

Internal Migration in Italy

Davide Fiaschi
University of Pisa

Angela Parenti
IMT Lucca

Cristina Tealdi
IMT Lucca

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In this paper we study the migration across Italian regions in the period 1992-2008. We present a simple model of migration “where a person’s migration is treated as two separate decision procedures: first, the decision to move or to stay; second, given the decision to move, the choice of a destination” in line with McFadden (1984) (Davies et al., 2001, p. 341), and focus on the second procedure. Other previous studies (Evers and van der Veen, 1985, and Rossi, 1980) have considered separately the decision to migrate and the destination choice.

The choice of where to migrate involves the determination of individual migration probabilities from each area of origin to all a possible destinations by a standard random utility model, where individuals compare costs and benefits of residing in each region and choose the region where the net benefits are the greatest. Overall, the labour market conditions of the origin and destination regions and the social and family connections of migrants are the main candidate explanatory variables.

European Labor Force Survey (ELFS) is main source of migrations across Italian region; it provides individual level data on measures of mobility as well as demographic and socio-economic information. A worker is defined as emigrate if the current place of residence and the one of one year before are in two different NUTS2 regions. We do not consider the years after 2008 to avoid confounding effects due to the economic crisis that severely hit Europe (and Italy). We complement this data set with the European Regional Database elaborated by Cambridge Econometrics for the years 1991-2007 which provides information on unemployment rate, and compensation per employee for different sectors. Finally, the dataset includes also the house prices index provided by the Bank of Italy (Muzzicato et al., 2008).

The econometric model includes as dependent variables the annual probability to migrate from region i to region j as a function of destination-to-other-possible-destination ratios of geographical distance, unemployment rate, compensation per employee, time dummies and an unobserved specific (i, j) characteristics. We therefore estimate a random effect panel via maximum likelihood.

In the estimate the limited number of observed emigrants per year suggests to aggregate data at NUTS1 level, i.e. we consider five macro-regions: North-East, North-West, Center, South, and Islands. This amounts to consider a sample of 320 observations (20 probabilities to migrate per year, for 16 years, being year 2000 missing).

The estimate for the total sample of emigrants reported in Table 1 shows how the distance, the unemployment rate, and the price of houses have the expected negative and statistically significant impact on the probability to migrate, while the remuneration in construction (we have tried also the average remuneration or the remuneration in other sectors) has the expected positive sign, but not statistically significant. Unobserved specific characteristics are very significant.

However, as shown in Table 2, for low-skilled workers (i.e. workers with no more than lower-secondary education) remuneration appears a significant determinant, while distance loses its explanatory power; houses prices and unemployment rate increased their magnitude.

Finally, Table 3 shows how distance is relevant for the choice of the destination region, but not the remuneration.

Overall, our findings suggest that in the choice of low-skilled emigrants a fixed cost of

	Estimate	Std. Error	t-value	p-value	
Intercept	0.948799	0.197012	4.8159	2.28E-006	***
Distance	-0.074786	0.028598	-2.6151	0.009349	**
House prices	-0.523032	0.143131	-3.6542	0.0003021	***
Unemployment rate	-0.099397	0.02307	-4.3085	2.20E-005	***
Remuneration in Construction	0.030658	0.023961	1.2795	0.2016713	
Adj. R-Squared : 0.092646					

Table 1: Total sample of emigrants in the period 1992-2008 for the five Italian NUTS1 regions

	Estimate	Std. Error	t-value	p-value	
Intercept	1.015011	0.170734	5.945	7.42E-009	***
Distance	-0.026946	0.022614	-1.1915	0.23435	
House prices	-0.621888	0.138217	-4.4994	9.64E-006	***
Unemployment rate	-0.132509	0.024351	-5.4416	1.07E-007	***
Remuneration in Construction	0.051462	0.026248	1.9606	0.05082	*
Adj. R-Squared : 0.089474					

Table 2: Sample of low-skilled emigrants (i.e. workers with no more than lower-secondary education) in the period 1992-2008 for the five Italian NUTS1 regions.

	Estimate	Std. Error	t-value	p-value	
Intercept	1.028719	0.243552	4.2238	3.15E-005	***
Distance	-0.118008	0.033237	-3.5505	0.0004432	***
House prices	-0.568164	0.176035	-3.2276	0.00138	**
Unemployment rate	-0.094716	0.034518	-2.744	0.0064179	**
Remuneration in Construction	0.037335	0.028597	1.3056	0.1926567	
Adj. R-Squared : 0.10255					

Table 3: Sample of high-skilled emigrants (i.e. workers with at least an upper-secondary education) in the period 1992-2008 for the five Italian NUTS1 regions.

moving is present, as well as the aggregate conditions of labor market of destination regions, while high-skilled emigrants are less sensible to these aggregate conditions, but more affected by family and social connections proxied by distance. Finally, the specific characteristics are also part of explanations of observed migration patterns, pointing to the presence of possible network effect in the migration across Italian regions.