



# Life (dis)satisfaction and the intention to migrate: Evidence from Central and Eastern Europe



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## ABSTRACT

This paper provides empirical evidence of the impact of life satisfaction on the individual intention to migrate. The impacts of individual characteristics and of country macroeconomic variables on the intention to migrate are analyzed jointly. Using the Eurobarometer Survey for 27 Central and Eastern European (CEE) and Western European (non-CEE) countries, we find that people have a greater intention to migrate when dissatisfied with life. The socioeconomic variables and macroeconomic conditions affect the intention to migrate indirectly through life satisfaction. At all levels of life satisfaction, individuals with similar characteristics have greater intentions to migrate from CEE countries than from non-CEE countries. These findings underscore the importance of individual life satisfaction not only as a strong predictor of the individual migration intention, but also as a mediator between individual socioeconomic variables and macroeconomic conditions and that intention.

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## 1. Introduction

The factors driving the individual decision to migrate such as job and educational opportunities, expected income, relative deprivation, a better provision of social benefits and public goods, have been widely explored in the literature.<sup>1</sup> However, non-pecuniary aspects also play a role in migration decisions (see Stark, 2003). For instance, during conflict periods such as wars, terrorist attacks, and other regional political instabilities, higher migration flows

are observed regardless of any pecuniary aspects.<sup>2</sup> Also, the quality of institutions such as civil liberties, political rights, protection of property rights, corruption, and the level of institutionalized democracies (e.g., dictatorship) cause migration flows even when monetary benefits are sufficiently high in the country of origin.<sup>3</sup> As a result, these non-pecuniary aspects as well as tastes and culture, hidden reasons, and motives such as a feeling of deserving a better life, and a feeling of fairness, affect the decision to migrate, but may not be observed by a researcher. In this case a life satisfaction measure may be used as a proxy for both pecuniary and non-pecuniary aspects.<sup>4</sup> In fact, many surveys include questions regarding life satisfaction, where individuals evaluate the overall quality of their own life, providing the information that can be used for those purposes.

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<sup>1</sup> See Berger and Blomquist (1992), Borjas (1999), De Jong et al. (1983), Dustmann (2003), Gibson and McKenzie (2011), Greenwood (1997), Kennan and Walker (2011), Stark (2006), Stark and Bloom (1985), Stark and Taylor (1991), Stark and Wang (2000), Tiebout (1956), among others.

<sup>2</sup> See Bohra-Mishra and Massey (2011), Dreher et al. (2011), Morrison (1993), Sirkeci (2005), among others.

<sup>3</sup> See Bertocchi and Strozzi (2006, 2008), among others.

<sup>4</sup> See De Neve et al. (2012) and Lyubomirsky et al. (2005).

In the literature, only a few studies have investigated the relationship between life satisfaction and individual decisions and activities. Examples of such studies are Antecol and Cobb-Clark (2009), Clark (2001), Freeman (1978), among others, who use job satisfaction as a predictor of future job quits. Lyubomirsky et al. (2005) suggest that people who are satisfied with life are likely to be more successful and socially active, while Frey and Stutzer (2006) argue that people who are satisfied with life are more likely to decide to get married. Guven et al. (2012) examine the effect of the gap in happiness between spouses on the probability to divorce. Guven (2012) finds that people who are satisfied with life spend less and save more. Graham and Markowitz (2011) find that unhappy individuals from Latin America have higher migration intentions.

In our paper we examine the individual intention to migrate, not the actual migration decision. The psychological theories of reasoned action and planned behavior suggest that the individual intention predicts the actual decision and behavior (see Ajzen, 1991; Ajzen and Fishbein, 1975, 2005; Hale and Householder, 2002). In the literature on migration, empirical evidence in favor of a strong link between the intended and actual decision is provided by Gordon and Molho (1995) and Boheim and Taylor (2002). Gordon and Molho (1995) conclude that in the UK many people who intend to migrate actually move within five years. Furthermore, Boheim and Taylor (2002) argue that the actual probability to move for potential migrants is three times greater than for those who do not intend to move. Therefore, the analysis of the individual intention to migrate is important for understanding the actual migration decision-making process.

