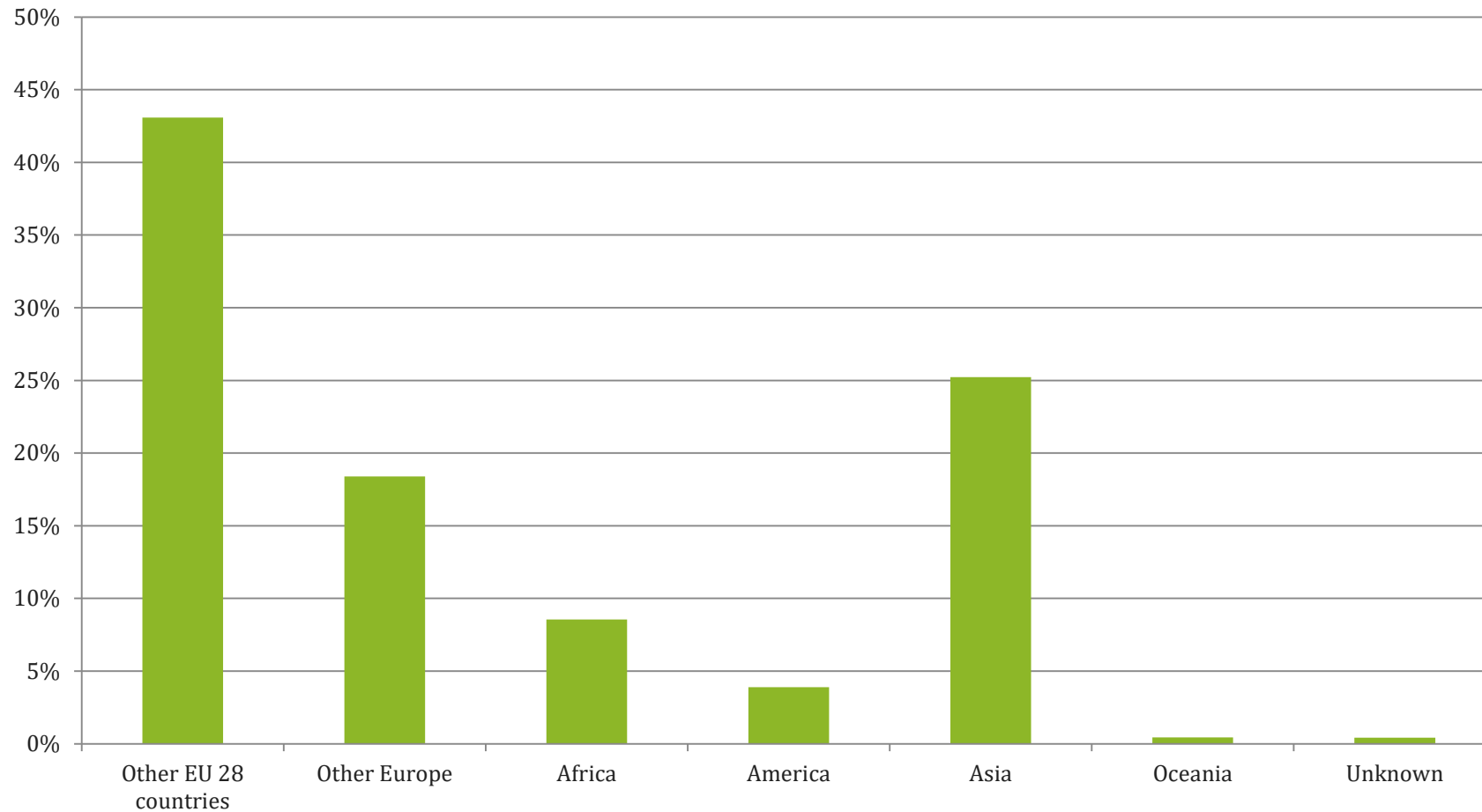
Return migration

- Borjas and Bratsberg (1996) analyzed the return migration of foreign-born persons in the United States
 - Return migration intensifies the type of selection that characterized the immigrant flows
 - If immigrants from a given source country were negatively selected, so that immigrants have below average skills, the return migrants are the most skilled migrants
 - We will apply a similar framework to Finnish data

