

Migrations of the Unemployed and Reemployment: Evidence of Primary, Return, and Onward Migrations from Taiwan

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Abstract

Considering the contribution of labor migration to the reemployment of the unemployed and the fact that there is a paucity of studies on this in existing literature, this research studies the connections between the primary, return, and onward migrations and the reemployment of unemployed labor in Taiwan. The distinction among these three types of migration is essential for avoiding ambiguous and misleading empirical findings. A motivation for this research is the desire to obtain insights into the apparent contradiction between the relatively high geographical mobility of the unemployed and the persistence of a high unemployment rate in Taiwan since the mid-1990s. Based on the 1991-2006 "Quasi-Longitudinal Manpower Utilization Survey", the research goals are threefold: (1) to assess the effectiveness of the "disappointment hypothesis", "chronicity hypothesis", and "responsiveness hypothesis" in explaining repeat (i.e. onward and return) migration behaviors of the unemployed; (2) to ascertain the relationship between migration of the

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unemployed and reemployment; (3) to distinguish the relative effectiveness of primary, onward, and return migrations in promoting reemployment of the unemployed. Major research findings are as follows: (1) the three hypotheses all gain partial support, and none could exclusively explain the repeat migration behaviors of the unemployed; (2) past migration experiences, individual characteristics (gender, age, education, etc.), business cycle, availability of labor market information, and ties to and strength of kinship-friendship networks are crucial in explaining the migration behaviors of the unemployed; (3) a change in labor force status tends to trigger labor migration, and relative to the employed workforce, the unemployed are more prone to choose return migration than onward migration; (4) once the decision of repeat migration has been made, the unemployed who eventually get reemployed are more likely to engage in onward migration than the unemployed who do not successfully acquire a new job; (5) although the business cycle exhibits the expected negative effect on return migration for the unemployed, the positive association between the business cycle and migration of the unemployed is mainly shaped by its effect on primary and onward migrations amongst the unemployed; (6) in contrast to its primary and onward counterparts, return migration of the unemployed is selective of those with less human capital and lower in the occupational hierarchy.

Keywords: unemployment, reemployment, primary migration, return migration, onward migration