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Labour Market Outcomes and Skill Acquisition in the Host Country: North African Migrants Returning Home from the European Union

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Abstract:

This paper studies the educational investment decisions of returning migrants while abroad in the context of their decisions about the choice of activity upon returning and the duration of migration. The theoretical model builds on Dustmann (1999), Dustmann and Kirchkamp (1992) and Mesnard (2004). Using data from the MIREM database we explore whether the type of skills acquired by migrants while abroad is related to the activity chosen upon return and the duration of migration. The results suggest that the type of education plays a significant role in the migration decisions of those returning as wage earners or self-employed. In particular, there is a clear positive relationship between being self-employed and having previously invested in vocational education in the host country. There is also a strong positive relationship between investing in university education abroad and becoming a wage earner. As international migration facilitates skill transfers between developed and developing countries, the economic development of the latter will increasingly depend on migrants' ability to access educational and vocational training in the developed world aside from university education. Returning migrants with vocational and professional training tend to be self-employed after returning home, and by so doing they contribute to reducing poverty in the host country.

Text: See [Discussion Paper No. 5441](#)



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