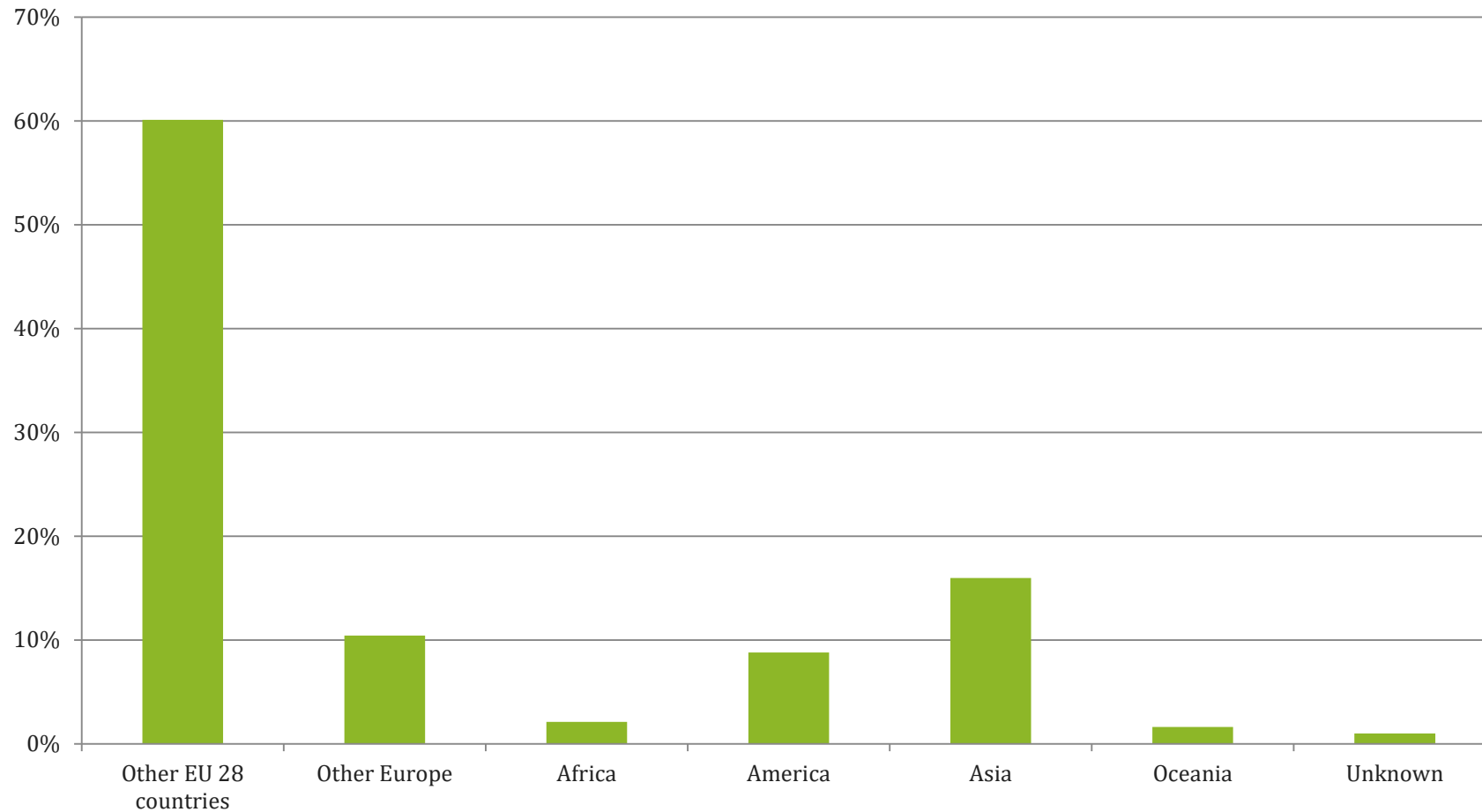
Exploratory analysis

- We use migration statistics from 2011 provided by Statistics Finland to compare migration patterns by different groups
- The statistics are based on the Population Information System maintained by the Population Register Centre
- Only move notifications made by persons permanently resident in Finland on the day of the move are used in the compilation of statistics on migration.
- Immigration into Finland from abroad is included if an administrative court approves the place of residence reported by a persons in a move notification as his or her permanent place of domicile.

