

Essays on migration and occupational choice

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Addendum on valorization

This addendum on valorization is added in accordance with article 23.5 of the ‘Regulation governing the attainment of doctoral degrees at Maastricht University’ decreed by the 2013 resolution of the Board of Deans.

These *Essays on Migration and Occupational Choice* explore several aspects of the relationship between migration and occupational choice. Given the growing interest in migration as an economic and social phenomenon, its findings could be of interest to development, policymaking and research communities, in particular in low- and middle-income economies.

First, by showing that, beyond migration-induced wealth effects, the work experience gained abroad increases the likelihood of being self-employed through the development of entrepreneurial abilities, Chapter 2 informs entrepreneurship (education) policies in a low middle-income country context with high youth unemployment, a dynamic micro- and small enterprise (MSE) sector and significant (temporary) international migration. Chapter 2 finds that learning-by-doing and experiential learning matter for entering into and persisting in self-employment. This is of relevance since the MSE sector is often thought of as a solution to (youth) unemployment, characteristic of developing and emerging economies. From Chapter 2, it can be inferred that entrepreneurship support policies should focus on widening the work experience of potential entrepreneurs.

In contrast, by finding that, if migrants were self-employed before leaving, they are less likely to be self-employed upon return to their origin countries, and more likely to move to employed occupations, at least as soon as they return, Chapter 3 stresses that temporary migration might be more disruptive of self-employment trajectories than is often thought in a setting of transition from planned to market economy that lacks market-supporting institutions. The potential for return migration to stimulate entrepreneurship should thus not be overestimated, as it might not necessarily lead to sustaining a career in self-employment. This can however be seen in a positive light as this ‘disruption’ enables career development by offering an escape from necessity-driven self-employment; it reduces the number of low-ability self-employed. In this case, the appropriate policy response is to support swift occupational transitions to returnees’ preferred options and their reintegration in origin country labour markets to avoid low-productivity entrepreneurship.

On the other hand, if migrants gained resources abroad, that self-employment is a rather temporary occupational choice suggests that the ‘disruption’ caused by migration may prevent an economy from benefiting from return migrants’ experience as entrepreneurs. In this case,

the appropriate policy response derived from Chapter 3 is to improve the conditions for doing business in source countries. In transition economies like Kyrgyzstan, temporary migration might substitute for an imperfect legal framework and weak financial markets, legacies of the Soviet era. Chapter 3 indicates that support for formal market-supporting institutions should be advised if countries are to harness the entrepreneurial acumen migrants might have developed abroad.

Third, Chapter 4 emphasises the occupational interdependence between spouses. Given the higher propensity of migrants to set up businesses upon return, return migrants might dispose over their wives' time for their own business purposes either directly, as unpaid workers, or indirectly, by working outside their households or in subsistence farming. As a result, they might disproportionately capture their wives' time. Attention should be paid to buffering possibly time-depriving effects on women induced by men's migration. If not, return migration might increase the time burden placed on women, and contribute to women's time poverty. Strengthening local labour markets could decrease the level of occupational interdependence between spouses by encouraging households to substitute women's family work with hired external labour, freeing up women's time.

Chapter 4 implies that, when planning to create a favourable environment for efficient income source diversification and women's empowerment in middle-income countries with strong segregation along gender lines, the effects of migration, within-couple occupational interdependence and gender-differentiated time allocation within households should be considered to offer women viable outside options, enhancing their autonomy, and for a more inclusive growth.

Fourth, financial and care constraints were found to prevent households from sending migrants. By freeing up working-age household members' time and strengthening household (economic) resilience in the face of health shocks, Chapter 5 suggests that accessing publicly provided healthcare alleviates financial and time constraints. As a result, non-contributory health insurance could enable labour force detachment of working-age members in affiliated households. Given the interest publicly provided healthcare has received as a means to alleviate poverty, these results are likely to be at the centre of the social policy and development debate. Chapter 5 contributes to this discussion by providing causal estimates of the impacts of a significant change in publicly provided healthcare on the propensity to migrate in an upper middle-income country with decreasing migration. The importance of taking into account effects on within-household labour attachment, i.e. of including non-resident household members and household members who (might have) migrated in such analyses, has been highlighted; not accounting for the potential effects of social protection programmes on the likelihood to migrate might question the reliability of results obtained for labour market outcomes.

Moreover, by limiting the number and the length of health shocks, accessing healthcare (almost) for free increases disposable income and frees up (working-age) caregivers' time, enabling them to spatially reallocate their labour force, complementing alternative livelihood strategies, and further diversifying income sources. Non-contributory healthcare could thus have multiplier effects on economic development and welfare through migration by helping surmount financial

and care constraints. Chapter 5 gives insights into what prevents migration, which is necessary to improve the design and target of migration policies, and to leverage the contribution of migration to the development of origin communities.

These *Essays* have offered original insights by questioning and refining existing thinking in the fields of economic development, labour, migration and social (health) protection. They have been published as working papers, freely available to the public. Analytical chapters are currently being reshaped to be submitted to academic journals. They have been presented in internal and external conferences, seminars and workshops attended by both academics and policy makers. These were fruitful opportunities to disseminate results and receive comments and suggestions. For instance, Chapter 2 has been presented at the first Workshop on Migration and the Labour Markets (2018, UK) and at the 29th European Association of Labour Economists (EALE) Conference (2017, Switzerland); Chapter 3 at the first IZA/World Bank/NJD Conference on Jobs and Development (2018, Colombia), the Inaugural Asian and Australasian Society of Labour Economists (AASLE) Conference (2017, Australia), the third IZA/DFID GLM-LIC Research Conference (2017, USA), the third Life in Kyrgyzstan (LiK) Conference (2017, Kyrgyzstan) and at the final TRANSMIC Conference (2017, Italy); Chapter 4 at the UNU-WIDER Development Conference on Migration and Mobility (2017, Ghana) and at the first UNU-MERIT Internal Conference (2017, Netherlands); and Chapter 5 at the 2018 Association for Public Policy Analysis & Management (APPAM) International Conference (2018, Mexico), at Banco de México (2008, Mexico) and at the 32nd European Society for Population Economics (ESPE) Conference (2018, Belgium).