

Does unhappiness drive the migration decision?

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Context

- ▶ Individual intention to emigrate - significant predictor of the actual decision and behaviour (Hale et al., 2002; Ajzen and Fishbein, 2005) -> proxy of actual migration decision
- ▶ Literature on the relationship between life satisfaction and migration flows in both the origin and destination countries(return migration, intention to emigrate and the dynamics and form of this relationship)
- ▶ Large consensus in the literature regarding the association between low life satisfaction and the intention to emigrate (e.g. Ostrachshenko and Popova, 2014; Cai et al, 2014; Chindarkar, 2014)

Paper idea and aim

- ▶ Is not clear whether and how life satisfaction shapes the preference for internal or external migration.. this issue has not been studied so far,
- ▶ Analysis of the migration intentions in relation with different types of satisfaction (life, financial situation, working conditions etc.) would be of interest for policy purposes
- ▶ Practical interest for Romania, characterised by high migratory flows

Study aim - to show how life satisfaction affects migration intention (drives the preference to move within Romania or to migrate abroad), controlling for economic, social and subjective well-being determinants, as well as for regional characteristics.

Literature review - International migration theories:

- ▶ **Economic neoclassical migration** models differentials in expected incomes and wages, as well as by differences in the labour supply and demand (Harris and Todaro, 1970; Todaro, 1969), but they ignore non-economic migration drivers and finally they fail to explain development-driven increases in migration (De Haas, 2010)
- ▶ **New economics of labour migration** frames migration in the family context, as a result of income inequality, relative deprivation and risk assessment within sending-countries (Skeldon 2002; Stark and Taylor 1989)
- ▶ **“Push-pull” approaches** - migration flows at the confluence of push factors, such as sending-country specific conditions forcing people to leave their homes, and pull factors, such as receiving-country specific conditions attracting people to a certain location (Lee, 1966).
- ▶ **Utility maximisation model** - subjective expected utility model (SEU model) of Kalter (1997)
- ▶ **Migration transition theory** (de Haas, 2010) states that constraints-loosening and aspirations-increasing economic and human development e theory of place utility (Wolpert, 1965)

Empirical insights in the literature

Happiness - intention to emigrate

► Two research directions:

(1) **impact of happiness on the emigration decision**

(2) immigrant's happiness after their arrival in the destination country

Mixed results (1):

- When the aim of income maximization prevails, poorer people are more likely to migrate because they expect a better life and better economic condition in the destination country (threshold of financial resources necessary to facilitate the migration process -> the poor cannot migrate)
- When happiness prevails -> unhappy people are more likely to migrate because their expected gain from migration is higher (threshold of minimum level of happiness necessary to trigger migration)

Linear or nonlinear relationship?

- ▶ Few papers studying the relationship migration-happiness
- ▶ Two papers - Nonlinear relationship happiness has a U-shaped relationship with emigration rates in the sense that emigration rates fall in happiness for relatively unhappy countries, but rise for relatively happy countries
- ▶ Two papers on Romania:
 - ▶ Bartram (2013) - returned migrants have lower happiness than non-migrants, while migrants who have not returned are not different in happiness from stayers
 - ▶ Mara and Landesmann (2013) study the Romanians' emigration intentions in Italy, such as to stay permanently, out-migrate by moving to another country or to return to the country of origin, and find that they are strongly linked to life satisfaction.

