International Migration Flows in South Asia: A Cross-Sectional Analysis

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Keywords: *International Migration; Flows; Development; South Asia*

Introduction

As of 2017, the Asian continent consists of 60% of the world's population (World Population Review, 2017) where the stock of migrants in Asia had increased drastically from 40 million to a nearly 60 million since 2005 (IOM, 2018). Interestingly, out of the top 20 migrant countries in 2015 in Asia, India is ranked as the top contributor followed by Pakistan and Bangladesh in fourth and fifth places along with Afghanistan in the tenth place (IOM, 2018) signalling that South Asia contributes to the world migration flows significantly in an era where the development in the South Asian region is acknowledged by the world bank (The World Bank, 2018). The purpose of this paper is to understand which factors contribute to bilateral migration in South Asia and to explore if there exist salient patterns for migration flows for developed and developing regions. Furthermore, this paper seeks to understand why people migrate from South Asia and what aspects of policies would help sustain this wealth of human resources within the region.

Objectives

Evaluating the factors that encourage international migrant flows in the South Asian region - accordingly, main objectives are: to identify and examine the contributing factors for international migrant flows; to rationalise high outflows from the region and to prescribe policies to sustain the wealth of human resources.

Methodology

The methodology consists mainly of two analyses; literature review and a quantitative analysis using cross-sectional regression data for South Asian countries for the year 2017[16]. The Equation estimated (2), inspired by the gravity model is based on a research conducted by Mayda (2009) for 14 OECD (Organization for Economic Co-operation and Development) countries where the bilateral emigration rate (ER) is identified as the dependent variable with log of per-worker Gross Domestic Product (pwgdp) of the lagged year (2016), distance between the two countries (dist), contiguity (contiguity=1 if a border is shared), common language (comlang=1 if 9% or more share the same language), unemployment rate (unem), colony (colony=1 if the countries share colonial linkages), border (border=1 if the country is landlocked), log of share of young population (logyoungpop) between ages 25-29 of the origin, relative inequality of the origin country (GINI) are identified as independent variables.

$$log\mathrm{ER}_{ijt} = \beta + \beta_0 logpwgdp_{jt-1} + \beta_1 logpwgdp_{it-1} + \beta_2 logdist_{ij} + \beta_3 border_{ij} + \beta_4 comlang_{ij} + \beta_5 unem_{ij} + \beta_6 GINI_{ij} + \beta_7 colony_{ij} + \beta_8 contiguity_{ij} + \beta_9 logyoungpop_{it-1} + \beta_{10} immigpol_{jt} + \varepsilon_{ijt} \quad (02)$$

A linear regression analysis is conducted using Ordinary Least Squares (OLS) method[17]. The regression is estimated for different pools of countries to capture the dynamism of determining factors for migration outflows from South Asian countries.

Results and Discussion

While the factors such as wages of the origin country and young population are statistically insignificant within the global outlook, these determinants vary highly according to economic capacities of the destination country as well as regional diversities.

[16] Latest available dataset for bilateral migration flows in the world is the year 2017.

[17] Robust estimates were generated to address the issue of heteroscedasticity where OLS models are highly sensitive. Multicollinearity and omitted variable biasedness was tested through VIF and Ramsey RESET tests the results indicated these issues are not visible within the estimated model.

The following Table of summarised results highlights how certain determinants are statistically significant only in certain parts of the world.

Table 1: Summary of the results

Determinants	Western Countries	Asia	Middle East
Wages (Origin)	Insignificant	Insignificant	Significant
Wages (Destination)	Significant	Significant	Insignificant
Poverty	Significant	Insignificant	Significant
Cultural factors	Significant	Significant	Significant

A few interesting patterns of migrant flows surface when the above table is carefully analysed. Western countries are popular migration destinations because of its economic capacity and comparatively higher wage rates. However, the determinants vary according to specific regions as well. By inferring from regression results, it is evident that poverty and lower wages in the origin country are push factors as opposed to migrating to Asian countries. Migration outflows for Asian countries are not induced through poverty, but because of aspirations for better livelihoods among the South Asians. Interestingly, cultural factors such as common language and common colonial linkages are significant across all groups of analysis.

Table 2: Regression results

	World EQ 2	Western EQ 2	Asia EQ2	Middle East EQ 2
Log Migration outflows				
LogPWGDP_Origin	-0.173	0.030	0.243	2.139
	(0.247)	(0.837)	(0.287)	(0.018)**
LogPWGDP_Dest	1.1567	-0.169	0.542	-0.483
	(0.000)***	(0.000)***	(0.078)*	(0.178)
Distance	-0.000	0.001	-0.001	-0.0001
	(0.000)***	(0.423)	(0.000)***	(0.202)
Unemployment	-0.194	-0.169	0.074	-0.029
	(0.066)*	(0.179)	(0.63)	(0.823)
LogYoungPop	-1.732	-2.273	-1.438	0.491
	(0.857)	(0.002)**	(0.214)	(0.662)
Gini	-0.009	-0.117	0.015	-0.252
	(0.001)**	(0.08)*	(0.883)	(0.082)*
contiguity	3.123	NA	1.525	NA
	(0.000)***		(0.039)**	
commonlang	2.4310	2.485	3.267	2.845
	(0.000)***	(0.000)***	(0.000)***	(0.023)**
comcol	1.895	1.551	-0.281	0.704
	(0.072)*	(0.023)**	(0.747)	(0.73)
Imig_Policy	-0.798	-1.036	0.197	-0.590
	(0.022**)	(0.005)**	(0.845)	(0.586)
_cons	6.706	1.717	9.127	0.171
	(0.243)	(0.756)	(0.196)	(0.982)
Number of Obs	332	218	60	39
F(9, 322)	21.01	9	7.46	7.32
Prob > F	0.00	0.00	0.00	0.00
R-squared	0.352	0.264	0.4944	0.564

Note : ***, **, *, denote significance levels at 1%, 5% and 10% respectively; p values indicated in parenthesis

Conclusion

Wage expectations of the destination country can be identified as the key determinant for migrants in the South Asia. This could be an indication of some economic drawbacks such as wage disparities across some occupations in the region. Literature highlights the significance of acculturation and personal adjustment. This is identified as a predominant factor in deciding migration destinations where dummy variables colonial linkages and common languages are proven to be significant across all the migration flows. Economic disparities such as unemployment are also identified as factors that contribute to the outflow of migration from the region. The only exceptions

are Pakistan and Nepal where dynamics and variation of the impact too differentiates between the two countries. Looking through a wider lens on the findings, we can identify that people migrate mainly expecting higher wages and for better livelihoods; a harder task to attain while living in the South Asian region. Therefore, the economic inequalities and inefficiencies should be given more weight in order to make use of the human resource we have as the "comparative advantage" in the South Asian region.

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