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**INVISIBLE BARRIERS IN INTERNATIONAL LABOUR  
MIGRATION: THE CASE OF THE NETHERLANDS**

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# **Invisible Barriers in International Labour Migration: The Case of the Netherlands**

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## **Abstract**

Why is labour mobility in the European Union so low? To shed light on this issue we focus and examine international labour migration intentions of the Dutch potential labour force. A key characteristic of intended labour migration of the Dutch is that its low level and the fact that it is strongly age related. The low expected rate of migration can be traced to expectations about finding work abroad and the perception that foreign experience is not perceived to be valued by Dutch employers. In addition to this it appears that partners within a household carry a large weight in deciding to move. If one of the partners is against moving, emigration will not take place.

## **Introduction**

Free movement of labour is a key objective of the European Union. In fact, the treaty of Rome entitled the free movement of persons as one of ‘the four freedoms’ guaranteed in the single market. Still, one of the characteristics of the European labour market is that is not yet one market and labour mobility does not function as an adjustment mechanism within the EMU as was initially envisioned (Puhani 2001). International labour mobility of the old EU15 members is low (European Commission 2006; OECD 2007a), certainly when it is compared to the geographic mobility in the United States or Australia. In the United States three percent of the working age population crosses state lines, whereas in the European Union only 0.1 percent crosses (nation) state lines within the European Union. In that respect, it should not come as a surprise that European leaders have reiterated the importance of geographic labour mobility as one of the goals of the Lisbon Strategy. Gaining insight into the mechanisms which drive international labour migration in Europe remains one of the central research issues. The primary driving forces of labour migration decisions of workers in the European Union are however largely unknown, and this hinders understanding of the main visible and invisible barriers on the European labour market.

Though there is an increasing amount of research on factors that influence migration decisions in the European Union (see for an overview Zaiceva and Zimmerman 2008; and Bonin et al. 2008), these studies primarily focus on observable, mostly socio-demographic predictors. The role played by attitudinal characteristics is generally neglected. Moreover, the work offered by (social) psychologists goes a long way to show that the migrant personality matters in making migration decisions (Boneva et al., 1998; Frieze et al. 2004). Unfortunately their work tends to focus only on psychological forces and leaves out the more structural, objective forces that underlie the decision to emigrate. There is little work that encompasses both elements – the observable characteristics stressed by economists and sociologists – and attitudinal characteristics stressed by social psychologists. Notable exceptions to this rule for international migration are the work done by De Jong (2000), Abrams et al. (1999) and Van Dalen and Henkens (2007).

In this paper we analyze the main determinants of labour migration intentions of the Dutch potential labour force by incorporating determinants of the different

approaches in one analytical framework. Special attention is paid to factors that may be viewed as invisible barriers hampering international labour mobility. These may relate to economic factors such as perceived work opportunities abroad, but also the social factors such as spousal support for migration and psychological factors such as the social attachment to the country of origin, may be viewed as one of the factors that hinder factor mobility.

Using intentions as a means of approximating emigration decisions to work abroad is a reasonable research strategy as long as one is aware of the pros and cons of using such stated preferences. Some point out the drawback that intentions are rarely realized (Constant and Massey 2002; Bertrand and Mullainathan 2001). There are two reasons why migration intention data offer valuable insights. First of all, there is a large body of literature focusing on internal migration (Duncan and Newman 1976; Hughes and McCormick 1985; De Jong et al. 1986; Moore 1986; De Jong 2000; Lu 1998, 1999; Kan 1999; Fang 2006; and De Groot et al. 2007) which suggests that migration intentions are good predictors of future behaviour. Evidence on international migration intentions is scarce, but a study for a rural area in the Philippines by Gardner et al. (1986) and work by Van Dalen and Henkens (2008) for the Netherlands, show that the same applies to intentions to move across national borders. Furthermore, the latter authors not only show that emigration intentions are good predictors of future migration, these intentions also capture the main driving forces which underlie actual migration behaviour.

A second reason for using intentions is that it allows self-selection theories to be tested without having to deal with the sort of sample selection problems that are associated with host-country data. Liebig and Sousa-Poza (2004, p. 126) pointed out that specific host-country characteristics such as migration policy, historical links and geographical proximity are bound to bias immigration to these countries.

The Netherlands are used as the case study as it may shed light on whether workers of a Western European economy are tempted to move abroad. A priori the Netherlands would seem like an excellent candidate as the country is a small open economy which depends to a large extent on trade and capital flows. In the era of globalization and increasing integration of the European Union member states one would expect that the upper echelons of the Dutch labour force will be attracted by the

possibilities offered by an international labour market. Tangible barriers to mobility within the EU are more and more being removed, education has made more and more Europeans bilingual and Anglo-Saxon education standards are adopted which enhances transparency on the labour market for employers.

