

# TOPICS WITHIN THE LABOR ECONOMICS and INDUSTRIAL RELATIONS FIELD

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by the Czech Economic Society**

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# OUTLINE

## **A. Causes and consequences of international migration and ethnic labor diversity**

- 1. Trends in international migration – a new international migration dataset**
- 2. Why do people migrate? Determinants of migration - contributions**
- 3. Impacts of immigration and ethnic diversity - contributions**

## **B. Wage structures and labour market dynamics**

- 1. Wage differentials - contributions**
  - 1. gender**
  - 2. firm ownership**
- 2. Income inequality; minimum wages - contributions**

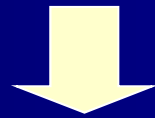
# Trends in international migration using a new dataset on international migration

- A problem with no comprehensive migration dataset available.
- Compile a new dataset on immigration flows and foreign population stock into 42 OECD countries from all world countries.
- Collected by writing to national statistical offices (for 30 OECD countries), for 12 countries from OECD source migration or Eurostat.
- **Period: 1980 to 2010**, unbalanced panel, i.e. missing observations for some countries and some years
- Improvement w.r.t. to other sets (e.g. Docquier and Marfouk (2006), OECD, WB):
  - Both flows and stock annually
  - Comprehensive in destinations, origins and time, annual data

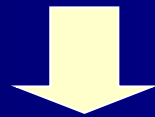
**This new dataset may serve a great source for analyses of international migration behavior.**

# Trends in international migration- 2 phenomena driving migration flows over the last decades:

## 1. Growing migration from less developed countries



lower social mobility, skill transferability and  
skill acquisition



immigrants have difficulties entering the  
destinations' labor markets and integrate

# Trends in international migration- 2 phenomena driving migration flows over the last decades:

## 2. Emigration from Central and Eastern Europe

After the fall of Iron Curtain, 1989, CEECs became a new source of emigration  
EU enlargements towards Central and Eastern Europe, 2004 and 2007

