Migration and Well-being

One would reasonably expect that migrants moving to wealthier countries would improve their lives in significant ways. Voluntary migration in particular ought to enhance well-being; the mere fact that migrants choose this path certainly indicates that they expect to experience improved well-being, and it would be surprising if they were wrong.

Analysis of European Social Survey data on intra-European migration, however, suggests the sobering and indeed surprising possibility that migrants might not experience greater happiness after moving to a wealthier country. Migrants’ lives might well improve in ways that indicate higher objective well-being, and in some circles migration is seen as an important component of development (for the migrants and for the origin country – e.g. Cortina and Ochoa-Reza 2013). But in subjective terms migration might involve significant potential for disappointment.

Income, happiness, and implications for migrants

The basis for this possibility is rooted in a well-known idea about the relationship between income and happiness: income does matter for happiness, but mainly via the way income signals status (as against income’s function as a means for acquisition). Income’s relative dimension is what influences our happiness. As per the “Easterlin paradox”, people with higher incomes are happier than people with lower incomes – but (assuming incomes above a certain minimum threshold) if we all gain an increase in income but remain in the same relative economic position, happiness remains unchanged (Easterlin 1973, 2001). Even those who achieve upward mobility might not gain happiness: instead of comparing to a stable reference group, they might look further up the economic scale, raising their economic aspirations and thus remaining dissatisfied (Clark et al. 2008; Boyce et al. 2010).

These patterns suggest a pessimistic forecast regarding migrants’ experiences. Migrants moving to wealthier countries commonly hold a ‘middling’ economic position in the origin country. (The poorest, especially people in the poorest countries, are often too poor to be able to migrate.) But migrants often find it difficult to gain a job that gives them a ‘middling’ economic position in the destination country; typical obstacles include discrimination, language difficulties, and qualifications that aren’t recognized locally. The lower-level jobs they can get will surely offer higher wages in an absolute sense: a cab driver in London likely makes more than a teacher in Romania. But as a matter of relative position, migrants in this mode are likely to experience a decrease – one that might well translate into a decrease in happiness.

Analysis via ESS Data

European Social Survey data facilitates an investigation of this issue via comparison between migrants and stayers in the countries the migrants come from. The dataset includes a question asking for country of birth (in many
surveys, only continent/region of birth is asked of immigrants) – so migrants can be matched to stayers in the origin country. It is also possible to pool data across rounds to get sufficient numbers of migrants in destination countries (typically a small part of any national sample) for analysis.

The main focus of this analysis is on East–West migration, i.e., on the wellbeing of migrants who leave countries in central/eastern Europe (Bulgaria, Czech Republic, Croatia, Estonia, Hungary, Poland, Russia, Slovenia, Slovakia, Turkey, and Ukraine) and move to a wealthier country in western Europe (Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK).

Wellbeing is measured using an item on happiness from the ESS core questionnaire:
C1. Taking all things together, how happy would you say you are?
0 – 10 scale (extremely unhappy – extremely happy)

Findings

Figure 1 offers two comparisons of the happiness of East–West migrants compared with stayers in the origin countries. In a simple bivariate comparison, migrants are almost a full point happier than stayers (blue bar), on a scale where respondents rate their happiness from 0 to 10. But more than half of that difference is due to characteristics that differ between migrants and stayers, e.g. the fact that migrants are generally younger, healthier, and therefore happier than stayers. Nevertheless, even after controlling for other determinants of happiness, in a conventional cross-sectional regression analysis, migrants overall are almost half a point happier than stayers (red bar).

FIGURE 1 ABOUT HERE
If we assumed that the happiness of stayers tells us what the happiness of the migrants would have been if they had not become migrants, we might then conclude that migrants have gained happiness of almost half a point, as a consequence of their migration to a wealthier country. But we need to consider another possibility: the migrants might already have been happier than the stayers prior to migration for reasons that we cannot observe and control for in our data. The apparent happiness advantage of migrants might represent a pre-existing difference, not a change for the migrants.