Immigration of foreign citizens in 2011



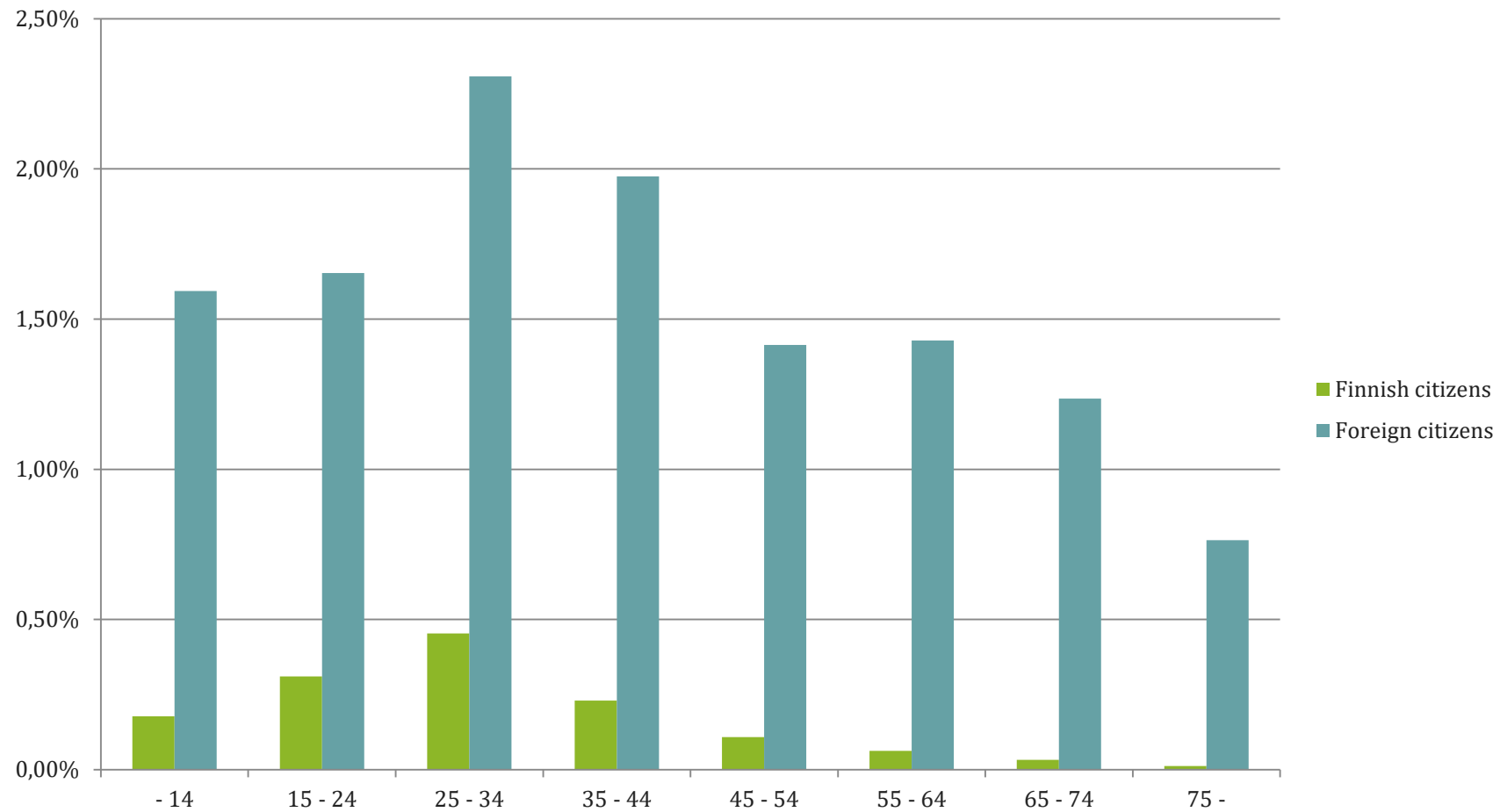
Emigration of foreign citizens in 2011



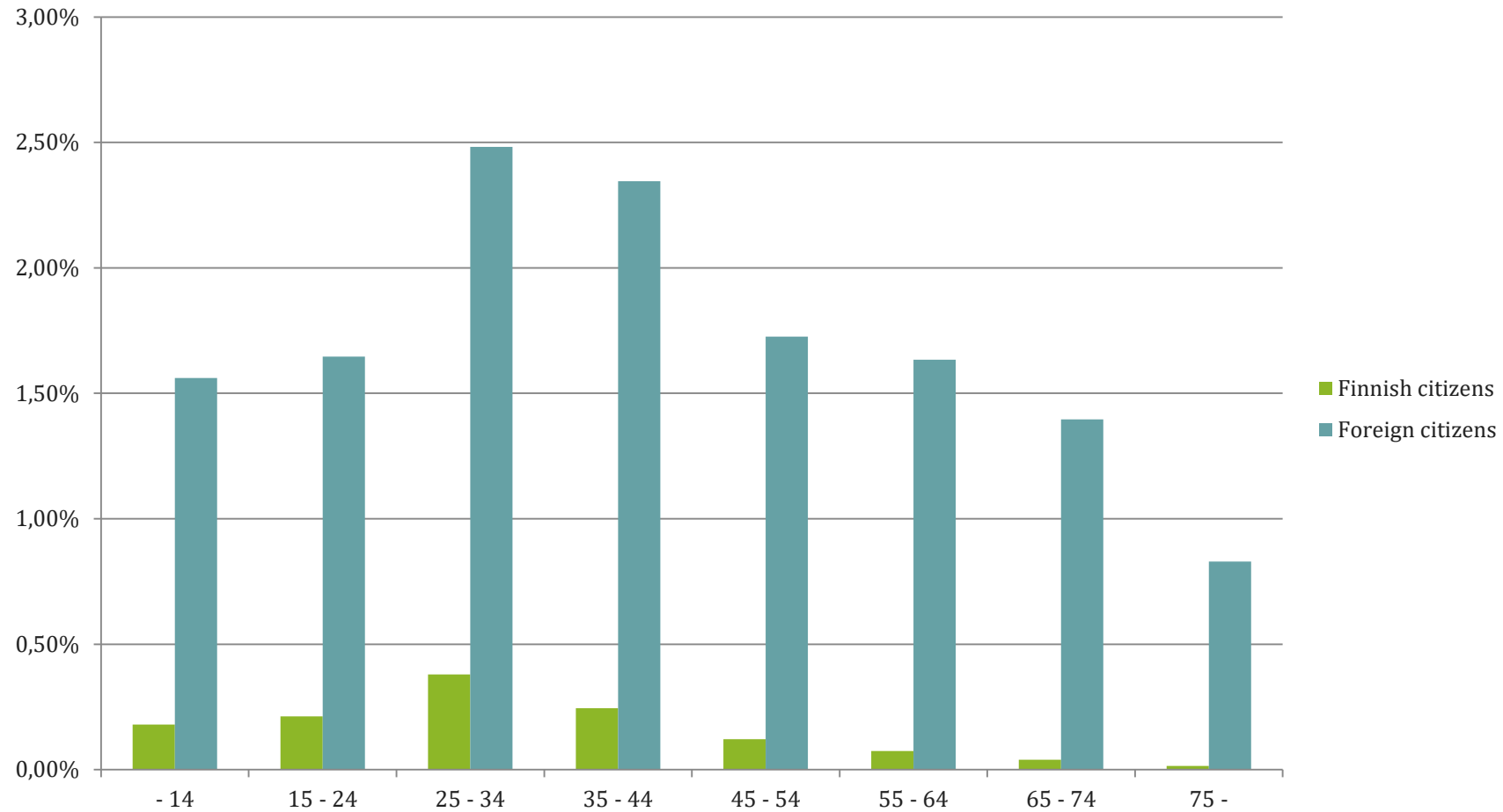
Exploratory analysis

- In 2011
 - 20 408 foreign citizens migrated to Finland
 - 47% from OECD-2016 destinations
 - 3330 emigrated
 - 76% to OECD-2016 destinations
 - Net immigration of 17 078
- In comparison to Finnish citizens, foreign citizens roughly ten times as likely to emigrate
 - Emigration rates 1.82% and 0.18%
- In both groups, working age individuals are more likely to emigrate