The structure of this paper is as follows. First, we will elaborate on the structure of the model of migration decision making. Next we will present the data collected and methods used. And after that section the estimation results will be presented which shed light on, first of all, the question whether the intentions to work abroad are indeed as low as the earlier reports suggest (EU 2006; Zaiceva and Zimmermann 2008). And secondly, what drives the Dutch worker to stay at home or move across national borders. In conjunction with the estimation results we will also present some simulations which give an idea what the upper bounds may be of future international mobility.

### **A model of migration decision making**

Most migration theories are based on the assumption that people behave in ways that yield welfare improvements. In economic theory the benefits of migration are generally defined in terms of a positive net wage difference (i.e. wage differences corrected for the material and immaterial costs of moving). Sociologists emphasize the importance of social networks in attaining welfare improvements and psychologists (Berry 2001) examine whether personality characteristics matter in making migration decisions. Social psychologists address the behavioural intentions that precede actual migration.

According to the theory of reasoned action (Fishbein and Ajzen 1975; Ajzen and Fishbein 1980) behavioural intention of a particular act is both the immediate determinant and the single best predictor of behaviour. The theory specifies two determinants of intention to perform a given behaviour: (1) the attitude toward the behaviour in question: the person's overall evaluation of performing the behaviour; and (2) subjective norms: the person's perceived expectations of significant others with regard to his or her performing the behaviours in question. In addition to these two forces the theory of planned behaviour (Ajzen 1991) has added a third determinant to the theory to cover behaviours which are not completely under volitional control. This determinant is often referred to as perceived behavioural control: the extent to which a person feels he or she

has control over performing the behaviour, or the perceived ease of performing the behaviour (i.e. their so-called 'self-efficacy'). The theory of reason action is typically set up as a causal model in which norms, attitudes, and behavioural control form the intention which in turn is the sole predictor of behaviour (see for an overview of the various methodological intricacies of testing attitude-behaviour theories Sutton, 2003).

In our study of emigration intentions of Dutch workers we incorporate the determinants of the different approaches in one analytical framework. We, thereby combine structural, observable variables that are usually included in economic and sociological studies, with attitudinal characteristics that are included in the work of social psychologists.

### *Economic forces*

The basic framework for analyzing migration decisions is to be traced to the human capital of migration by the seminal work of Sjaastad (1962) and Todaro (1969), although Hicks (1932) may certainly be counted as a precursor this work. The theory offers predictions about the propensity to migrate that can be tested, such as the role education and age play in determining emigration decisions. Starting with the most obvious element — education — we see that the large body of economic migration studies focus on the question of whether migrants are favourably selected or not, where positive selectivity refers to the tendency that migration flow is disproportionately represented among the skilled or talented people in the source country. With a simple model of migration, Chiswick (1999) demonstrates how human capital, approximated by schooling or innate ability, increases the probability of migration. One of the reasons why positive self-selection occurs is that higher-ability individuals can recoup the out-of-pocket costs of migration faster and they may also be more efficient in migrating and adapt more easily to the conditions of the destination country (language, norms and rules). With regard to emigration from high-income countries, we expect that the higher educated will be more inclined to migrate because their human capital is more internationally transferable, yielding lower transaction costs tied to migration. Furthermore, the opportunities for the higher educated to work in an international labour market are greater, also because the international labour market offers more opportunities to specialize than the internal

market. Although the arguments underlying the positive selectivity of migrants sound persuasive, in the end it remains an empirical question of whether the lesser skilled or the higher skilled are more likely to emigrate.

The role of age in migration decision making becomes clear by posing the question: Which moment in the life course is the best time to emigrate? The younger the migrant, the longer the period of time the migrant has at his or her disposal to recoup the “investment,” that is, moving the human capital from the source country to the destination country. Other factors might reinforce the age bias in migrating when the age-wage profile is steeper and when personal migration costs are age-related. In short, we would expect intentions to emigrate to be more likely among the young than among the old.

Standard economic theory implicitly assumes that people are fully informed about the opportunities available to them. However, the expectations about prospective wages or work opportunities abroad are often assumed and rarely measured directly, an issue explicitly stressed in the work of De Jong (2000). Our hypothesis is that part of the low labour mobility within the European Union may be explained by expectations of the opportunities that the international labour market may offer. Expectations offer the possibility of overshooting or undershooting in migration. For example, the existence of a migration culture in which everyone intends or plans to emigrate could be the result of expectations that are out of touch with the actual circumstances abroad. An over-optimistic population might, for example, result in an excessive number of migrants leaving the country. This may be the case for developing countries as Van Dalen et al. (2005) have shown. One can even imagine situations in which wage expectations are so high that the entire population, regardless of their skill levels, would be eager to move abroad. We hypothesize that members of the Dutch potential labour force do have expectations of opportunities on the foreign labour market and that these expectations are important predictors of the intention to work abroad.