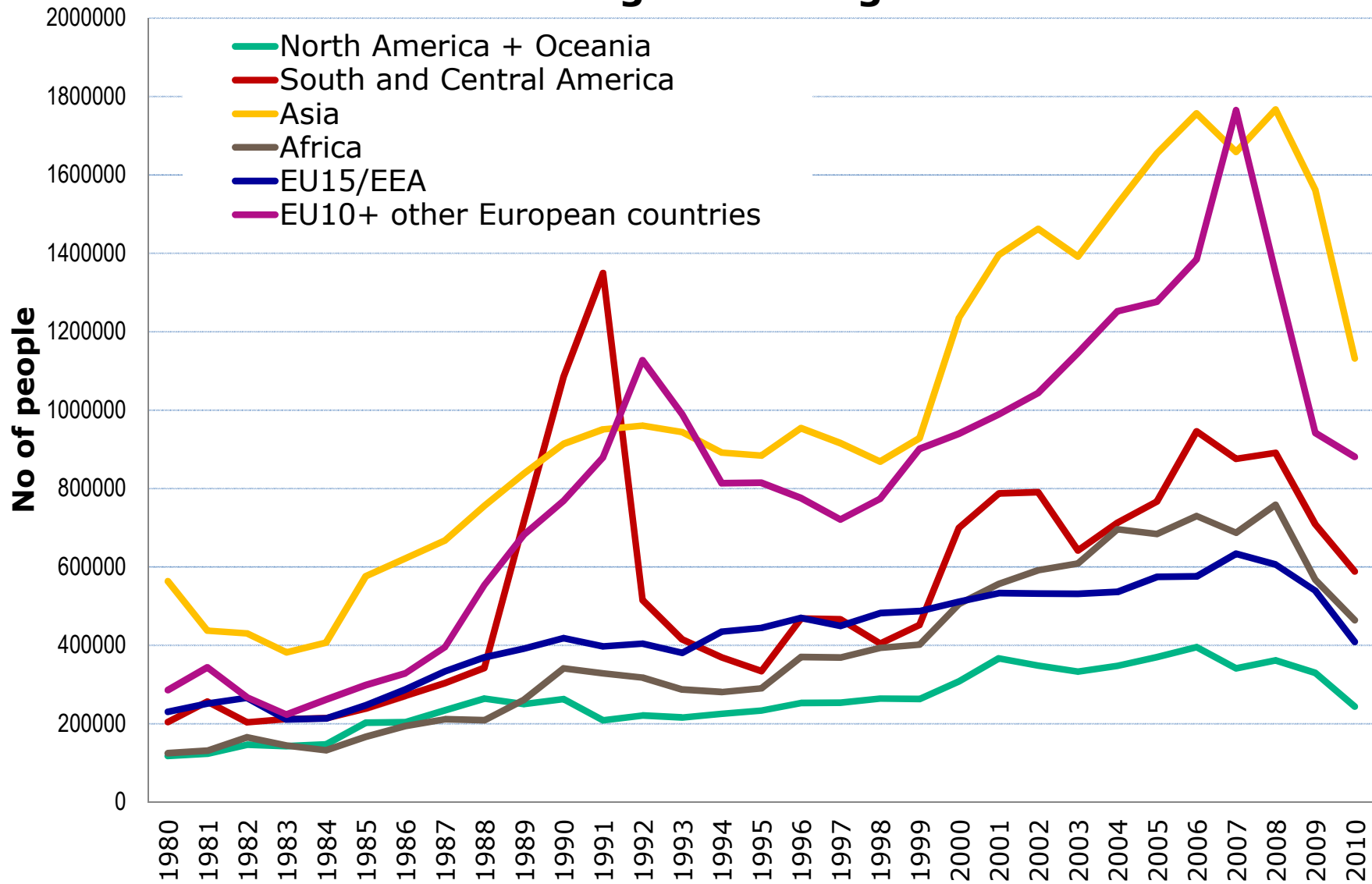


Given geographical and cultural proximity, large economic differences and  
“feelings of freedom” after the Fall of Iron Curtain in 1989  
=> *Western Europe fears a mass migration*