To test for that possibility, we need a technique that goes beyond conventional ("ordinary least squares") regression models. Ideally, one would have panel/longitudinal data on migrants before and after migration, to assess change of happiness for migrants directly – but data of that sort are extremely rare. The analysis approach adopted here provides a next-best alternative. The green bar in Figure 1, then, indicates results from a “treatment effects” analysis. This approach looks for correlations between a model of happiness and a model of the migration decision; if there is a significant correlation i.e. if it appears that the choice to migrate was itself associated with individuals’ levels of happiness, then the coefficient indicating the difference in happiness between migrants and stayers is adjusted accordingly to give the “true” effect of the treatment (in this case having migrated to western Europe) net of any pre-existing differences. In this instance, the negative figure given by the green bar indicates that, overall, migrants were indeed happier than stayers even prior to migration – to such an extent that migration appears in fact to have led to a decrease in their happiness rather than an increase.

READ MORE ABOUT THE REGRESSION ANALYSIS

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Variables used as controls in the OLS and treatment regressions are: age (and age-squared – the relationship between age and happiness is curvilinear), gender, living with a partner (or not), self-reported health, unemployment, religiosity, education, and having a confidante for discussion of intimate matters. Models also include dummy variables for country of origin and round/year of the survey. Design weights are used. In the treatment regressions, the migration decision is predicted via age, gender, and education (including the education of the respondent and the education of his/her parents).

The “treatment regression” technique is a variant of Heckman’s two-stage selection model, adapted for selection into a condition (e.g. migration) rather than selection into a sample. The technique evaluates the correlation between error terms in the two stages (dependent variable and treatment – here, happiness and migration); if the error terms are correlated, that is an indication that selection into treatment (e.g. the choice to migrate) was correlated with the dependent variable as well. The coefficient for the impact of the treatment is then adjusted to compensate for the correlation, revealing the “true” impact of the treatment net of any pre-existing difference. There are grounds for preferring the treatment results over the OLS results if the correlation is significant at conventional thresholds; if the correlation is not significant, that suggests that there was no pre-existing difference, and so the OLS coefficient can
be read as an indication of the treatment’s impact. For details, see Maddala 1983, and for application in Stata see Cong and Drukker 2001.

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Analysis of country-level flows

Overall, then, migration from eastern/central to western Europe does not appear to result in increased happiness for the migrants – and it might well result in a decrease. But one can also address the question at the level of separate migration flows, taking eastern/central European countries in turn.

As shown in Figure 2, the cross-sectional results (red bars) suggest that, whilst there is no significant difference in happiness between stayers and migrants from Estonia, Poland, Slovakia, and Ukraine, migrants do appear to be happier than stayers when originating from Bulgaria, Czech Republic, Croatia, Hungary, Russia, Slovenia and Turkey (after adjusting for observed characteristics).

FIGURE 2 ABOUT HERE

But analysis using the two-stage “treatment effects” technique (green bars), suggest a more pessimistic assessment (in line with the overall result). In some countries – where we found no evidence that the decision to migrate was correlated with pre-existing happiness (countries with no green bar in Chart 2) – the best estimate of the effect of migration on happiness is still provided by the conventional regression results (red bars). There remains evidence that migration may have a small positive impact on happiness for migrants from Czech Republic, Croatia, Hungary, Russia and Slovenia.
However, in several countries, where there was evidence that the decision to migrate was correlated with happiness, estimates need to be adjusted for the possible confounding effects of any pre-existing differences. After adjusting the estimates in these countries accordingly (green bars), we see that for migrants from Bulgaria, Estonia, Poland, Slovakia, Turkey and Ukraine, migration may in fact be associated with a decrease in happiness once pre-existing differences in happiness are taken into account.

