Does Post-Migration Education Improve Labour Market Performance?: Finding from Four Cities in Indonesia

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SUMMARY

The first objective of this study is to examine which factors are important in determining the post-migration education among rural-urban migrants in Indonesia. The second objective of this study is to investigate whether investing in post-migration education in the cities improves the labour market performances of rural-urban migrants. The labour market performances are measured by the occupational (work) statuses and earnings (wages) at destination.

The determinants of post-migration education are estimated using a binary probit and Ordinary Least Square, while a multinomial logit model and a two-step procedure of Lee's selection biased correction based on the multinomial logit are used to examine the effects of post-migration education on the labour market performances of migrants measured by occupational status and by wages. The main source of the data used in this study is the Rural-Urban Migration in China and Indonesia (RUMiCI) 2009-11 survey conducted in the four largest recent migrant destination cities in Indonesia including Tangerang, Medan, Samarinda, and Makassar.

Post-migration education contributes significantly to the labour market performance in terms of work status and wages, compared to pre-migration education. In terms of work status, migrants with more post-migration education are more likely to be employed in the formal sector compared to migrants with less or no post-migration education. Relating to earnings, migrants with more post-migration education also tend to be paid more than those migrants with less or no post-migration education.

The role of post-migration education in the case of rural-urban migration particularly in developing countries is a relatively neglected area of research. One possible reason is because of the lack of data for rural-urban migration particularly in the case of developing countries. This study is taking advantage by using a new from Rural-Urban Migration in China and Indonesia (RUMiCI) focusing specifically on the rural-urban migrants in the four largest recent migrant destination cities in Indonesia including Tangerang, Medan, Samarinda, and Makassar.

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