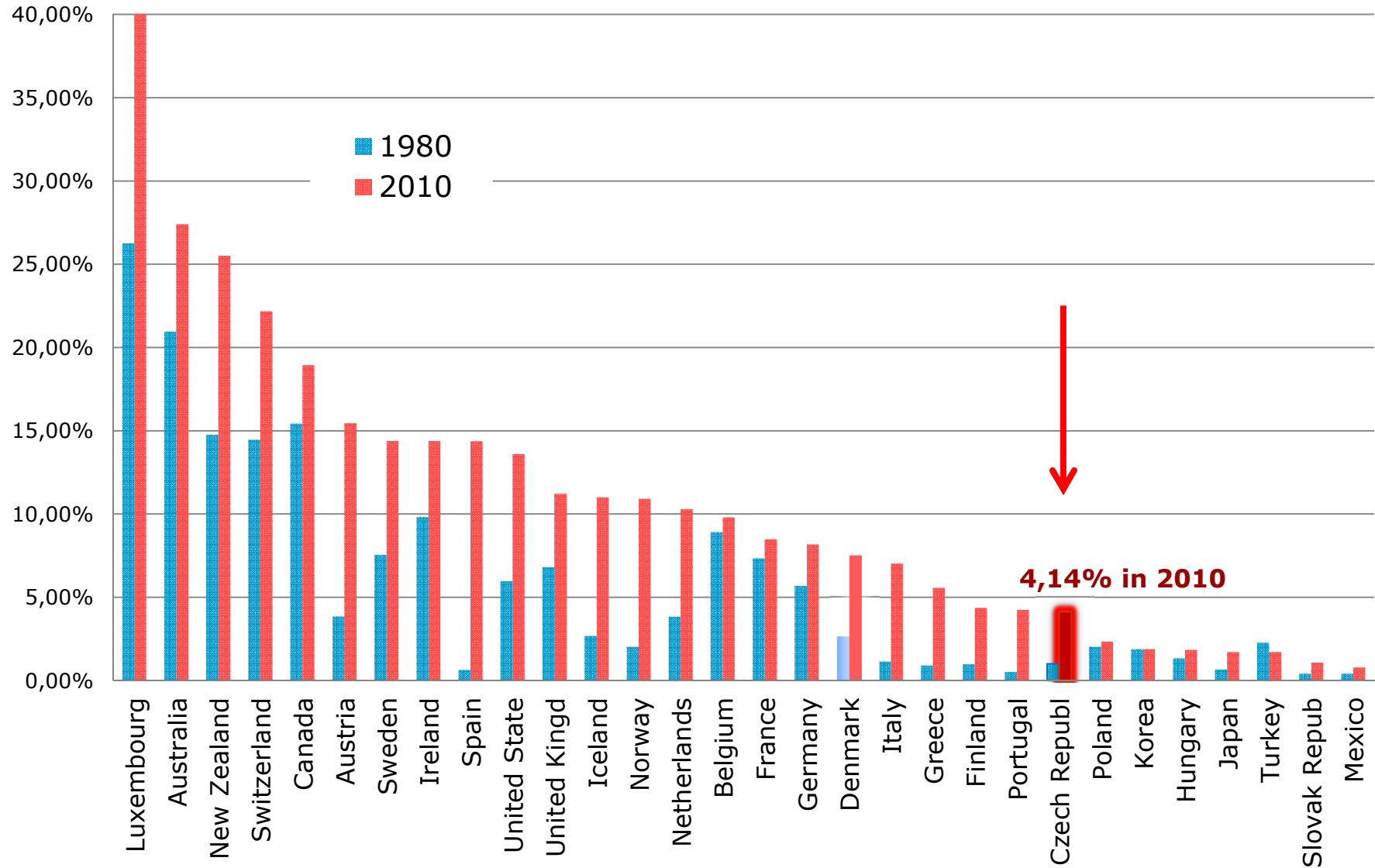


EU enlargements towards the East – “transition periods” on the Acquis  
related to the Free Movement of Workers in the EU.

## Division of immigration flows to 42 destinations by regions of origin



## Foreign-born population as a percentage of destination country population



# TRENDS IN INTERNATIONAL MIGRATION

Migration pressures will continue in the future



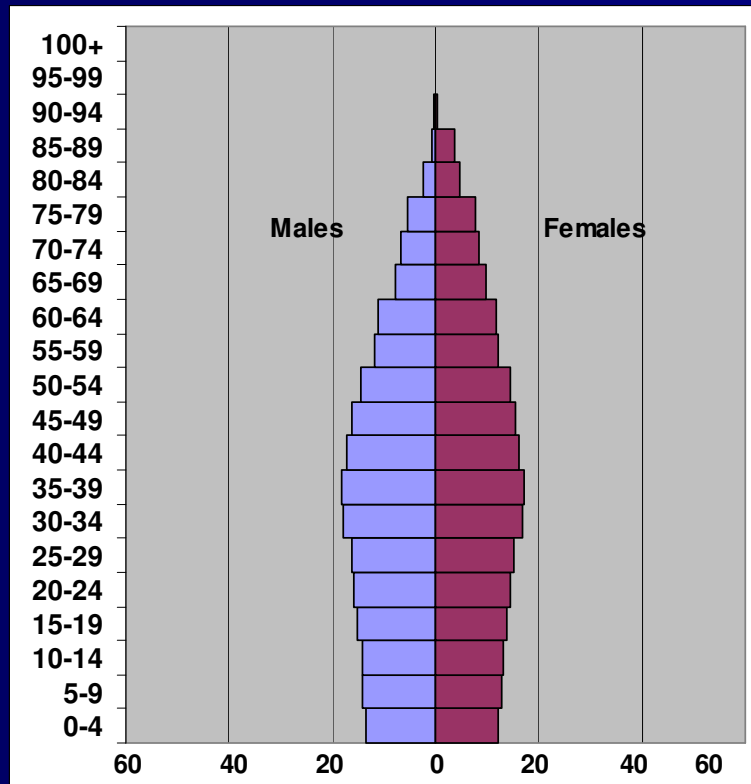
- Growing globalization – improvements in communication, Internet – media, transportations
- Political conflicts and wars
- Demographic projections:
  - Aging of the populations in highly developed countries (fiscal burdens).
  - Young populations in LDCs.