Model

- ▶ individuals nested in counties + nominal dependent variable of four categories
-> multilevel multinomial logit model -> mixed GLM approach

$$\eta_{ij}^{(k)} = \log(\pi_{ij}^{(k)})$$
$$\pi_{ij}^{(k)} = P(Y_{ij} = s | x_{ij}, \varepsilon_j, \delta_{ij}) = \frac{\exp\{\eta_{ij}^{(k)}\}}{1 + \sum_{m=2}^K \eta_{ij}^{(m)}}$$

The two-level random-intercept multinomial logistic regression model with logit link and a single explanatory variable X_{ij}

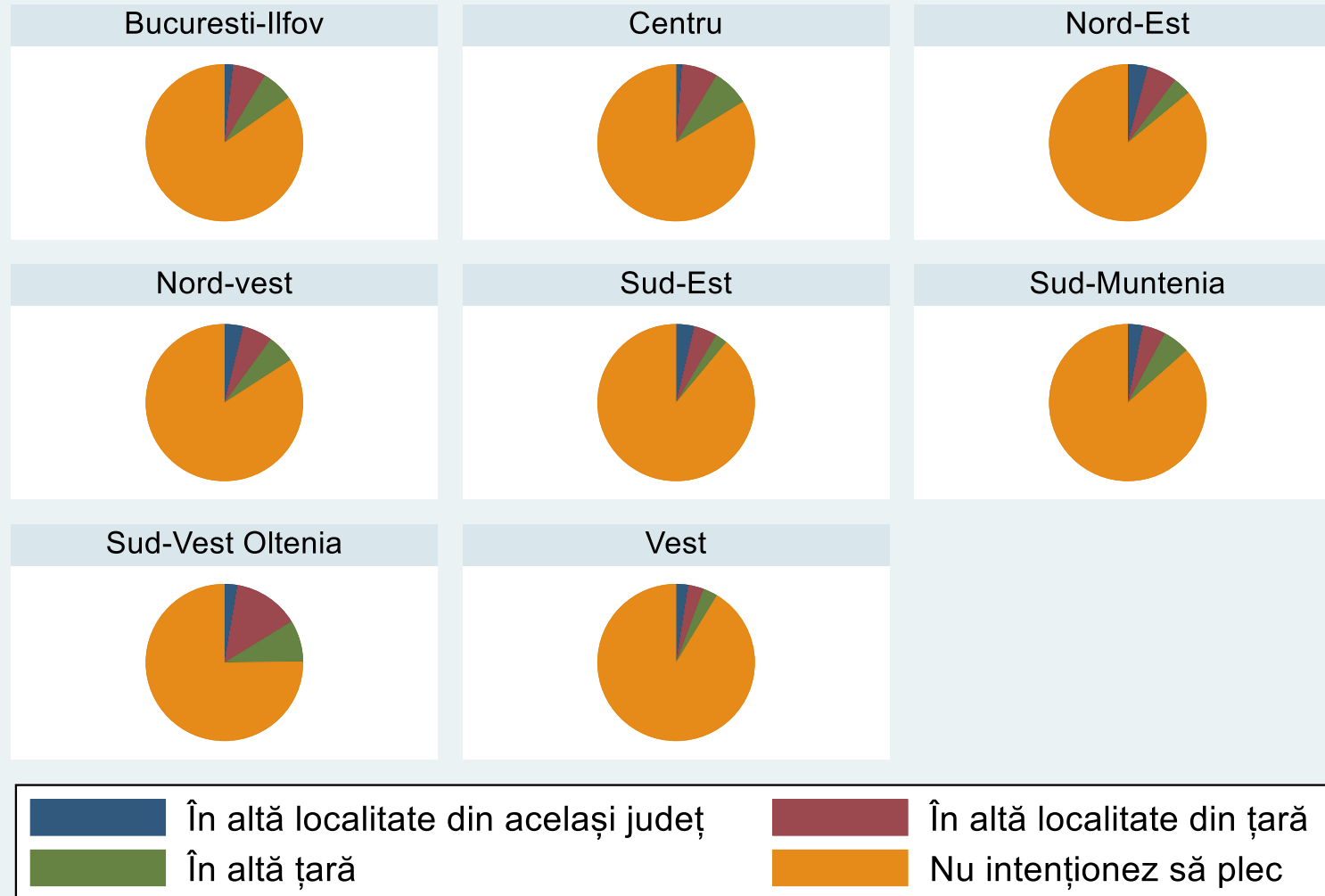
$$\log \frac{\pi_{ij}^k}{\pi_{ij}^t} = \alpha^{(k)} + \beta^{(k)} X_{ij} + \xi_j^{(k)} + \delta_{ij}^{(k)}$$