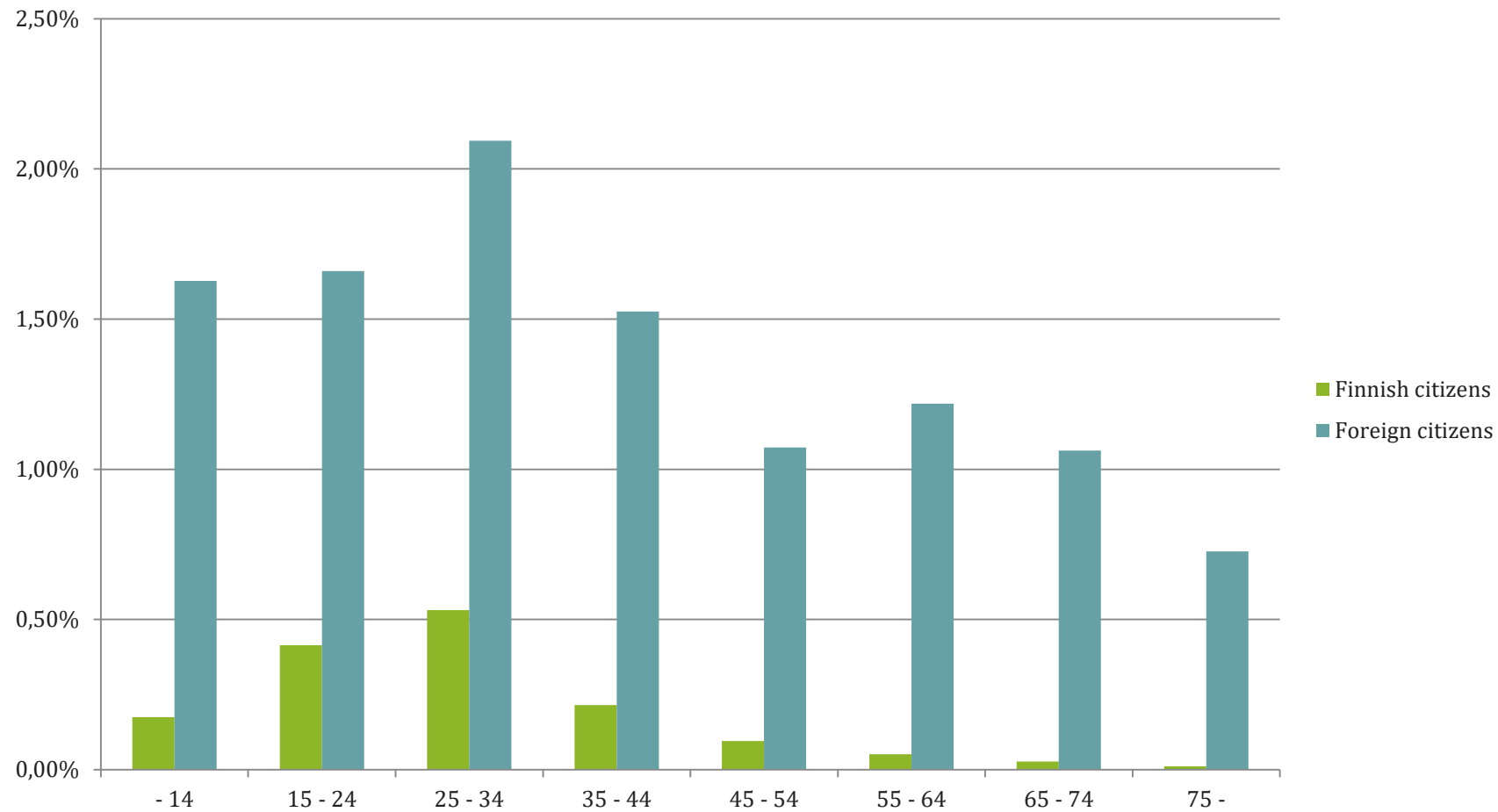
Emigration rates by age categories