# Demographic projections – European Union

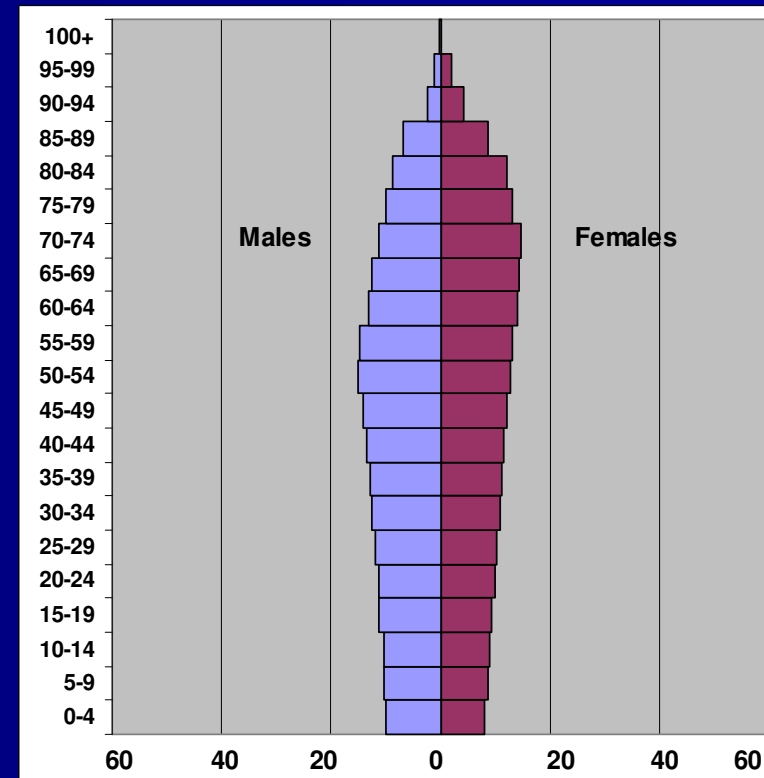
2000

(Population: 451.4 million)



2050

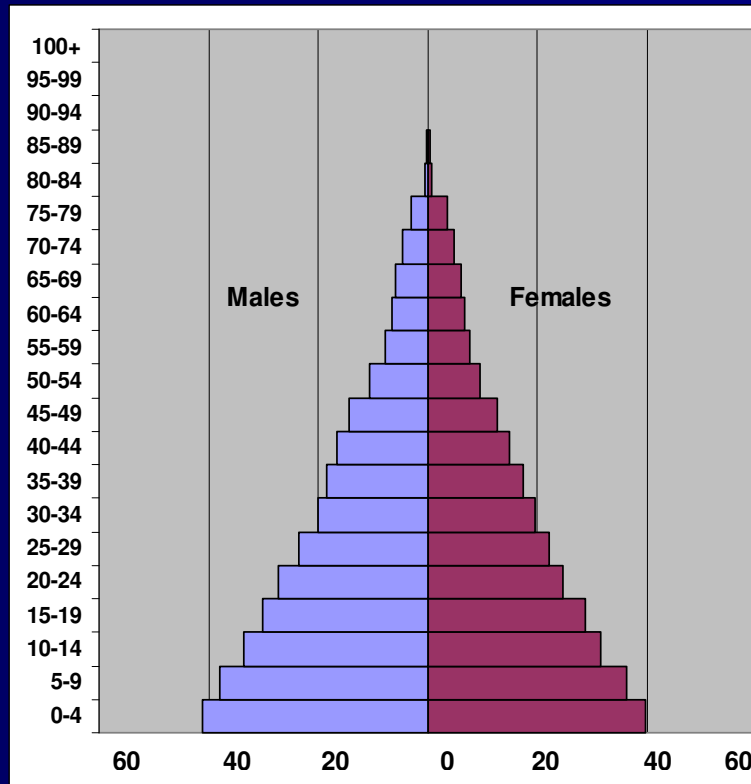
(Population: 401 million)



