

Abstract

In recent years there has been a considerable influx of better-educated migrants from the South to the North of Italy. Responding to the need of more research on this rapidly growing ‘new’ migrant group in Italy, this study examines how globalisation impacts upon the composition of regional migration in terms of age, and education. We find that globalisation significantly affects migration flows (number of migrants attracted by the region of destination) for both better and less-educated workers. More precisely, it affects better-educated workers’ migration to a higher extent than that of less educated workers. In addition, better-educated workers’ migration is negatively affected by unemployment rate differentials (the difference in unemployment between destination and origin regions), whereas less-educated workers’ migration is negatively affected by house prices differentials (the difference of house price between destination and origin regions). A higher presence of foreign immigrants in the region of destination reduces migration flows for both better and less educated workers. Regarding the age variable, we find very similar results for young and old workers’ migration. When focusing on migration flows from the South to the North of Italy, globalisation and foreign immigration have a role for both better and lower-educated migrants. Unemployment rate differentials particularly matter for less educated and younger migrants.

Keywords

Globalisation, economic disparities, inter-regional migration, Italy

Introduction

The economics of migration has received increased attention over the last decade. Scholars have examined the flow of migrants in relation to a wide range of socio-cultural and economic factors. The analysis in this paper focuses on two related economic issues. How does globalisation affect regional migration (as measured by the number of migrants attracted by the region of destination) in Italy; and secondly, how does globalisation affect the composition of migration in terms of migrants’ age and education? Economists have attempted various explanations for the existence of regional migration in Italy, but little attention has been given to the effects that globalisation has on regional migration, especially from the South to the North of Italy.

Analysing the economics of migration in Italy, economists have focused on the puzzling persistence of regional disparities in unemployment rates and the presence of low migration flows observed in Italy from the mid-1970s to the mid-1990s. According to Attanasio and Padoa-Schioppa (1991) and Faini et al. (1997), a possible rationale for this puzzle lies in the income support contributed by families to the members who have been unemployed for a long period of time. Cannari et al. (2000) suggest that the spread of housing price differentials could have limited migration flows. This is not surprising given that housing prices would increase more in the most dynamic regions than in the depressed ones. In a third hypothesis, Bentolila (1997) suggests that the low mobility could be connected with the general environment of great discouragement and pessimism

which occurs

Greenwood (1997) indicates that both individual and family characteristics are

2009), were those located in the North. By contrast, in the case of firms located in the South, econometric results showed a low capacity for internationalisation and considerable difficulty in finding sources of funding.

Accetturo et al. (2011) provide further evidence,

The hypothesis is that migration flows are enhanced as a result of globalisation. We expect the coefficient β_3 to be significantly negative. That is, regions of destination showing lower unemployment rates display high flows of migration, after controlling for globalisation, foreign immigration, and housing effects.

As far as foreign immigration is concerned there are two possible effects of globalisation, but with opposite signs. On the one hand, foreign immigration in the regions of destination may increase flows of migration. This means that foreign immigration does not compete with native migration. On the other hand, if foreigners establish an implicit commitment to ensure the hiring of their family or if they are illiterate or of lower education, and thus increase crime and violence in the regions of destination, migration flows may decrease. The migration flows are hypothesised to be adversely affected by housing price. Higher housing prices in the destination regions are expected to decrease migration flows, *ceteris paribus*.

Data on trade and unemployment are drawn from the *Istituto Nazionale di Statistica* (ISTAT; National Statistics Office). Data on cost of housing are drawn from *Il Sole 24 Ore Scenari Immobiliari*, which reports the market quotations of dwellings located in the 96 provincial capitals of Italy. Regional migration flows are drawn from the General Population Register (GPR).³

We explore the composition of internal migration flows, distinguishing between low and high-educated migrants, and between young and old migrants.⁴ This information allows verifying which of the determinants has favourable impact on low- and high-educated migration flows, and on young and old migrants.

Globalisation is assumed to raise flows of better-educated migrants rather than lower-educated ones. The rationale for this hypothesis lies in the fact that globalisation is thought to create better-paid occupations requiring better education; better-educated migrants are expected to enter skilled occupations, and hence to migrate. Given that older migrants tend to have less confidence and self-awareness to challenge rooted customs, they are hypothesised to be adversely affected by globalisation.

Furthermore, we test for the significance of globalisation and other determinants in migration flows from the southern to the northern regions of Italy. The reason for this hypothesis is that globalisation should bring positive effects on labour markets in the northern regions of Italy. Given the regional divide, it may be the case that globalisation shifts labour-demand as well as labour-supply schedules in the northern regions of Italy and attracts labour-force migration from the South of Italy. We refer to the period 1995-

³The annual data for the period 1995-2005 on regional migration are from Mocetti and Porello (2010).

⁴We use three educational dummies for at most compulsory school, upper secondary school and university degree, and three age dummies for young people, people aged between 15 and 45, and for older people aged over 45.

2005 for reasons of data availability. Panel analysis allows us to control for fixed effects.⁵ Descriptive statistics of our explanatory and dependent variables are reported in Tables 1 and 2, whilst Table 3 summarises our statistical data sources and the likely expected sign of the analysis.

Table 1. Migration flows for better and lower educated, for young and old

	Migration flows			Migration flows	
		Better educated	Lower educated	Young	Old
Min	0	0	0	0	0
Max	83,630	15,100	83,630	83,630	32,100
Mean	334	75	464	642	203
SD	2,280				

Tab

Table 4. Impact of trade and other determinants on internal migration (whole sample)

Explanatory variables	Coefficients
TRADE	0.479***

related to the share of foreign immigrants in destination areas, although the magnitude of the effect is lower than low-educated migrants. This result may be explained referring both to the substitutability between foreign immigrants and natives, but also to the attractive power of the destination area which may diminish with a higher presence of immigrants.

For low-educated migrants, the flow increases when trade is of a higher extent in the destination area, confirming results found for the high-educated migrants' sample. An important difference is that low-educated migrants' flow is also influenced by the price of housing. Interestingly, unlike the high-educated migrants' sample, the migration decision for low-educated natives is affected by the cost of migration. Similar to the regression for high-educated migrants, the share of immigrants is negative and significant. The higher the share of immigrants in the area of destination, the lower the attraction held for low-educated migrants.

Table 5. Impact of trade and other determinants on high-educated and low-educated migration flows (whole sample)

Our empirical evidence shows that both better- and lower-educated workers migrate when, in the region of destination, the degree of trade is higher compared to the region of origin. In particular, we confirm the relevance of asymmetric effects of globalisation in boosting migration flows of better-educated workers coming from the South of Italy.

What are the policy implications of these results? Primarily this empirical evidence leads us to think about future prospects of the Italian North-South economic divide that has also widened in recent years as a result of different paths undertaken by Italian regions in the dynamics of international economic integration. Of course, in the analyses of Italian regional disparities, other important factors have to be underlined such as institutions, social capital, the education system, and organised crime. However, these factors have been often overemphasised (or considered in isolation) at the expense of other factors referring to the economic structural changes of Italian regions occurring alongside global changes in division of labour. In this regard, it is worth mentioning the deterioration of economic linkages between Germany and Southern Europe in the last two decades as a result of the relocation of segments of the German value-chain towards Central and Eastern European countries. This reorientation of German international economic links could have displaced previous subcontracting relationships undertaken with Southern firms, with detrimental effects in terms of unemployment and emigration.

To conclude, if

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