Besides the role played by expectations of labour market opportunities abroad, we also take into account that labour migration is often a temporary affair. We assume that for those who consider to work abroad will possibly also consider to return home at some future date. Potential migrants are therefore likely to weigh the value of foreign

experience for their future labour market position in the country of origin. In short, expectations about how employers at home value the experience they gain abroad may be evaluated and used in making the decision whether or not to migrate in the first place. Our hypothesis is that the more experience abroad is valued by employers in the country of origin, the higher the intention to work abroad.

### *Social forces*

Making migration decisions is not a purely individual decision and the influence of networks is bound to affect the decision to emigrate (as stressed by Stark and Bloom 1985). The influence of social forces become visible in migration decision making through: the availability of a social network abroad, as well as the support for migration received from these networks. To start with the first element, the availability of a social network of friends and family abroad is believed to increase the probability of emigration. The role played by migrant networks is well known (cf. Massey 1999; Epstein and Gang, 2006). Networks not only provide information that may give a more accurate estimate of what potential migrants can earn abroad in real terms, but also, and more importantly, they offer services that reduce the personal costs of migration and integration and thereby can favour the balance to move abroad. This is in fact what is assumed to be behind the phenomenon of “chain migration.” Most studies therefore assume a relationship between the adjustment costs of migration and the size of the social network. In other words, the larger the network of potential migrants, the more set the potential migrant will be on emigrating. We will hypothesize that the larger the number of emigrants in an individual’s network, the stronger the intention to emigrate and subsequent emigration behaviour. The second element that may stimulate or hamper the likelihood of migration is the attitude of the partner within the household toward working abroad. It is widely acknowledged that migration decision making takes place in the context of the family and that the presence of partners matters (Mincer 1978; Borjas and Bronars 1991). However, perceived spousal support for migration is rarely measured and included in the analytical framework. We assume that there will be a tendency within the household toward agreement in labour migration decisions, through a process of interaction and exchange of information between spouses. The opinions of the spouse

will therefore affect the formation and change of the others' opinions. We predict that spousal support for migration increases the likelihood that workers intend to work abroad.

### *Psychological forces*

Leaving your home country to work abroad can give rise to strong feelings of uncertainty, since living and working abroad may mean getting acquainted with a new culture or even adapting one's identity. Psychological characteristics are assumed to predict whether people will enter a new and unfamiliar situation as well as their affective reactions to a novel situation. In this paper, we focus on two main personality traits that may contribute toward strong emigration intentions: sensation seeking and the level of self-efficacy. First, sensation seeking (Horvath and Zuckerman 1993) can be of great importance to such daring moves as migration. Risk lovers or sensation seekers have a tendency to take more risks and perceive the world as less threatening. It is therefore likely that the more adventurous or risk loving a person is, the stronger the intention to emigrate will be, and the more likely actual emigration.

The second personality trait that is deemed important in the emigration decision-making was mentioned earlier and is the level of self-efficacy a person. Self-efficacy, or the belief that one can effectively cope with a given situation, predicts whether people will enter a new and unfamiliar situation (Sherer et al. 1982). Self-efficacy predicts confidence in the ability to deal with changes and unfamiliar situations. Given that emigration is a new and uncertain experience, we assume that higher scores on self-efficacy will be associated with stronger intentions to emigrate and subsequent emigration steps.

A final psychological element that may explain why workers may or may not intend to work abroad is connected with the loss of national identity that may accompany emigration. This element may be of importance in a setting where local identities are still important but which loose ground due to the force of globalization or integration of nation states in a larger union, like the European Union. There is growing body of work that pays attention to how a strong national identity of immigrants may hamper integration in the host country (Berry 2001; Constant et al. 2006; and Constant and

Zimmermann 2008). However, very little is known about how identity affects the decision to leave in the country of origin. We predict that the more one identifies with the country of origin, the stronger the incentive to stay home. In our study this means that respondents who express a strong ‘Dutch identity’ will be less inclined to move abroad than respondents with a weaker sense of national identity.

