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Literature Review

"Any attempt to forecast likely future patterns of migration and settlement needs to take account of the great economic and social transformations of our epoch, as well as the way in which ordinary people cope with these shifts, and in so doing often subvert the plans of the mighty." (Castles, 2002)

Beginning in the late 19th century, scholars have made serious study of the factors affecting migration. An important facet of this scholarship concerns understanding how migrants choose the country in which they will resettle.This paper will be a study of the motivations behind the selection of destination countries by migrants. Previous research in this area provides a framework of theory and empirical observations for this study. Literature in this field has focused on the neoclassical models of individual optimization and factors such as governmental amenities, border control, demographic makeup, geographic considerations, and social and network effects.

Early neoclassical theory took into account only the optimization of utility by the migrant, ignoring social and cultural factors and political barriers such as borders. The neoclassical Harris-Todaro model states that a migrant will select a destination country by maximizing his income (Harris and Todaro, 1970). The migrant takes into account his potential income in the destination country and the probability of securing employment as the main factors when selecting where he will migrate to. By ignoring factors other than "rational choice" to optimize wages, this model predicts that wage equilibrium and a gradual decline in global migration will result. This has not occurred and the neoclassical theories of migration are shown to be lacking in complexity and understanding of the underlying mechanism behind migration (Castles and Miller, 1998).

Succeeding neoclassical thought, scholars began to look into migratory patterns and the characteristics of destination countries other than simply potential earning power. The economics of migration began to take into account political, social, geographic, and cultural factors. One such large shift in the economics of migration was that scholars began to consider the effect of borders. Zolberg (1989) details the effect that borders have on the forces behind migration. Migration to countries that tightly control their borders is more difficult and therefore affects the behavior of the migrant when choosing where he will settle. Strict borders are not an insurmountable obstacle, however the preferences of the migrant will shift when faced with the raised financial or temporal costs of entering countries with controlled borders.

Another characteristic of countries that came to the forefront of this scholarship was amenities such as governmental programs. By examining the size of a country's welfare program, for instance, Borjas (1987) identified the "welfare magnate effect" as the largest motivator behind destination selection. His findings suggest that a migrant will choose a destination country based on the generosity of that country's welfare program. In origin countries, social capital has been identified as a strong asset when seeking to migrate. Castles (2002) found that literacy and improved education give individuals the skills necessary to migrate and the strength of the basic education system became an indicator of the degree to which a population can change their country of residence. The amenity of educational opportunities in the destination country were also considered by Adepoju (2000). He found that in the case of certain underprivileged populations, migration was a survival strategy. Families would send a child to a country with a stronger education program so that the child could secure a higher wage and support the family.

Demographic factors of both origin and destination countries were considered in a study by Hugo (1998). His paper stated that fertility rates and demographic shifts play a large part in destination determination for migrants. As fertility rates slow in countries with growing economies, populations age and a shortage of working-age individuals appears in the country. Individuals from less developed countries with steady fertility rates, and therefore a shortage of jobs for those entering the workforce, will move from their origin country into these low fertility rate countries. Levitt (2007) observed that these pulls can be strong enough to overcome political barriers put in place by the destination countries to discourage migration.

In terms of geographic factors, generalized geographic trends have appeared in the literature. Zolberg (1989) discussed the clear northward trend that has been documented, especially for the last half of the 20th century. Migrants tend to move to their respective "north", which is the most economically prosperous and politically open country that lies north of the origin country. The determination of a county's respective "north" is also largely determined by network effects.