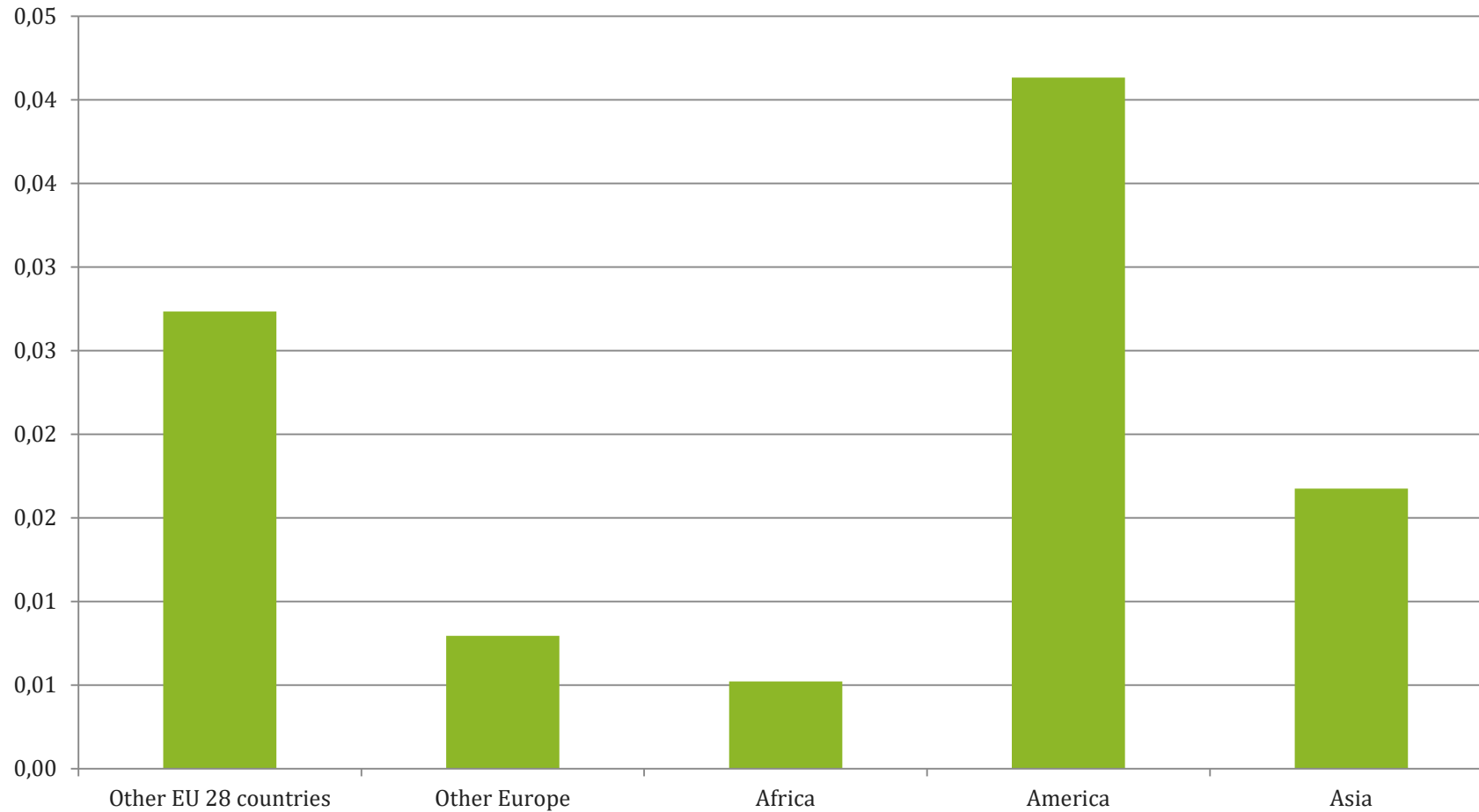
Emigration rates by age categories, men



