

Introduction

This dissertation consists of four chapters, which I wrote during my Ph.D. studies at CERGE-EI. Being a migrant, I felt that my personal migration experience had something unique to share and this is how the topic of my thesis emerged.

All four chapters analyze labor migration from different perspectives. In the first two chapters I research immigration policy. In a dynamic world where new technologies rapidly reduce mobility costs, immigration policy becomes an important tool in controlling immigration. In the remaining two chapters I focus on the issues of self-selection into emigration using the example of Ukraine and within-country mobility using the example of the Czech Republic. These patterns are important because they determine the direction and magnitude of welfare changes initiated by the mobility of labor.

In Chapter one, I develop a theoretical model, which explains why and when a country imposes entry restrictions on the number and skill type of foreign workers. By imposing an immigration quota, a destination country indirectly affects the welfare of the origin country. Under some conditions, the quota positively affects the sending country welfare because it reduces the extent of the downward effect of new migrants on the wages at destination. Further, I describe how the quota changes when two countries form a political union.

In Chapter two, I construct an immigration policy index which is a proxy for the laxity of immigration policy. This index has several advantages over existing measures. It is defined and comparable for all countries in the world, varies across destination-origin country pairs and over time. When I use this index in estimation, it accounts for a significant share of migrants in stock data. It also explains gender and education composition of migrant labor.

In Chapter three, I research the selection patterns of migrants from my home country, Ukraine. We conducted a large scale survey, in which we collected information on migrants' observable characteristics and their labor market outcomes before and after emigration. Using this dataset, we find that Ukrainian migrants are positively selected in terms of age, education, and pre-migration income. This, however, is not reflected in their labor market outcomes because many of them are employed in occupations below their reported education levels. This may be understood in terms of strict immigration policies, high search costs, poor transferability of human capital obtained in Ukraine or individual unobservable skills.

In Chapter four, I research selection into internal migration in the East of the Czech Republic. This part of the country is constantly subject to relatively high flood risks from nearby water sources. To cover flood related losses and reduce household vulnerability, many people start commuting for work to nearby larger cities, which offer better employment opportunities and higher pay. Interestingly, the surveyed area is characterized by a high level of permanent out-migration after the occurrence of the first flood.