The Impact of Internal Migration on Natives’ Educational and Labor Market Outcomes: Evidence from Turkish Cities (Ali M. Berker)

To the extent that internal migration adversely affects natives’ and migrants’ educational and employment opportunities, it is an important determinant of severe poverty and income inequality in Turkey. For this reason, the principal aim of this study is to examine the causal relationship between internal migration and labor market and educational outcomes in Turkey using the 1990 and 2000 Census. To accomplish this, I will exploit variations in the densities of internal migration experienced by cities to estimate the causal effects of internal migration on natives’ employment and educational outcomes.

Because internal migrants sort themselves into cities based on their individual and family characteristics, as well as the characteristics of cities, it is a challenging task to obtain unbiased and consistent estimates of internal migration’s causal on employment and education outcomes. I will employ two econometric approaches to address these self-selection biases. First, the first differences estimation method will enable me to examine a causal relationship between change in the internal migrant ratio and the change in natives’ outcomes, assuming that city-level characteristics do not change over time. The first differences estimation method can remove city-level fixed effects, thus providing unbiased estimates of the effect of the internal migrant ratio.

However, it is still possible that the first-difference estimation method will yield biased estimates of the internal migrant ratio’s effect because temporary shocks at the city level may be related to both the internal migrant ratio and natives’ employment and educational outcomes. To address this concern, I will use an instrumental variable estimation method as a second econometric approach: I will use the internal migration ratio in 1990 as an instrument variable for the change in the internal migration ratio between 1990 and 2000 in the first differenced equation.

In this study, to investigate the association between the internal migrant ratio and natives’, I will focus on three major employment outcomes: employment, unemployment, and self-employment. Likewise, to establish a causal link between the internal migrant ratio and educational natives’ outcomes, I will focus on five educational outcomes for natives: being literate, primary school graduation, middle school graduation, high school graduation, and college graduation. To measure the density of internal migration in a given city, I will calculate the ratio of the internal migrant population to the native population.

Using this framework, I seek to answer two main questions. First, I will examine whether there is a causal relationship between internal migration and employment and educational outcomes for natives, as well as for internal migrants. Second, I will explore whether the estimated causal effects of internal migration vary with the characteristics of natives, as well as those of internal migrants.