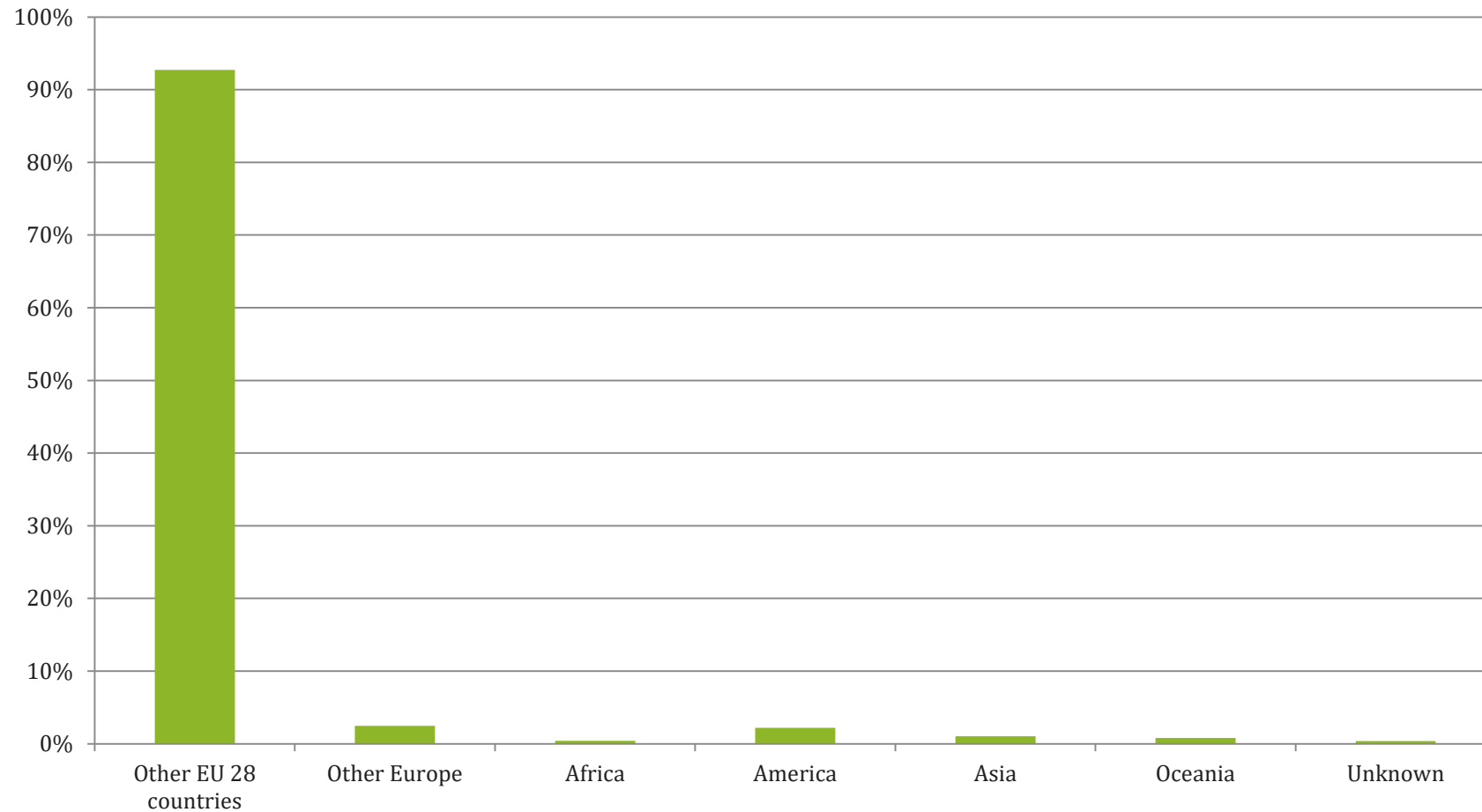
Emigration rates by age categories, women



