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Migratie en arbeidsmarkt

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SUMMARY

Human migration has long been an issue of major interest in regional science, economics and geography. This interest is quite understandable because migration can have substantial effects on the region of origin, the region of destination, and the nation as a whole, as well as on the migrant. Not all aspects of migration, however, have been given equal attention. Most research deals with the description and explanation of migration flows and the migration decision in terms of individual and household characteristics such as age, education and income gain and regional characteristics such as the situation at the regional labour market and the regional conditions of living.

In contrast to this interest in the migration decision and the explanation of macro-flows is the scanty interest taken in the effects of migration, in particular the economic effects. In economic theories migration is often seen as an equilibrating mechanism between regional labour markets. However, empirical studies by means of simultaneous-equations models regarded show contradictory, or statistically insignificant relations between migration and (un)employment. This is possibly due to the rather aggregated nature of these macromodels. Hence, a disaggregated approach seems preferable.

In this study the results are presented of such a disaggregated analysis of the relation between migration and (un)employment. The study focusses on the consequences of migration for (un)employment in the region of destination. Besides the development of a theoretical framework for the analysis of the relation between migration and the regional labour market, this study embodies the empirical analysis of the effects of migration on the labour market in the North of the Netherlands.

Chapter 1 starts with defining the purpose of this study and with the definition of concepts like migration, labour market, labour mobility and the relevance of the spatial dimension. Next, the relevant theoretical and empirical studies concerning the relation between migration and regional labour markets are reviewed. A distinction is made between micro- and macrostudies. Special attention is paid to studies which focus on the Dutch situation or to studies of other countries of which the results can be interpreted within the Dutch context. Chapter 1 continues with an inventarisation of the possible effects of migration on regional labour markets. In this regard attention is paid to both direct and indirect effects, which may affect both the supply of and the demand for labour in a region. Chapter 1 ends with a more concrete formulation of the problem under study. Two main questions are formulated:

1. "What are the effects of migration on the supply of labour in the region of destination?" With regard to this question this study emphasises the quantification of the degree to which the migrants who became employed in the region of destination affect the labour market position of the native unemployed. In this regard two important situations can be distinguished:
 - a migrant applies for a job for which no native candidates are suited;
 - a migrant fulfills a vacancy which could have been filled by a native unemployed with the same labour market characteristics;

hence the migrant crowds out a native unemployed and supersedence occurs.

2. "What are the employment effects of the expenditures of migrants in the region of destination?"

The first question is dealt with in the chapters 1 to 4, while the second question is answered in chapter 5. In chapter 6 the answers to both questions are confronted with each other.

Chapter 2 begins with an overview of the development of the regional population and the regional unemployment rates in the Netherlands, especially in the North. Next the only method used so far to measure supersedence, UV-analysis, is described and criticized. The purpose of UV-analysis is to analyze the relationship between unemployment (U) and vacancies (V) to gain an insight into labour market imperfections. This kind of imperfection is basically defined as the simultaneous existence of both unemployment and vacancies within a region and/or occupational group. UV-analysis will be shown to suffer from several important theoretical and methodological shortcomings. This renders it not very well suited for the analysis of supersedence and therefore an alternative, UM-analysis, is developed. By means of UM-analysis unemployment (U) and migration (M) figures are directly related to each other and this partly meets some of the objections raised against UV-analysis. The empirical results obtained by means of UM-analysis show that this analysis is not very appropriate for the analysis of supersedence either. Therefore the conclusion was drawn that instead of the analysis of macrodata, a micro-analytical approach might be more suited for this kind of analysis.

In chapter 3 the results of a survey among employed migrants and employers are presented. The results show that employers only attract workers from outside the region if sufficiently qualified native workers are not available. It is also clear that the need for recruiting workers from other regions differs strongly per type of organisation and per sector. The results of the survey among employed migrants are interpreted in the framework of segmented labour markets. Supersedence will hardly occur for migrants who belong to the primary part of the labour market, which consists of a conglomeration of professional and internal submarkets. To which segment of the labour market a migrant belongs is mainly determined by the migrants' labour market characteristics. Therefore, the comparison of the labour market characteristics of the employed migrants and the native unemployed will be a useful approach for the analysis of supersedence.

Chapter 4 contains the results of an ex post comparison of the labour market characteristics of the native unemployed and the employed migrants. First, the relevant labour market characteristics are selected by means of an analysis of the entry probabilities of the unemployed into employment. From the empirical results it follows that besides the slight impacts of the regional labour market conditions, the entry probabilities of the unemployed are determined by the personal characteristics age, education, family status and work-experience. It is argued that these characteristics are also the relevant ones with regard to

which the employed migrants and unemployed natives have to be compared. The comparison can be performed adequately by means of logistic regression. The main finding of the analysis is that migrants differ substantially from the native unemployed with respect to age, education and work-experience. This implies that in general the migrants and the unemployed natives opt for different segments of the labour market. For the North of the Netherlands in 1979 it is found that the maximum degree of supersedence is 30%. This means that unemployment and net inmigration may exist simultaneously.

Chapter 5 focusses on the estimation of employment effects in the region of destination of migrants' expenditures, including the consumption of population related government employment. A general theoretical framework is developed and applied to a case study for the northern region of the Netherlands. First, the expenditures are attributed to 28 industrial sectors. Next, the employment effects of the extra final demand are calculated by means of an extended input-output model. The classical model with consumption function does not take into account the interaction with the labour market. Therefore, the classical model is extended with a labour market model. Vacancy chains are modelled which allows for taking into account sector specific wage rates and institutional relations of the social security system. The latter is important, because the endogenous increase in labour incomes of those who fill the newly created jobs has to be corrected for the decrease in social security benefits. The calculated employment effects show important differences for different types of households. Per 100 households the employment effects range from 18 to 61 manyears. Per 100 individual migrants this ranges from 7 to 22 manyears. The differences are due to differences in the level and composition of private and public consumption, which are related to the composition and the size of the different household types and to the characteristics of the members of the household.

In chapter 6 the results of the previous chapters are summarized and combined with each other. The calculated indirect employment effects of migrants' expenditures are compared with the direct effect on labour supply and the results indicate that on the average the expenditures of two employed migrants, who are together accompanied by on the average four non-active migrants, created one additional manyear of employment in the region under study in 1979. Taking into account the low degree of supersedence of native unemployed by employed migrants (under 30 percent) the conclusion can be drawn that migration has had a positive effect on (un)employment in the North of the Netherlands in 1979. This conclusion could be underlined by the positive employment effects of migration, which are to be expected on theoretical grounds but which are not explicitly investigated in the present study. Furthermore, some conclusions with regard to the implications of this study for various economic and migration theories and methodologies are drawn. Finally, the implications of this study for the design of regional economic and labour market policies are discussed.