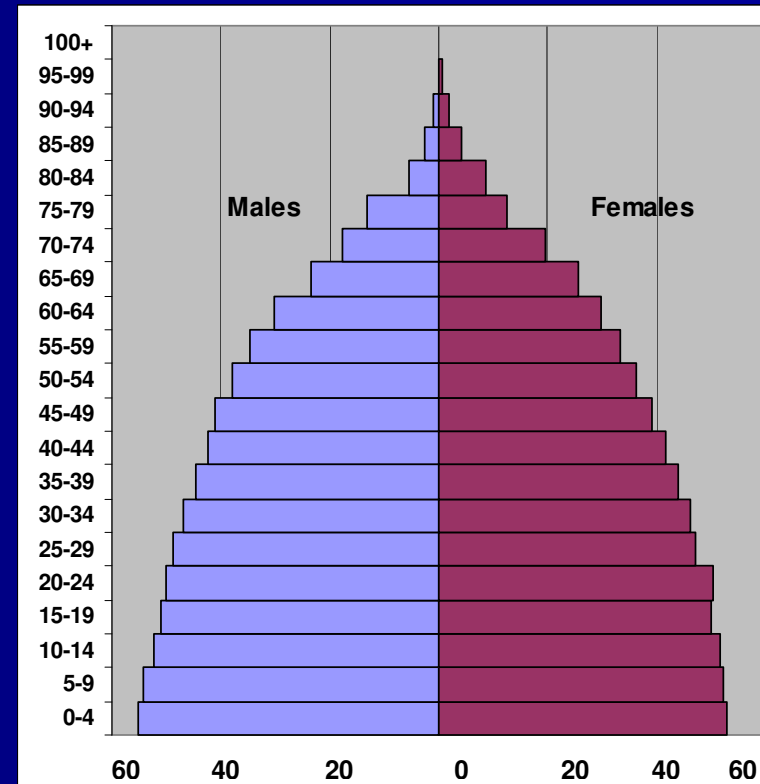
Source: Cohen (2003): Human Population: The Next Half Century

# Demographic projections – North Africa and West Asia

**2000**  
(Population: 587.3 million)



**2050**  
(Population: 1,298 million)



Source: Cohen (2003): Human Population: The Next Half Century

# TRENDS IN INTERNATIONAL MIGRATION

Migration pressures will continue in the future



Immigration policy must adjust to the migration pressures and to the aging populations.



***ANALYSES OF MIGRATION DETERMINANTS and  
CONSEQUENCES OF IMMIGRATION ON ECONOMY and SOCIETY  
IMPORTANT FOR POLICY MAKERS***

# CONTRIBUTIONS ON WHY DO PEOPLE MIGRATE – determinants of migration

## *Journal Articles:*

- “The Role of Language in Shaping International Migration” (with Alicia Adsera). *Forthcoming in the Economic Journal* (IF 2.587).

*Q: what is the role of language in explaining international migration flows?*

**We study the role** from multiple angles:

- linguistic proximity,
- widely spoken languages,
- linguistic enclaves,
- language-based immigration policy requirements.

*Migration flows between countries with the same 1<sup>st</sup> official language compared to those with no similarity at any level of the linguistic family tree are around 20% larger, ceteris paribus. In the context of traditional migration determinants, the impact of linguistic proximity is lower than that of ethnic networks or destination GDP per capita level, but stronger than that of unemployment rates.*

# CONTRIBUTIONS ON WHY DO PEOPLE MIGRATE – determinants of migration

## *Journal Articles:*

- **“Labor Market Laws and intra-European Migration: The Role of the State in Shaping Destination Choices”** (with John Palmer), *European Journal of Population* (IF 1.200), Vol. 31 (2), pp. 127-153. March 2015.

### ***Q: How does law influence migration***

We study CEE migration - whether

- (1) migrants are attracted to destinations that give them greater formal labor market access,
- (2) migration flows to any given destination are influenced by the labor market policies of competing destinations,
- (3) the effects of labor market laws varies with the size of social networks, knowledge of language, and education.

*Ceteris paribus, migration is positively associated with the loosening of destination labor market restrictions, and negatively with the loosening of competing destinations' labor market restrictions. Effects weaker for destinations with larger existing co-national networks, and for migrants from countries with more similar languages.*

# CONTRIBUTIONS ON WHY DO PEOPLE MIGRATE – determinants of migration

## *Journal Articles:*

- "Selection and Network Effects - Migration Flows into OECD Countries 1990-2000"(with Nina Smith and P.J. Pedersen). *European Economic Review* (IF 1.364). Vol. 52 (7), pp. 1160-1186, 2008.