Migrants have a tend to follow beaten paths, as observed by Castles (2002), and are prone to continue migrating where compatriots have settled before, even if the initial motivation for leaving the country (such as political instability) has ceased to exist. Hugo (1998) also observed that "social life takes place across borders". His studies found that soft factors such as social ties can be enough to overcome political barriers and borders, as they simply become a factor in an individual's strategy of migration. More recently, Pederson, Pytlikova, and Smith (2008) have seen a gradual shift in migration trends. They observed that increasingly network effects have become influential enough to overcome the previously observed migrant trend to settle in

countries that speak the same language and have similar cultural backgrounds. This research found that, especially with the growth of the internet, migrants have preferred countries with large diasporas of people from their own country enough to overcome language and cultural barriers, at least in reference to their dataset, which included only OECD countries as destinations. Given that these network effects act as a feedback loop, Mayda (2010) found that a strong correlation exists between bilateral flows of migrants between two countries across time. In effect, as time passes, the flow of migrants from origin to destination will increase ceteris paribus. Network effects can be measured by the size of the diaspora in a destination country. Beine, et. al. (2011) found that a large existing diaspora in the destination country increases migration from the origin country and lowers the education level of the flow of migrants from the origin country. They conclude that diasporas are the largest factor in selection of destination countries and education-based migration policies are promising for countries seeking to control the characteristics and amount of migrants.

Newly available cross-country migration data allows us to delve into the motivations behind international migration such as was not possible empirically before. There have been several studies that have attempted to test the above factors on an international level, although most have only been able to do so with limited scope. For instance, the paper by Mayda (2010) uses data from 14 OECD countries from 1980 to 1995. She studied both push (origin) and pull (destination) factors and found that, unlike previous theories posited, they are not equal and opposite forces. These pushes and pulls were proxied economically using the per worker GDP in both the origin and destination countries. While, according to the theory of the international migration model, a strong push factor such as low per worker GDP in the origin country should cause high migration, Mayda found that this was not the case. She supposed that the social barrier of poverty caused by the low per worker GDP was enough to suppress migration, as individuals have neither the skills nor money to alter their country of residence. This paper plans to further the work in Mayda's paper by testing the symmetry of push and pull factors at a truly global scale, rather than only focusing on the 14 OECD countries, and using a more modern dataset ranging from 1990 to 2010. This paper will also not be limited to demand side factors, such as immigration policy, but rather will also focus on supply side factors, such as demographics and geography.

Whereas previous bilateral studies were very contained in scope, Özden (2011) examines the determinants of migration destination using a global dataset from the United Nations Population Dataset. As these data are simply census data from each respective nation, a vast amount of work was required for these data to be comparable across countries. Özden's study mostly discusses migration in terms of popular destination countries and demographic makeup of international migrants over time. Such insights include the fact that the United States was the most popular migrant destination in the latter half of the 20th century, housing approximately

one-fifth of the migrants in the word. This paper will differ by attempting to discern actual global trends in migrant preferences in choosing a destination, rather than focusing on identifying popular countries. In other words, this paper will be focused on uncovering underlying social, political, economic, and geographic motivations based on country characteristics.

As stated, global bilateral migration data has been sparse until recently and therefore studies at a global scale have been limited. This paper will use the recently published dataset from the Wittgenstein Centre for Demography and Global Human Capital. This dataset contains global bilateral flows between 196 countries from 1990 to 2010 in five year increments. The authors of this dataset note that "migration flow data is often incomplete and not comparable across nations". Using migrant stock tables, Abel and Sander have created a robust and novel dataset that is comparable across countries and accurately captures migrant origins and destinations for migrants who have permanently changed their country of residence over five year periods (Abel and Sander, 2014).

Abel and Sander (2014) published this global bilateral migration dataset along with findings about the migration trends overtime from 1990-2010. The research from Abel and Sander (2014) did not include characteristics from the countries apart from their geographic location when identifying trends. In order to observe the changing preferences of the migrant population overtime, this paper will make use of the dataset published by Abel and Sander (2014) and include development and economic indicators in order to test the validity of theories of migrant preferences at a global level that have been posited in the previous research discussed above. This paper is the first study that I am aware of to use a global bilateral dataset to study the motivations of international migration at a global level. Past studies have focused on only groups of destination or origin countries (Borjas, 1987; Adepoju, 2000) or have used global data to identify popular destination regions (Özden, 2011; Abel and Sander, 2014) rather than parsing out underlying motivations based on country characteristics.

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