### **Method and data**

A nation-wide emigration survey, has been carried out in January 2007. The data were collected by the institute *CentERdata* of Tilburg University which maintains a representative Internet-based panel of two thousand households in the Netherlands. All Dutch respondents who belong to the potential labour force in the range of 20-60 years of age are included in the analysis (N = 971). To rule out the possibility of two or more respondents per household and their reciprocal influence in stating preferences we have included only one member per household, who is either the head of the household or the partner of the head of the household.

The labour migration intention was measured by an ordered categorical variable representing the response to the question: Do you expect to work abroad for a couple of years in the next ten years? The answer categories comprised a five-category ranking of expectations (in brackets we mention the percentage of Dutch for each answer category): (1) highly unlikely (65.7%); (2) unlikely (18.7%); (3) neither likely, nor unlikely (9.8%); (4) likely (3.4%); and (5) highly likely (2.4%). Respondents with emigration intentions are primarily focussed at moving to another European country: 68 percent stated a European country as the preferred destination for work. This statistic accords well with the national migration statistics for the Netherlands, which show for the years 1999-2006 that 69 percent of native born Dutch had moved to another European country. Emigration intentions are explained by a set of variables that fall under the heading of the forces introduced informally in Section 2. Box 1 presents the wording of the survey questions of all measures of the explanatory variables in this article, as well as their psychometric properties in case of scale variables.

### **Box 1: Explanatory variables defined**

- *Age*, stated in years.
- *Gender*, male = 0 or reference category, female = 1
- *Number of children*.
- *Educational level* defined by the highest attained level: Low (lower vocational training, primary school = 0); Intermediate (high school, intermediate vocational training); High (university and higher vocational training).
- *Employment status*: (1) employee (= 0); (2) disabled/unemployed; (3) retired; (4) homemaker; (5) student; (6) self-employed.
- *Network contacts*: Do you know family members and friends who have emigrated? (1) No; (2) Yes, if so how many? ..... (persons).
- *Attitude partner*: To what extent is your partner [of respondent] willing to live for a number of years abroad? (1) unwilling; (2) neutral; (3) willing; (4) no partner present.
- *Chance finding job*: How likely is it that you can find a job abroad with your profession? (1) highly unlikely; to (5) highly likely.
- *Appreciation foreign experience*: scale ranging from 1 signifying low appreciation to 5 (high appreciation). The scale is based on 2 items: 'Work experience abroad will enhance my chances on the Dutch labour market' and 'It would be good for my career if I worked a number of years abroad': (1) fully disagree to (5) fully agree (Cronbach's alpha = 0.92).
- *Financial gains migration*: scale ranging from 1 signifying low expected gains to 5 (high expected gains). The scale is based on 2 items: 'If I would work abroad, my financial position would improve significantly' and 'With my education and experience I can earn far more abroad than I would in the Netherlands' (1) fully disagree to (5) fully agree (Cronbach's alpha = 0.72).
- *Loss of identity*: scale ranging from 1 signifying no loss of identity to 5 (high loss of identity). The scale is based on 2 items: 'The Netherlands is a country to be proud of'; and 'I would never renounce my Dutch nationality' with responses ranging from (1) fully disagree to (5) fully agree. (Cronbach's alpha = 0.59).
- *Sensation seeking* is derived from the responses to a set of Likert-type questions (cf. Zuckerman 1971). The following items were included: (1) New and unexpected experiences give me the excitement I need in life; (2) When I have to work according to fixed rules, I easily get fed up with them; and (3) People or things that always stay the same, bore me. Respondents could answer on a five-item scale ranging from (1) totally agree to (5) totally disagree (Cronbach's alpha = 0.67).
- *Self-efficacy* is based on three Likert-type items: (1) When I make plans, I am convinced that I will succeed in carrying out these plans; (2) When I decide to do something, I firmly cling to that decision; and (3) When unexpected problems occur, I do not handle them well. Answer categories varied from (1) totally agree to (5) totally disagree. (Cronbach's alpha = 0.67).

The descriptive statistics for each of the variables used are presented in Table 1.

**Table 1: Descriptive statistics (N =971)**

	Mean	St.dev.	Min	Max
Expectation working abroad	1.58	0.96	1	5
Gender (male = 0)	0.49	0.50	0	1
Age	42.82	11.02	20	60
Number of children	0.94	1.14	0	5
Labour market position				
Employee	0.68	0.46	0	1
Unemployed/disabled	0.08	0.27	0	1
Early retired	0.02	0.12	0	1
Student	0.04	0.19	0	1
Home maker	0.12	0.32	0	1
Self employed	0.06	0.23	0	1
Education level				
Lower	0.27	0.44	0	1
Middle	0.35	0.48	0	1
Higher	0.39	0.49	0	1
Number of contacts abroad	2.84	4.78	0	20
Shared norms partner about migration				
No partner present	0.25	0.43	0	1
Attitude partner negative	0.45	0.50	0	1
Attitude partner neutral	0.07	0.26	0	1
Attitude partner positive	0.23	0.42	0	1
Expectations labour market chances:				
Finding a job abroad	2.55	1.31	1	5
Financial gain migration	2.65	0.73	1	5
Career enhancement foreign experience	2.57	1.02	1	5
Personality characteristics:				
Self-efficacy level	3.81	0.75	1	5
Sensation seeking	3.06	0.60	1	5
Loss of national identity	3.72	0.73	1	5

