

# Post-accession youth labor mobility from Slovakia: labor market perspective

**Lucia Mytna Kurekova**

Slovak Governance Institute & Central European University

**DEMIG Conference: Determinants of International Migration  
September 23-25, 2014, Wolfson College, University of Oxford**



# Context

- Dissertation research:
  - East-West mobility
  - Explaining uneven emigration rates from EU8 countries
  - Focus on sending countries
  - The role of institutional and structural factors in the context of free mobility
  
- STYLE (FP7 project): youth unemployment in the EU:
  - causes, effects and policy tools ([www.style-research.eu](http://www.style-research.eu))
  - WP6: examine conditions under which intra-EU mobility improves labor market chances of young people
    - selectivity of past and recent youth migrants
    - role of policies and institutions

# Background

- CEE/EU8 economies have gone through process of rampant structural change in the transition from regulated to market economies: privatization, internationalization, EU accession
  - Labor market adjustment *within* countries extensively analyzed: unemployment, job destruction and job creation (Boeri 2000, Jurajda and Terrell 2009)
  - International labor mobility as a paralleled process of labor market adjustment understudied
  - With liberalization of labor market following the EU accession in 2004, the link between (the effect of) structural change, labor market deficiencies and international labor mobility becomes even more important and also theoretically interesting to study
-

# Research questions

- What are motivations of the youth to seek employment abroad and **determinants of youth migration**?
  - What is the **net effect** of structural change on migration propensity of graduating youth from different regions in Slovakia?
    - Investigating the link between structural change, labour market performance and **youth** mobility
    - Case of Slovakia:
      - characterized by vast and growing regional disparities, high unemployment rate and youth unemployment rate
      - availability of dataset about migration intentions of graduating students
-

# Literature I

- Extensive literature about determinants of migration:
    - Empirical studies dominated by the neoclassical theory of migration
    - Focus on the youth – only implicit
  - East-West migration patterns typically studied in the neoclassical framework:
    - Wage differentials and P of employment, receiving countries bias  
(Bauer and Zimmermann, 1999, Dustmann et al. 2003)
  - World systems theory: flows of labor linked to flows of capital, and are not unidirectional (Piore 1979, Sassen 1990, Silver 2003)
    - Structural changes in the economy generate pool of emigrants, but also incentivize immigration to fill the skill gaps
    - Empirically underanalyzed
-

# Literature II

- Young tertiary-educated migrants have composed an important share of post-accession migration to the UK and Ireland in particular (Kaczmarczek and Okolski 2007, Kurekova 2011)
  - On the macro-level, following the accession, unemployment rate and youth unemployment rates have declined, but micro-level effects remain unclear
  - We need to understand them more thoroughly as return migration has ensued and success of integration of returnees is linked on **regional characteristics** (Zaiceva and Zimmermann, 2014, Radu and Martin, 2010, Barcevicus et al. 2012)
  - Kahanec and Mytina Kurekova (2014) find an effect of regional dummy variable on probability of emigration, but do not investigate the underlying labor market factors
-

# Methods

- Logistic regression with clustered standard errors on merged macro-level (regional) and micro-level (individual) data
- Models an individual-level migration decision embedded in a context
- Regions considered self-contained micro-economies
  - Justified by significant regional disparities: unemployment rates, per capita GDP, FDI stock, social transfers per GDP etc.

## Regional performance indicators: 2001-2005 average

	Average net nominal monthly earnings (Euro) 2001-2005	Unemployment (%) 2001-2005	Change in industrial employment 2005/2001	FDI stock (cumulative SKK mil. 2005)	Balance of primary income (net, mil SKK) 2001-2005	Social benefits as share of disposable income 2001-2005	Regional GDP : share on count GDP (%)
Bratislavský	519.25	4.19	0.97	279,802	155,321	0.16	231.32
Trnavský	399.84	11.11	1.12	24,461	81,875	0.24	102.86
Trenčiansky	374.26	9.67	1.07	20,294	83,873	0.26	90.85
Nitriansky	363.69	17.98	1.02	13,255	93,678	0.28	85.95
Žilinský	374.80	12.96	1.00	25,862	91,617	0.28	81.08
Banskobystrický	363.23	21.59	0.85	10,754	82,164	0.31	82.15
Prešovský	337.66	19.96	0.98	7,086	86,168	0.32	60.19
Košický	402.78	21.67	1.03	35,506	95,159	0.31	89.03

