



Bachelor Thesis Presentation

Migration?

Perception through the Western media



Italy detains two NGO vessels for defying n
A new wave of mass migration has begun
Rescue ships Sea days for floating
3 Jun 2023
What does it mean for rich-world economies?

<https://www>



<https://www.economist.com/finance-and-economics/2023/05/28/a-new-wave-of-mass-migration-has-begun>



<https://www.bild.de/politik/aktuelles/fluechtlinge/fluechtlinge-alle-infos-78158144.bild.html>

- main focus on the effects of migration on the major destination countries

However: causal links of international migration are far more complex

- Impact on the origin country due to absence of migrant
- Impact on the migrant himself
- Impact on the origin country through the migrants experience

Convey a different perspective on migration, after gaining a broader view on the topic?

Research Question

Which role does international migration play, in terms of influencing structural (political economic and social) change in the country of origin?

Structure in Argumentation

1) Impact on the origin country
due to the migrant's absence

- Loss of opposition voices
- Impact on Labor Market
- Brain Drain

2) Direct impact on the migrant

- Personal values
- Political attitudes

3) Impact on the origin country
through the migrant

- Channels of impact
- Monetary remittances
- Social remittances
- Brain gain?

4) Empirical case study: Moldova

1) Impact on the origin country due to the migrant's absence

- 2) Direct impact on the migrant
- 3) Impact on the origin country through the migrant

Loss of opposition voices

Impact on Labor market

Brain Drain

- Hirschman's Exit effect
 - “Exit, Voice, Loyalty” as a common assumption
 - Kim (2003): Empirical evidence from the GDR

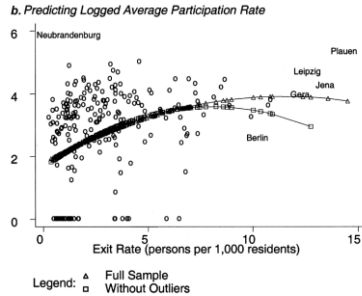


FIG. 2.—Predicted regression lines against empirical observations

1) Impact on the origin country due to the migrant's absence

2) Direct impact on the migrant

3) Impact on the origin country through the migrant

Loss of opposition voices

- Hirschman's Exit effect: "Exit, Voice, Loyalty" as a common assumption
- Kim (2003): Empirical evidence from the GDR
- Hoffmann (2010): Cuban exodus 1959: Stronger support after exodus of critics

Impact on Labor market

- Reduction of unemployment rate
- Wong et. all (1999): effect depends on the level of skill on those left behind
- Dustman et. all (2015): Polish workers experience an increase in wages due to emigration

Brain Drain

- Exit of well-educated or highly skilled human capital
- Wong et. all (1999): stagnation of the local economy, impact on the public finance sector, damaging impact on the quality of institutions
- Atoyan (2016): migration correlates with a lack of skilled labor force & reduced economic growth rate by 0.6 - 0.9 percentage points in Eastern Europe

→ Migration can function as a safety valve for (autocratic) countries of origin

→ Not necessarily a negative impact; autocratic regimes may improve popularity

→ Exit of skilled migration harms local economy

1) Impact on the origin country due to the migrant's absence

2) Direct impact on the migrant

3) Impact on the origin country through the migrant

Impact on skill

Impact on personal values

- Crow (2009): Mexican emigrants to the US – higher tolerance for other political, religion & sexual views
- Williams et. al (2013): Nepalese migrants tend to become more religious & less committed to their origin countries traditional values

Impact on political attitudes

- Need to control for destination countries & preferences of migrants
- Carja (2011): EU migrants from Eastern Europe tend to be more involved in European politics (only holds for strong democracies)
- significant impact of exposure to democracy on the support of the democratic system

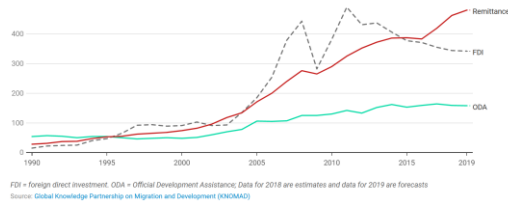
→ Migrants tend to adapt the predominant cultural & social norms

→ Political setting impacts migrant's political attitudes

- 1) Impact on the origin country due to the migrant's absence
- 2) Direct impact on the migrant
- 3) Impact on the origin country through the migrant

Monetary remittance

Remittance flows to Low- and Middle-Income countries (excluding China) are now larger than FDI and Development Assistance



- Eastern Europe: ~ 15% of GDP
- Contribution to ensure food security, or raise living standards

Social remittances

- Either: notice a lagging behind of origin country; or: gain negative perception of culture in host country
- Need to control for destination country
- Tuccio (2019): Migrants pick up gender roles from origin country

Brain Gain (?)

- Beine (2006): countries with a medium income level are the most effected by migration, independent of a high- or low skilled loss of human capital stock
- Beine (2006): Prerequisites for a brain gain: low level of human capital & a low-skilled migration stock

→ Major impact of migrants through remittances

→ Migrants tend to adapt the predominant cultural & social norms

→ Brain drain may reverse under certain conditions

Case Study: Moldova

- Former member of the Soviet Union
- Independence in 1991
- One of the poorest countries in Europe
- ~ 10% of the population are living in absolute poverty (UN Development Report, 2016)
- 25% of the population are living abroad, including 1/3 of the labor force (Report by migration4development, 2020)
- Heterogeneous migration patterns across the country & homogenous patterns within municipalities (Barsbai et. al, 2017)



Migration in Moldova

- Not possible before 1991
- 2 possible directions: Eastward (Russia) & Westward (European Union)
- Available data:
 - Census on municipality level (2004) by Andreas Steinmayr
- Missing data:
 - Census from 2014