Our paper contributes to the literature on migration and life satisfaction, and continues the discussion about the ability of using subjective indicators to capture different factors affecting the migration intention. In this study, the Eurobarometer survey for 27 Central Eastern (CEE) and Western European (non-CEE) countries in the year of 2008 is used.<sup>5</sup> Differently from Graham and Markowitz (2011), we examine the impact of each level of life satisfaction on a Likert scale separately on the individual intention to migrate. We also jointly analyze the impact of economic factors at micro- and macro-levels on the migration intention.

Individual variables are represented by socioeconomic characteristics such as age, perceived financial situation, education, and past experience of migration, while country-level variables are unemployment, real GDP per capita, and income inequality. Country-level variables and socioeconomic characteristics are allowed to affect the individual migration intention not only directly but also through life satisfaction. That is, in this paper, life satisfaction plays the role of a mediator between country-wide economic conditions and the individual intention to migrate. Thus, we suggest a new channel capturing the impact of macroeconomic and individual socioeconomic characteristics on an individual intention to migrate, and provide additional evidence for the external validity of the life satisfaction measure.

The empirical findings indicate that people have a greater intention to migrate when dissatisfied with life. The results hold for all types of migration intentions, domestic, temporary international, and permanent international. The socioeconomic variables and macroeconomic conditions have an effect on the intention to migrate indirectly through life satisfaction. We also find differences in migration intentions between CEE and non-CEE countries at each level of life satisfaction for socioeconomic groups with different

levels of perceived financial situation and education, employment status, and age.

The rest of the paper is organized as follows. The next section briefly reviews the relevant literature. We then present the empirical framework and robustness check, describe data, and discuss estimation results. The final section concludes.

## 2. Literature review

The relationship between migration and life satisfaction has not yet been thoroughly examined in the economic literature. Existing studies at the individual level focus mostly on the life satisfaction of actual migrants and their next generations. For instance, De Jong et al. (2002) study the life satisfaction of migrants in Thailand and argue that life satisfaction typically decreases after moving to a different place, while Easterlin and Zimmermann (2008) argue that migrants from Eastern to Western Germany are relatively less satisfied than the locals living in the Western part. Safi (2010) also suggests that immigrants in Europe and their generations are less satisfied than the natives.

Mara and Landesmann (2013) examine the impact of the individual life satisfaction on migration intention using a survey of Romanian migrants in Italy. The authors confirm the findings of Otrachshenko and Popova (2012) and this paper that life satisfaction is a good predictor of migration intention. In another recent paper, analyzing migrants from Eastern to Western European countries, Bartram (2013) finds weak evidence of endogeneity between the actual migration and happiness. The author argues that after correcting for endogeneity, migrants from Eastern to Western European countries are not happier than stayers for most of the countries in his analysis. However, he also emphasizes that these findings are not robust. To confirm his findings, the use of panel data is required to compare the happiness of migrants before and after migration to the happiness of stayers.

At the country level, Blanchflower et al. (2007) and Blanchflower and Shadforth (2009) analyze the migration flows from Central and Eastern Europe. The authors find that the greater number of immigrants in the UK is from those CEE countries that have a lower GDP per capita and a lower average life satisfaction. This pattern invites us to disentangle the effects of country-level variables and life satisfaction on the migration intention/decision in CEE and non-CEE countries.

In labor economics, the use of job satisfaction anchored to labor mobility has received considerable attention. Most studies in this stream of literature argue that job dissatisfaction is a strong predictor of job quit intentions as well as actual quits.

In a seminal study, Freeman (1978) claims that the importance of satisfaction data for studying labor mobility is underestimated in the economic literature. The author suggests using individual satisfaction to evaluate the indirect effects of observed variables as well as a proxy for unobserved objective factors. For instance, job satisfaction may serve as an indicator of workplace quality. In line with this suggestion, Clark (2001) points out that different job satisfaction domains, for instance, satisfaction with career opportunities, relations with supervisors, and use of initiative, reflect unobservable job quality characteristics that can be used to measure the probability of job quits. Using data from the British Household Panel Survey, the author finds that dissatisfaction with job quality characteristics is a significant predictor of future actual job quits. Bockerman and Ilmakunnas (2009) analyze Finnish data and argue that job dissatisfaction as a proxy for adverse working conditions induces quit intentions and actual job quits. The topic of job satisfaction and quits in different contexts is further explored by Antecol and Cobb-Clark (2009) for military personnel, by Shields and Ward (2001) for nurses, and by Stevens (2005) for academics. All these

<sup>5</sup> Central and Eastern European countries in our sample are Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. Western European countries are Austria, Belgium, Cyprus (Republic), Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

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