Source: NIDI emigration survey (2007)

### Estimation results

To bring out the strength of the more intangible or invisible barriers to migration, we carried out the estimation procedure in two steps, using ordered logit analysis. In the first model we focus on the social economic characteristics that are clearly visible and relevant for matters of labour migration. In the second model we introduce the role of expectations, social forces and personality characteristics. Table 2 gives the ordered logit analysis of both models.

**Table 2: Ordered logit analysis of the (ordered) probability that potential worker (15-60 years) will work abroad in the next ten years (N=971)**

	Model I		Model II	
	Coefficient	t-value	Coefficient	t-value
Gender (male = 0)	-0.39**	2.63	-0.31	1.84
Age	-0.05**	6.52	-0.03**	3.57
Number of children	-0.10	1.37	0.02	0.26
Labour market position, employee (=0)	-	-	-	-
Unemployed/disabled	-0.92*	2.63	-0.53	1.36
Early retired	-0.55	0.70	-1.47	1.60
Student	0.98**	2.70	0.46	1.16
Home maker	-0.51	1.80	-0.24	0.73
Self employed	0.46	1.66	0.44	1.39
Education level, Lower (=0)	-	-	-	-
Middle	0.25	1.27	-0.23	0.99
Higher	0.67**	3.44	-0.06	0.29
Number of contacts abroad	0.04**	2.61	0.01	0.51
Partner present	-0.41**	2.49	-	-
<b>Attitude partner about migration</b>				
No partner present (=0)	-	-	-	-
Attitude partner negative	-	-	-1.78**	7.75
Attitude partner neutral	-	-	-0.11	0.38
Attitude partner positive	-	-	0.63**	3.07
<b>Expectations labour market chances</b>				
Chance of finding job abroad	-	-	0.72**	9.55
Financial gain migration	-	-	-0.10	0.73
Career enhancement foreign experience	-	-	0.64**	6.74
<b>Personality characteristics</b>				
Self efficacy	-	-	0.07	0.52
Sensation seeking	-	-	0.35**	3.08
Loss of national identity	-	-	-0.47**	4.37
Pseudo $R^2$	0.08		0.28	

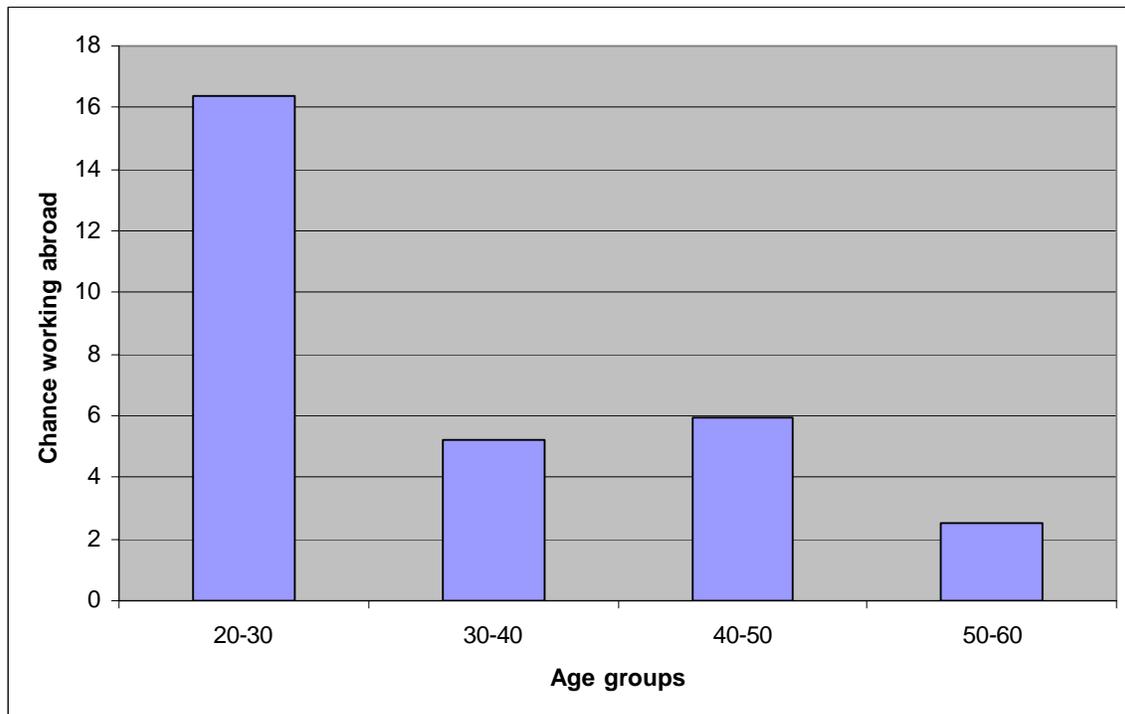
\*  $p < 0,05$  ; \*\*  $p < 0,01$ . Cut-off points in the ordered logit analysis are not presented for matters of brevity.

