

Abstract:

I investigate how a policy reform that aimed at creating new opportunities for innovative startup creation and survival affected the decision of young Italian citizens to emigrate. Applying a matched diff-in-diff design to the universe of Italian Social Security data, I find that municipalities that had at least one innovative startup registered in the programme show a 35% lower share of emigrants to other European countries with respect to the control group over a period of 4 years. The decrease in the share of emigrants are likely to be driven by an increase in the labour demand of young workers, working as apprentices in those sectors that were more likely to register in the programme. Preliminary firm level results confirm that treated firms have higher wages and shares of young workers with respect to observationally equivalent control firms.