

Contemporary Issues in Business, Management and Education 2013

European economic migration flow, earnings and unemployment in decade of 2000

Antonio Mihi-Ramírez^{a*}, Aurimas Rudžionis^b, Vilmantė Kumpikaitė^b

^a*Granada University, Faculty of Economics and Management
Campus Cartuja, 18071, Granada, Spain*

^b*Kaunas University of Technology, Laisvės Av. 55, LT-44309 Kaunas*

Abstract

This research analyses how emigration and immigration in the European Union are linked to variations in earnings and unemployment along the last decade. A correlation analysis throughout several years has revealed that changes of the level of earnings and unemployment cause changes of emigration and immigration. Thus when unemployment increases it encourages emigration and also immigration decreases. Results have also indicated that lower earnings imply higher emigration. It depends on imbalances of earnings and unemployment during the economic growth or downturn.

© 2014 The Authors. Published by Elsevier Ltd. Open access under [CC BY-NC-ND license](#).

Selection and peer-review under responsibility of the Contemporary Issues in Business, Management and Education conference.

Keywords: economic migration; international migration; unemployment; earnings.

1. Introduction

International migration flows between unrestricted mobility regions such as the European Union should be studied more precisely (Cushing & Poot, 2004). Fluctuations in emigration and immigration in the European Union are numerous over the last decade, especially during different periods of economic downturn and growth. However, the use of push - pull perspective could be useful in such cases (Zimmermann, 1996). However, a question if emigration and immigration are linked to changes of levels of unemployment and earnings should be discussed.

* Corresponding author. Tel.: +34958241000, ext. 20395; fax: 34958246680.
E-mail address: amihi@ugr.es

With the enlargement of the European integration in the last decade this question has become extremely important both in public and academic circles since economic integration is considered as an important factor for the European growth (Martinoia, 2011; Heitmueller, 2004). Several researches addressed economics factors as the main reason of international migration flow (Mihi-Ramírez, A. & Kumpikaitė, 2013; Vojtovich, 2013; Heid & Larch, 2012; Schulzek, 2012), especially due to variations of levels of earnings and unemployment that act as push-pull factors (Mihi-Ramírez, 2013; Arah, Ogbu, & Okeke, 2008; Zimmermam, 1996). Further, emigration and immigration differ in European Member States due to important regional disparities in terms of earnings and unemployment rates. There is a strong pressure to move from countries with a lack of employment and low earnings to those countries where a higher probability of finding a job and bigger earnings is expected (Cattaneo, 2008).

Effective migration policies in Europe request the policymakers to know the context of the imbalances in levels of earnings and unemployment pertinent for economies of European countries (Arah *et al.*, 2008). Still empirical studies about European data are scarce (Boman, 2011).

In this sense, the contribution of this study is to present empirical evidence at level of the European Union about potential effects of earnings and unemployment on emigration and immigration during the last decade. Thus, the aim of this research is to analyse the relation of earnings and unemployment with emigration and immigration in the European Union in the last decade. The paper presents the theoretical background where relevant literature is reviewed. The next part describes definitions of analysed variables and presents the methodology used. Further on, the correlation analysis of earnings, unemployment, emigration and immigration in the European Union during three different periods, i.e. 2002, 2006 and 2010, under different economic circumstances is presented as the empirical study. The results are explained and discussed, by means of including a comparison “draw-up” over time and lead to the provision of the conclusions of the research.

2. Theoretical framework

Growing international migration flows that are very selective of countries and regions, have been known almost everywhere since the 1980s (Cushing & Poot, 2004). Economic factors have been significant determinants of this situation. Thus, the persistent lack of employment in several countries, extended to high percentage of seasonal works, has encouraged emigration to countries with lower unemployment (Martinoia, 2011; Cattaneo, 2008). Likewise, different levels of earnings together with their low growth in sending countries are also determinants of emigration (Cattaneo, 2008). Yet, low unemployment and relatively high earnings encourage immigration (Heitmueller, 2004).

Individuals aim to increase their income and improve well-being by moving to countries where earnings are higher. Therefore, the imbalance of earnings and a higher probability to find a job over time would drive a migration flow from low earnings countries to countries with high earnings. This process stops when the imbalance of earnings is reduced (Cushing & Poot, 2004). Hence, lower wages and higher unemployment could reduce the expected gains from immigration, and higher earnings where the unemployment is high could retain valuable workers (Heitmueller, 2004).

Therefore, this works like a cost-benefit process where expected benefits are compared with costs (Sjaastad, 1962).

In this sense, immigration and emigration would be perceived as an investment, since the expected earnings or better probability to find a job would be a positive increment of the incomes of migrants. Consequently a bigger gap of earnings would increase migration, and higher unemployment would cause emigration (Sjaastad, 1962).

Likewise, the neo-classical approach shown a decreasing unemployment in the destination country and an increasing level of earnings encourage emigration (Martinoia, 2011).

Heid & Larch (2012) also observed that immigration would be higher into countries with lower unemployment rates. This fact would fit into the perspective to consider such movements in terms of push factors (due to inactivity at home) or external pull factors (the expectation of a better future in host countries). Even though temporal economic opportunities would pull individuals away from countries with better attributes, they may come back there (Cushing & Poot, 2004). This exemplifies that migration could not only happen once in the lifetime. Locations are adjusted in response to the variation of economics factors such as earnings and unemployment levels due to life-cycle changes (Polachek, 2007). Not only earnings and unemployment are determinants of immigration, but also the

Download English Version:

<https://daneshyari.com/en/article/1116266>

Download Persian Version:

<https://daneshyari.com/article/1116266>

[Daneshyari.com](https://daneshyari.com)