READ MORE ON WHEN TO USE TREATMENT REGRESSION RESULTS

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The treatment regression technique reports a coefficient for the impact of migration adjusted for the correlation between the dependent variable (happiness) and the “treatment” condition (migration); this correlation is deduced via a correlation (if any) between the error terms in the two stages of the model. If that correlation is positive, it suggests a positive relationship between migration and happiness – i.e., that happier people were more inclined to migrate. A positive OLS coefficient for the impact of migration on happiness, then, would falsely suggest that migration led to greater happiness; the treatment regression compensates for a pre-existing difference (a positive correlation), adjusting the migration coefficient downwards.

But one accepts that adjustment only if the correlation is statistically significant (at some conventional threshold). If the correlation is not significant, then any indication of a pre-existing difference might be a product of sampling error, and so the OLS result (the difference between migrants and stayers net of the associations with other variables) provide the best indication of the impact of migration on happiness. Here the treatment results are accepted if $\lambda$ (lambda) is significant at $p < 0.05$.

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There is a caveat to consider. Information regarding migrants’ situations prior to their migration is limited. The treatment-effects models predict the migration decision with reference to age, gender, and education (including parents’ education). Ideally, one would also know whether those who became migrants were unemployed prior to their migration; unfortunately, questions in the survey about unemployment ask in effect only about unemployment currently or in the recent past, and it is then not possible to know whether one was unemployed in the destination or the origin country. This omission introduces uncertainty into the treatment effects estimations; the coefficient could be biased, and it is not possible to determine what the direction of bias might be.

For a summary of similar analysis focusing on North-South migration see here

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If migrants to wealthier countries experience a decline in relative socio-economic position and thus perhaps end up less happy, could migration from a wealthier country to a poorer country lead to more favourable outcomes? Separate analysis of migrants from six wealthy northern European countries (Belgium, Britain, Germany, France, Netherlands, and Switzerland) moving to less wealthy Mediterranean countries (Spain, Portugal, Greece and Cyprus) indicates that migrants of this sort end up less happy than stayers in the origin countries, similar to the experience of migrants moving to wealthier countries. (Sample sizes for individual country flows are too small to be analysed separately.) Why might this be the case? Migrants moving to poorer countries in Europe compare favourably in socio-economic terms to natives in the destination country but it is not clear that they actually improve their relative socio-economic position over what it was in the origin country. It is also possible that they continue to compare themselves (unfavourably) to stayers in the origin country rather than to natives in the destination country.

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Conclusion

Nevertheless, subject to this caveat, this analysis of ESS data does suggest that migrants moving to wealthier countries in Europe might not gain happiness and perhaps may even end up less happy after migration. That finding need not imply anything in particular about government policies on migration (e.g. admissions decisions); in liberal societies individuals enjoy a wide range of freedom to make choices even when the consequences for their well-being might be negative. It does reinforce the notion that migration is not always the best solution to the problems people face where they live – such that migration advocates should recognize the significance of a “right to stay”, not just a “right to migrate” (Oberman 2011).

The assumption that migration is beneficial most of all to the migrant themselves is pervasive in current discourse on migration in Europe, whether from a “pro” or “anti” position (e.g. Dummett 2001 and Collier 2014, respectively). At best, however, migration is beneficial to migrants only sometimes. The finding here might thus offer a useful point of information for individuals to consider when deciding whether to move to another country, particular if one’s intended destination is a wealthier country: the higher absolute income might not compensate (in one’s subjective well-being) for the experience of a lower relative position.

Hidden text for robustness check re working abroad/returnees:

Note that this pattern does not change if one removes (from the group of stayers) anyone who indicates that they have spent time working abroad in the last 10 years; in addition to considering selection into (outward) migration, one must also consider whether the differences apparent here are driven by selection into return migration i.e. whether migrants dissatisfied with the experience are more likely to return to their country of origin – and a “robustness check” along those lines alleviates concerns of this sort.
Find out more

For more on analysis of the link between migration and wellbeing using ESS data see the following publications.


References