Source: NIDI emigration survey (2007)

The regression analysis of model I presents us with an impression one comes across in many empirical economic studies of migration (cf. Bonin et al. 2008 or Zaiceva and Zimmermann, 2008). Age, gender, household structure, education and networks abroad are the most forceful elements in describing the flow of labour migration. In other words, it are primarily the (single) young men with a higher education and connections abroad who think about entering the international labour market. To show the force of age in making migration decisions one need only pay attention to Figure 1 to see that labour migration is to a large extent a young man's game: 16 percent of the labour force in the

age 20-30 years expects to work abroad in the next ten years, whereas this percentage for the middle aged groups is 5 to 6 percent. Being unemployed decreases the likelihood that someone will emigrate.

**Figure 1: Percentage of workers expecting to work abroad in the next 10 years, by age group**



The introduction of the less tangible elements of migration decision making in model II captures most of the original effects in model I and increases the explained variance from 8 percent to 28 percent. The only element of model I which still is relevant in explaining migration is the factor age. The educational and gender element are no longer statistically significant, suggesting that other factors capture these elements. What model II shows is that important elements in migration decision making are more or less invisible to the outsider. First of all, the most important elements in explaining labour migration intentions turn out to be the attitude of the partner (if present) and perceived labour market chances abroad. To start with the former element, if the partner is not much taken

with the option of living a few years abroad one the likelihood of a positive intention to migrate is very low. It is quite a different matter when the partner has a positive attitude about living abroad. What is most interesting about the perceived attitude of the partner is that it shows that a partner is not always a restriction to move abroad as suggested by model I, but that a partner can also be a stimulus for migration.

The other outstanding elements turn out to be expectations about finding a job abroad and expectations about the value of foreign work experience on the labour market in the home country. Perceptions of weak labour market opportunities abroad as well as perceptions that foreign work experiences will not be of much value after returning to the Netherlands are both strong impediments for labour migration intentions. After controlling for these effects, the financial gains tied to migration do not have an independent effect on the likelihood of labour migration.

Although the voice (and force) of the partner and the foreign labour market expectations are the most prominent elements in decision making, the other invisible forces are not to be neglected. The psychological forces of migration, as captured by the level of self-efficacy, sensation seeking and national identity, are perhaps not as forceful as the labour market expectations, but nonetheless important factors among the invisible driving forces. Self efficacy which is generally thought to be important in realizing intentions is of no importance, whereas the level of sensation seeking does exert an independent influence. The fact that self-efficacy does not impinge on labour migration decision making may perhaps also be traced to the fact that the item which measures the chance on the foreign labour market, is in fact a question measuring to a certain extent domain-specific self-efficacy. Finally, the feelings of national identity have a large impact on the decision to stay or move in line with what theory predicts. This effect confirms an earlier study by Drinkwater (2003) who showed that closeness to the country of origin may hamper the willingness to move.

### **Counterfactual migration analysis**

Although the estimation results provide a more in-depth insight in factors influencing intentions to work abroad, they do merit some further discussion and analysis.

An encompassing result is that the most of the visible elements of migration decision making that seem important in a basic setting, are no longer so important in a richer setting where the invisible elements are incorporated. Particularly interesting is the role of education in explaining labour migration intentions. Effects of education are no longer significant in model II. This may be due to education and perceived labour market opportunities. To shed light on this issue we present a cross tabulation in Table 3 of the expected chance of finding a job abroad by educational level.