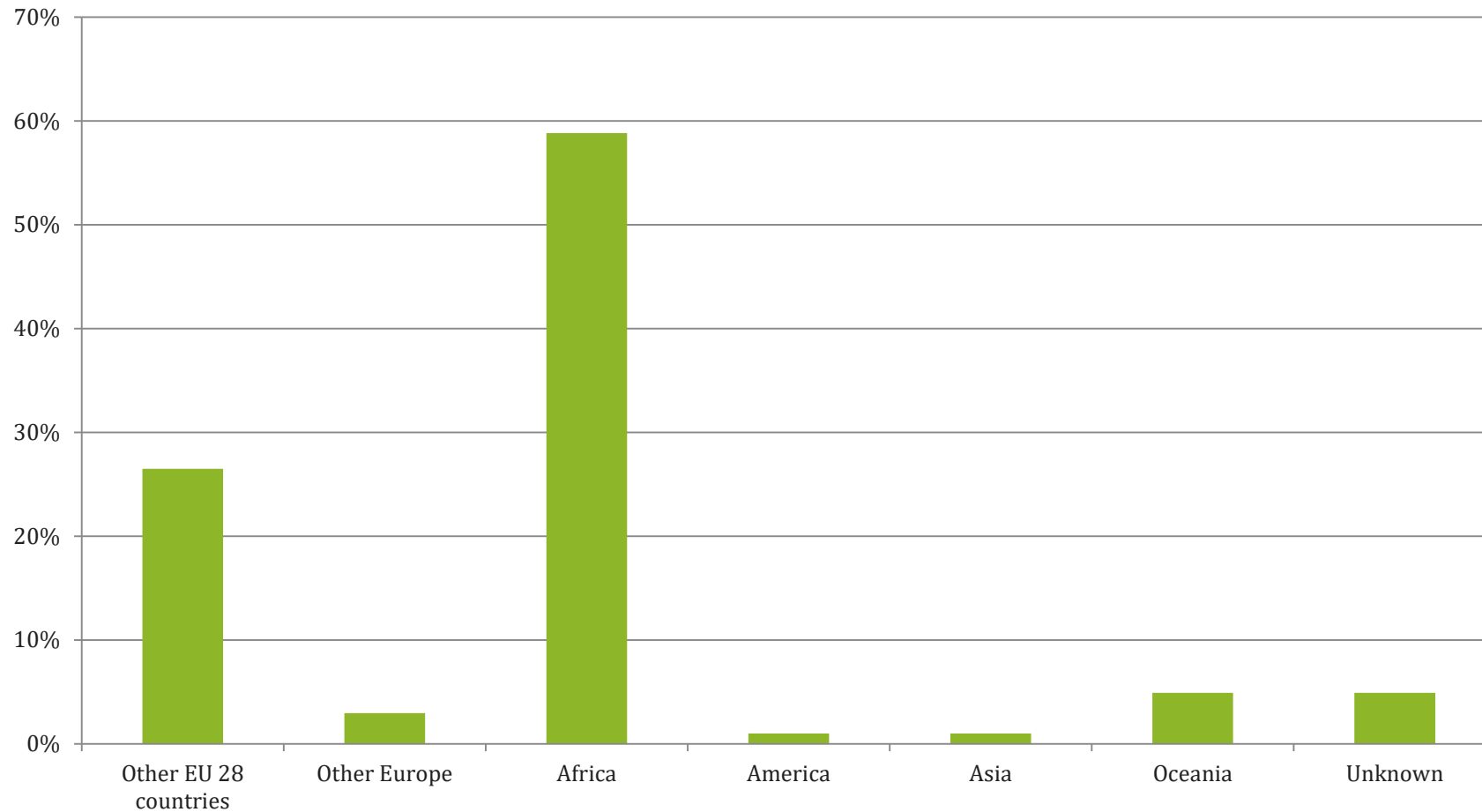
Emigration rates by citizenship



Emigration destinations of citizens of other EU 28 countries



Emigration destinations of citizens of African countries



Next steps

- Compare the migration patterns of natives, migrants and the second generation using FLEED (Finnish Longitudinal Employer–Employee Data)
 - Contains background information on working age population
 - Allows longitudinal analysis
- How later international mobility is related to
 - source country characteristics
 - Individual socioeconomic characteristics, education and labor market performance in Finland?
- Pay attention to specific groups
 - Source countries with large diasporas
 - Source countries with changing political and economic circumstances
 - Migrants who did a degree in Finland