Neoclassical theory

Structural change variables

# Data

- Survey of university graduates in May-June 2006 (769 cases)
- Dependent variable:
  - **Are you thinking about looking for work abroad after finishing your studies?** (56.3% - yes)
- Independent variables:
  - *Individual level* (controls)
    - Gender, marital status, 'is work available for you'
  - *Regional level* (2001-2005 average)
    - **Economic performance:** earnings
    - **Labour market performance:** unemployment rate
    - **Structural change:** cum. FDI inflows, change in industrial employment 2005/2001

# Results: Odds ratios

	Odds (Exp. B) of thinking about migrating after graduation							
Odds ratio	M1(B)	M2(B)	M3(B)	M4(B)	M5(B)	M6(B)	M7(B)	M8(B)
<i>Individual level</i>								
<b>Gender</b> (1= female)	0.967 (0.835)	0.957 (0.789)	0.954 (0.777)	0.967 (0.840)	0.952 (0.770)	0.966 (0.835)	0.958 (0.796)	0.972 (0.861)
<b>Marital status</b> (1= not single)	0.141** * (0.000)	0.141*** (0.000)	0.141*** (0.000)	0.145*** (0.000)	0.139*** (0.000)	0.143*** (0.000)	0.142*** (0.000)	0.147*** (0.000)
<b>Work in Slovakia</b> (1= yes)	0.659 (0.107)	0.652 (0.103)	0.639* (0.084)		0.634* (0.079)		0.634* (0.078)	
<i>Regional level</i>								
<b>Average net earnings</b> (average 2001-2005)		1.002 *** (0.000)	1.004*** (0.000)	1.004*** (0.000)	1.005*** (0.000)	1.005*** (0.000)		
<b>Unemployment rate</b> (average 2001-2005)			1.038*** (0.000)	1.036*** (0.000)	1.050*** (0.000)	1.046*** (0.000)	1.057*** (0.000)	1.053*** (0.000)
<b>Change in industrial employment</b> (2005 over 2000)					4.543*** (0.000)	4.043*** (0.000)	10.84*** (0.000)	9.067*** (0.000)
<b>FDI stock</b> (Cumulative in 2005, SKK mil.)							1.000004** * (0.000)	1.000004** * (0.000)
<b>N</b>	769	769	769	769	769	769	769	769
<b>Log likelihood</b>	-512.539	-511.758	-509.565	-512.280	-508.83	-511.649	-508.909	-511.717
<b>Pseudo R square</b>	0.0282	0.0296	0.0338	0.0287	0.0352	0.0299	0.0350	0.0297

# Findings

- Labor market conditions and structural change are significant predictors of propensity to migrate, controlling for regional earnings levels, individual-level characteristics and perceptions about job prospects
- Direction of the effect of earning levels and FDI inflows - contrary to theoretical expectations
  - Higher earnings (more FDI) increase propensity to think about migration
  - More FDI in the region increases propensity to think about migration
- Mismatches between job opportunities and qualifications, rather than wages alone

# Conclusion and implications

- Structural change has been affecting migration patterns from Slovakia **also** of young graduates who face labor market difficulties
- Implications for return migration and integration trajectories – migrants tend to return to regions where they left from (personal ties, property ownership) (Radu and Martin 2010, Barcevicius et al. 2012)
- The paper contributes to approaches in migration studies to analyze migration as part of broader social processes and changes (Castles 2010, de Haas 2007, 2011a, 2011b)
  - Empirical measurements of structural change
  - Youth mobility focus
  - Focus on internal variation in migration propensity

Thank you.

Comments welcome:

[kurekova\\_lucia@ceu-budapest.edu](mailto:kurekova_lucia@ceu-budapest.edu)