**Table 3: Expected labour market chances abroad by educational level (N=971)**

<b>Question:</b>	<b>How likely is it to find a job abroad with your profession?</b>		
	(Highly) unlikely	Neither unlikely, nor likely	(Highly) likely
<i>Level of education</i>	Percentages		
Lower	65	19	16
Middle	45	27	28
Higher	39	26	36
Average	48	24	28
<b>Statement:</b>	<b>Work experience abroad will enhance my chances on the Dutch labour market</b>		
	(fully) disagree	Neither agree, nor disagree	(fully) agree
Lower	47	33	21
Middle	48	32	21
Higher	45	31	24
Average	45	32	22
<b>Statement:</b>	<b>With my education and experience I can earn far more abroad than I would in the Netherlands</b>		
	(fully) disagree	Neither agree, nor disagree	(fully) agree
Lower	39	55	6
Middle	38	52	9
Higher	44	47	9
Average	41	51	8

Source: NIDI emigration survey (2007).

A priori, one would expect that the higher educated workers have more opportunity and are better equipped to find a job on the international labour market than low educated workers. The table indeed confirms this picture: the large majority of low educated workers (65 percent) expects that it is (highly) unlikely that they will find a job abroad and only 16 percent gives themselves a chance on a foreign labour market. For the high educated workers things are completely reversed: only a minority (39 percent) give themselves little chance, whereas

more than one in three high educated workers (36 percent) thinks it is (highly) likely that they will find a job abroad.

However, finding a job is just one element that enters the deliberation about moving abroad. Within the context of the economic theory of migration, a move abroad also has to be compensated by either by a net wage gain or some other valued goal (cf. Van Dalen and Henkens, 2007). Table 3 also presents two other compensating mechanisms: a higher wage or foreign work experience which repays itself upon return. Table 3 suggests that the financial gains tied to migration are certainly not the overriding forces that lure the Dutch to work abroad. The average Dutch person staying behind expects that migration does not improve his or her financial position, only 8 percent believes that migration offers an income improvement. A striking outcome is that the highly educated Dutch potential migrants are even more negative than their lower educated countrymen (44 percent of the higher educated disagrees with the statement that migration offers financial benefits versus 39 percent of the lower educated). With respect to foreign labour experience the outcomes show that 22 percent agrees that foreign experience increases career prospects, the fact remains that there are hardly differences across education, as one would expect. Interestingly, the correlation between perceived labour market opportunities abroad and expectations that migration leads to financial gain and career gains is relatively weak. For matters of illustration, the respondents who are positive about finding a job, *and* achieving a wage gain *and* a career gain, constitute a small group of people. The group who scores high on all labour market expectations is only 1.3 percent of the population. If the Netherlands turns out to be exemplary for the old European Union members one can understand why international mobility is so low in the EU15 region.

The strong influence of labour market expectations and social connections and identity on labour migration makes one wonder what this might mean for the future. European policy makers repeatedly stress the need for removing barriers to trade and in the case of migration, barriers to international mobility. Our analysis suggests that this approach may be misguided as the most important barriers are invisible and far harder to reach and change than tax codes and regulations. There are some signs that the young Europeans of today have more multiple identities – both European and national - than

their older countrymen (Lutz et al. 2006). This loss of national identity can have long-lasting effects as it appears from our analysis in Table 2. National identity is one of the invisible barriers to labour migration.

To see how some of those barriers hamper labour migration we have carried out a simple counterfactual in which important push and pull mechanisms are set at extreme values. The estimation results of model II in Table 2 are used as our benchmark case. In case of the chances that foreign labour markets offer – so-called ‘pull’ mechanisms - we have assumed that the entire Dutch population evaluates those as extremely positive. In addition to the labour market chances we have also assumed that the respondents are not inhibited by feelings of national identity. In other words, the push mechanisms which are at the moment very weak are made quite strong. The results of this counterfactual are presented in Table 4.

**Table 4: A counterfactual analysis of the migration consequences of a strong increase of expected labour market chances abroad and complete loss of national identity (N=971)**

	<i>Probability of labour migration</i>		
	Likely	Highly likely	Total
Baseline model	3.4	2.4	5.8
<i>Very positive expected labour market chances</i>		Percentages	
Finding a job abroad (1)	7.4	5.8	13.2
Enhancement of career by experience abroad (2)	7.0	5.7	12.7
Chance at work and career (1+2)	14.3	14.2	28.5
Complete loss of national identity (3)	5.9	4.9	10.8

N.B.: Summation of the individual effects in this table give rise to aggregated effects which are either smaller or larger than the underlying individual effects. This is primarily the result of the technique of (ordered) logit analysis which employs the use of a non-linear S-curve to estimate the various probabilities of outcomes.

Source: NIDI emigration survey (2007).