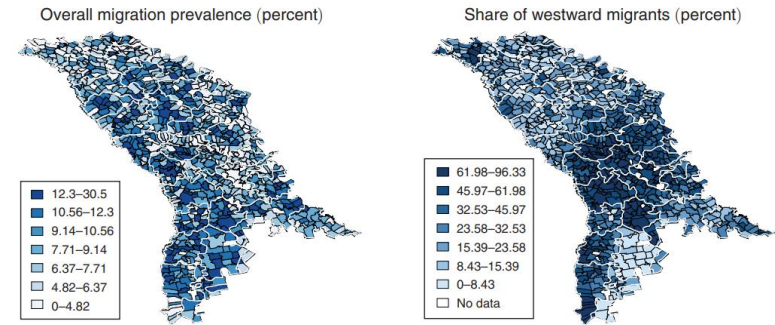


FIGURE 2. OBSERVED SPATIAL PATTERNS OF EMIGRATION FROM MOLDOVA: OVERALL MIGRATION PREVALENCE AND SHARE OF WESTWARD MIGRATION ACROSS COMMUNITIES

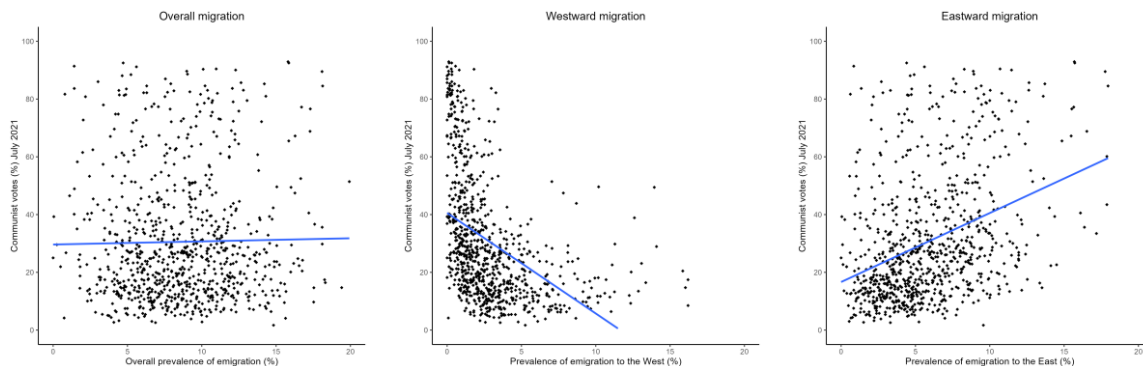
Barsbai et. all (2017)

Political Situation in Moldova

- 2 major political camps: Pro-Russian & Pro-European Parties
- Available data:
 - Election results by parties on district level (from 1998 – 2021; lack for 2019)

Link between Migration and Politics

- Explored in: „**The Effect of Labor Migration on the Diffusion of Democracy: Evidence from a former Soviet Republic**“ by Toman Barsbai, Hillel Rapoport, Andreas Steinmayr and Christoph Trebesch (2017)
- The direction of migration (east or west) has a causal impact on the voting behavior

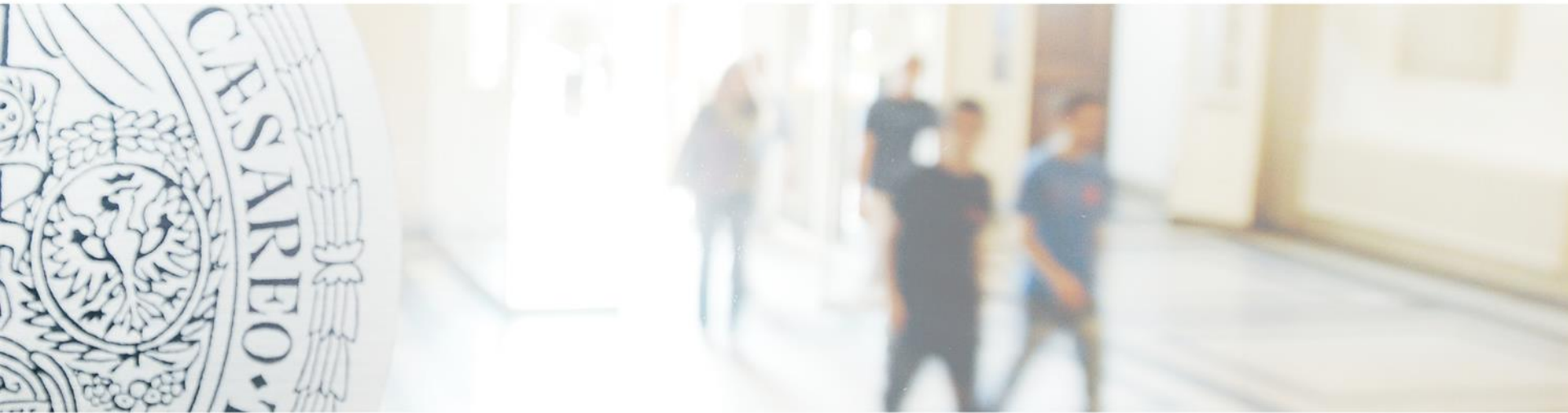


Reproduced from Barsbai et. all (2017)

- Migration to the West (into strong democracies) has contributed to the fall of the Communist government.

Putting the impact of migration on a broader view

- The impact of migration goes beyond the common impacts in the destination countries
- Migrants act as a transmitter of values they incorporate in their destination country.
- For Moldova, but also for other larger states, lower visa requirements potentially increase the demand for more democracy or even contribute to a change in the course of the political direction of the country in the long term.



Thank you for your attention.