Leila Rodríguez*¹
Pennsylvania State University
Department of Anthropology
Population Research Institute
409 Carpenter Building
University Park, PA 16802 USA

Email: <u>leilar@pop.psu.edu</u> Phone: +1.814.863.8255 Juan Carlos Vargas University of Costa Rica Central American Population Center San José 2060, Costa Rica

Email: jcvargas@ccp.ucr.ac.cr

Migration and Employment Transitions among Nicaraguans in Costa Rica and the United States: what matters where.

This paper analyzes the effect of migration on the employment transitions of Nicaraguans in Costa Rica and the United States by comparing their transition rates to those in their home country. Central America has a long history of migration to the north. Nicaragua is the only country in the region, however, that demonstrates bidirectional migration with the United States being the second main destination for its migrants, second to Costa Rica (Vargas 1999). Of all emigrants, 53.4% migrate to Costa Rica, and 46.2% to the United States.

Labor migration is characterized by the limited supply of capital, low rates of job creation, and abundant labor reserve of the sending societies, and the capital-intensiveness of receiving societies (Massey et al 1998). In the receiving countries, job turnover can be indicative of how immigrants adjust economically and socially to their new societies, and their impact on a society's economic growth.

Job turnover has potentially beneficial or harmful consequences for workers. While people assumedly change jobs to improve their earnings, frequent job changes can lead to loss of tenure-related benefits and wage increases (Hom and Griffeth 1995). Theories of job turnover abound. Most place job satisfaction as the immediate precursor to a job change. Other explanatory variables analyzed include an organization's ability to pay and motivate its members; an individual's access to information about alternative employment; an individual's expectations about specific jobs; and numerous structural variables relating to the opportunity structure.

A subset of job turnover studies addresses immigrants. Results suggest that immigrants are occupationally more mobile than the native-born population, although this declines with lower levels of human capital (Green 1999), that unauthorized migrants are more likely to be selected into low-wage farm labor (Taylor 1992), that immigrants over time move out of informal ethnic economies which leads to higher earnings (Nee, et al. 1994), and that recently-arrived women move into the light manufacturing sector and remain there (Myers and Cranford 1998).

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¹ Corresponding author.

Three important factors have been largely left out of the turnover literature. First, individuals are often embedded in households and families which can interfere at multiple points in the job turnover process. Job dissatisfaction might, for example, interact with family obligations (such as the birth of a child) that will nevertheless retain an individual at an undesired job. Likewise, access to information about alternative jobs can be increased by extended family members. This coincides with the new economics of labor migration theories, which place migration decisions in the larger group the migrant is embedded in, particularly the household (Massey et al).

Second, specific considerations arise in the study of immigrant employee transitions. Immigrants operate between at least two different opportunity structures during their lifetimes, that of their native country and that of the society they migrate to, sometimes returning to their home country or engaging in circular migration. Similarly, their kinship responsibilities might span two countries and involve family left behind in the home country. Furthermore, their official legal status in the host society will have an effect on the jobs they can transition to. Being embedded in different opportunity structures means that the responsibilities and benefits involving family members might affect employee transitions differently too.

Third, it is theoretically relevant to know not just how many employment transitions occur over a specified period of time, but also the duration of each job before a transition occurred. Because the time at a particular job can affect the benefits it accrues the worker, it is crucial to understand what factors determine how long a person remains in the same job. While some studies have used survival analysis techniques to study job transitions, most use limited panel data.

To this end, this paper seeks to analyze three questions: 1) What is the effect of migration on employment transitions? Does this differ by country of migration? 2) For return and circular migrants, does the migration experience change the rates of turnover at home? And 3) How do other events in immigrants' lives, particularly family formation, affect migration and employment transitions differently by country of reception?

Data come from the Latin American Migration Project's Nicaragua sample. It consists of a random sample from five communities in Nicaragua, containing a complete migration and work history for the household head and the spouse (if present), with detailed information about their experience. It also has information about the first and last migration of every household member. It contains basic sociodemographic information for all household members, socioeconomic information, and data on business and farm ownership. The data contains 162 self-reported household heads with migration experience to the United States, and 270 with migration experience to Costa Rica. In the U.S., household heads contribute a total of 7,834 person-years to the sample and undergo 1,102 job transitions. In Costa Rica, they contribute a total of 10,739 person-years, and undergo 1,362 job transitions. Event history analysis will be utilized to calculate the effect of household composition, human capital, and migrant status on the hazard rate of employment transitions. Subsequently, these rates will be compared for immigrants in Costa Rica and the United States, to their employment transition rates prior to migration.

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