It appears that when the Dutch evaluate their chances at finding a job abroad as highly likely, then the percentage of people intending to work abroad more or less doubles. And in case they have the impression that foreign work experience is very good for their career a same effect emerges: 13 percent instead of 6 percent expects to work abroad. In

case both factors are evaluated in a very positive manner then almost one in three workers (28.5 percent) expects to work for a couple of years abroad.

The effects with respect to national identity show a somewhat smaller effect but these effects remain nonetheless important. The absence of national identity suggests that proportion of potential labour migrants rises from 6 percent to 11 percent. Although a doubling may seem large, the counterfactual is perhaps too extreme. Currently 73 percent of the Dutch state that they would not give up their national identity and 65 percent states that he or she is proud on the Netherlands. Overturning such strong feelings in the near future would seem too farfetched and considering the gradual changes predicted by Lutz et al. (2006), the overall effect of this factor must be assessed as small.

## **Conclusions**

Despite the efforts by European policy makers to increase labour mobility with the European Union, the actual mobility of workers is still low. In this article we examined labour migration intentions of the Dutch labour force and we tried to increase the insight in the factors that stifle international labour mobility. Our study shows that emigration decisions are influenced by economic, social and psychological forces.

A novel finding based on our model of migration is that the barriers on the international labour market are invisible and not, as often assumed or perceived, visible. In light of the European efforts in removing formal barriers within the European Union this is an important finding. Our results suggest that removing formal barriers may only be a small step toward further European integration. The most important barriers are ‘all in the mind’ of the European worker, if the Dutch experience prove to be exemplary. In short, it are the soft or intangible factors that matter, whereas most of the policy efforts are (understandably) directed at hard, tangible factors. Our study has brought to light three invisible barriers:

First of all, the perceived labour market opportunities are central to understanding why workers are not much oriented at working abroad, even for a couple of years. The most notable finding may be that the overall majority of Dutch labour force does not perceive migration as a step to improve their financial situation. In other words, the central tenet of the basic economic models of international migration - driven by net

wage gains – does not seem to apply to the Netherlands. Of course, the Netherlands is a high-income country and moving abroad for large wage gains within the European Union is virtually impossible for the average Dutch worker (OECD, 2007b). However, migration flows are generally highly selective and based on that experience one would expect the higher educated to see more financial gains than lower educated workers. The data reveal no educational bias in perceived wage gains. An important topic for further research is to check whether these perceptions are as real as the Dutch respondents imagine them to be. The importance of this type of research may be important because a counterfactual analysis which we carried out suggest that international labour mobility can increase by a factor 4 to 5 if labour market opportunities are evaluated as high. Another interesting finding is that people are much more inclined to work abroad if foreign experience is perceived to be beneficial for the career prospect in the Netherlands after potential migrants return home. What makes this a novel and interesting result is that it suggests that one of the barriers to international labour mobility are to be found in the country of origin and not in the preferred country of destination.

Secondly, besides the perceived labour market opportunities it turns out that the shared expectations within a household may be a stimulus for international labour mobility. This is perhaps a plausible but also a novel finding. The general result in models of migration is to see the presence of a partner as a barrier to emigration, and indeed if one takes a simple model of migration this is indeed the case. The results in this paper suggest that it is not the presence of a partner, but the specific attitude of the partner that matters. In our model in which spousal support is incorporated we show that partners who support migration are an important impetus for migration. Partners who oppose migration are among the main barriers for international mobility. With dual earner couples being the norm in the modern-day labour market in the Netherlands, attitudes of partners toward migration, can probably not be seen in isolation of the partners own perceptions of labour market opportunities in a country of destination.

And the third set of invisible barriers relates to the personality of workers. It are the respondents with ‘sensation seeking’ qualities or the more adventurous types who are set on migrating as well those respondents who do not have a strong Dutch national identity. Although these forces are important one should not expect much change from

these driving forces. Psychological characteristics are to a large extent 'hard wired' or in case of national identity only bound to change at such a slow speed that notable changes for the immediate future are not to be expected.

The present study on labour migration intentions has a number of notable strengths, but also some limitations which should make the reader cautious in interpreting the results. The obvious strength is the capability to distinguish between economic, social and psychological forces in explaining intentions to work abroad. The study, nevertheless, has a number of limitations. First, our study has a cross-sectional design, which limits the causal interpretation of the relationships we established. The measurement of the dependent variable was based on a single item indicator, which might result in some measurement error. The study, however, convincingly shows that a focus beyond the traditional predictors of migration intentions may be helpful to understand the restrictions workers perceive when they exercise their right to free movement within the European Union.

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