***Q: what are the determinants of migration to OECD countries?***

**We focus on effects of migration networks on consequent migration.**

*We find large network effects on migration, ceteris paribus. The network effects seem to be more important for migrants from less developed countries and from countries with lower level of education.*

# CONTRIBUTIONS ON WHY DO PEOPLE MIGRATE – determinants of migration

## ***Books/Book Chapters:***

- **„The Free Movement of Workers in an Enlarged European Union: Institutional Underpinnings of Economic Adjustment“** (with M. Kahanec and KF Zimmermann), Forthcoming in: Kahanec M, Zimmermann KF (eds) *„Migration and the Great Recession: Adjustments in the Labour Market of an Enlarged European Community“*. Springer Publishing, forthcoming 2015.
- **"Migration into OECD countries 1990-2000"** (with Nina Smith and P.J. Pedersen). In Parson and Smeeding (eds.): *Immigration and the Transformation of Europe*. Cambridge University Press, 2006.

# CONTRIBUTIONS ON WHY DO PEOPLE MIGRATE – determinants of migration

## ***UNDER REVISION AND SUBMITTED:***

- **“Do Natives’ Attitudes Influence International Migration?”** (with Cedric Gorinas), *2<sup>nd</sup> Revise and Resubmit request from the **International Migration Review** (IF 0.812).*
- **“Climate and International Migration: The Importance of the Agricultural Linkage”** (with Cai, R., Feng, S. and M. Oppenheimer). *Revised version resubmitted to the **Journal of Environmental Economics and Management** (IF 2.522) upon the Revise and Resubmit request.*

*...a number of work in progress papers on determinants of migration: the role of EU enlargement and labor market openings, crisis and business cycle, welfare benefits, bilingualism, political conflicts, relative deprivations etc....*



# CONTRIBUTIONS ON IMPACTS OF MIGRATION AND ETHNIC DIVERSITY on firms and economies

## *Journal Articles:*

- **"Does Labour Diversity affect Firm Productivity?"** (with Pierpaolo Parrotta and Dario Pozzoli). *European Economic Review* (IF 1.364), Vol. 66, pp. 144–179, February 2014.
- **"The Nexus between Labor Diversity and Firm's Innovation."** (with Pierpaolo Parrotta and Dario Pozzoli) *Journal of Population Economics* (IF 1.470). Volume 27, Issue 2, April 2014, pp. 303-364.

## *Books/Book Chapters:*

- **„The Free Movement of Workers in an Enlarged European Union: Institutional Underpinnings of Economic Adjustment“** (with M. Kahanec and KF Zimmermann), Forthcoming in: Kahanec M, Zimmermann KF (eds) *Migration and the Great Recession*. Springer Publishing, 2015.

*...a number of work in progress papers within the research area: effects of immigrants and ethnic diversity on FDI and trade, effects of CEE migration on economies, etc.*

# CONTRIBUTIONS ON WAGES AND LABOR MARKET DYNAMICS

## *Journal Articles:*

- "Increased Sorting and Wage Inequality in the Czech Republic: New Evidence Using Linked Employer-Employee Dataset." (with Tor Eriksson and F. Warzynski) *Economics of Transition* (IF 0.755), Vol. 21 (2), pp. 357-380, 2013.
- "Foreign Ownership Wage Premia in Emerging Economies: Evidence from Czech Republic" (with Tor Eriksson), *Economics of Transition* (IF 0.755), Vol. 19 (2), pp. 371-395, 2011.
- "Firm-level Consequences of Large Minimum Wage Increases in the Czech and Slovak Republics" (with Tor Eriksson). *Labour* (IF 0.23), Vol. 18 (1), pp. 75-103, 2004.

## *Books/Book Chapters:*

- Pytlikova, M. et al. (2012): "*Gender Wage Gap and Discrimination in the Czech Republic*". Series on Advanced Economic Issues. VŠB – TU Ostrava Press.
- "Minimum Wage in Wage Structures of the Czech and Slovak Republics" (with J. Gottvald, J. Handlova and V. Stanek). In Gottvald, J. (eds.): *Determinants of Individual Pay and Firm's Pay Structures in the Czech and Slovak Republics*. ISBN 80-248-0150-7 pp. 195-228. Ostrava, 2002.

*...a number of work in progress papers on gender differentials.*

More on:

<https://sites.google.com/site/pytlikovaweb/>

**THANK YOU !** 😊