- ▶ $\xi_j' = (\xi_j^{(2)}, \dots, \xi_j^{(K)})' \sim N(0, \Omega_\xi)$;
- ▶ $\delta_{ij}' = (\delta_{ij}^{(2)}, \dots, \delta_{ij}^{(K)})' \sim N(0, \Omega_\delta)$.

Data

- ▶ Urban Barometer 2020 Romania - the first urban barometer in Romania
- ▶ 41 urban towns/cities
- ▶ 13.380 individuals (one per household)
- ▶ 250-500 individuals from each city/town
- ▶ Individuals from each of the 8 Romanian development regions (NUTS2)
- ▶ Data on: satisfaction and perception (about personal situation, city, environment, services, governance, labor, immigrants integration, and city development priorities)

Intention to emigrate during the next 12 months for minimum 2 years



Notă: Grafice la nivelul Regiunilor de dezvoltare

Considerations on methodology

- ▶ We initially include a random effect at the city level, and constrain the effect to be equal for chosen values 1,2 and 3 (value 4 indicating the baseline category).
- ▶ The estimated variance of the random effect is 0.38, which suggests a standard deviation of 0.61. This means that a 1-standard deviation in the random effects amounts to a $\exp(0.61) = 1.85$ change in the relative change ratio. The effect is practically and statistically significant, so we cannot omit it.
- ▶ Likelihood-ratio test -> each step of analysis
- ▶ Endogeneity (!?) - instrument- relative income that is the ratio of the individual's income relative to the average income of the reference group (upon education)
- ▶ Satisfaction with life -> 1-very high,..., 4-very low

Two-level random intercept multinomial logistic model with shared random effects

Explanatory Variables	Intention: move in another town, the same county	Intention: move in another county	Intention: move in another country
Age (centred)	-0.04*** (0.04)	-0.06*** (0.03)	-0.05*** (0.003)
Income (log)	-0.05 (0.06)	-0.03 (0.04)	-0.08** (0.04)
Relative income ratio	-0.10 (0.10)	-0.02 (0.06)	0.09** (0.04)
Children (dummy)	-0.24** (0.13)	-0.35*** (0.10)	-0.18** (0.10)
Since how many years in town	0.08* (0.05)	0.10*** (0.03)	-0.02 (0.04)
Household members	-0.004 (0.04)	0.04 (0.03)	-0.01 (0.03)
Education	0.17*** (0.05)	0.20*** (0.04)	0.05 (0.04)
Having a job	0.37*** (0.13)	0.66*** (0.09)	-0.19* (0.11)
Difficulties paying bills	-0.25*** (0.07)	-0.02 (0.04)	-0.14*** (0.05)
Gender	-0.12 (0.10)	-0.12* (0.07)	-0.48*** (0.08)
Satisfaction with life	0.19*** (0.06)	0.18*** (0.04)	0.58*** (0.04)

Individual- and county level covariate

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<i>Poor county</i>	<i>1.64*** (0.42)</i>	<i>0.65* (0.38)</i>	<i>0.17 (0.38)</i>
<i>GDP per capita</i>	<i>1.24** (0.63)</i>	<i>0.06 (0.60)</i>	<i>0.11 (0.60)</i>

Conclusions

- ▶ Like satisfaction is a key and common determinant of the Romanian's intentions to leave the residence town, for both internal and external destinations)
- ▶ The macroeconomic conditions in the city influences is a driver only for internal mobility (within Romania)
- ▶ Financial considerations matter only for the intention to emigrate abroad

What's next?

- Addressing endogeneity
- Incorporating the other explanatory variables on satisfaction