The Less Extreme, the More You Leave: Radical Islam and Willingness to Migrate

Chiara Falco
Valentina Rotondi

University of Milano
Politecnico di Milano

April 20th, 2016

Outline

Outline

- January 7, 2015 terrorist attack in Paris in the offices of *Charlie Hedbo*
- Political reaction by international community condemned the terrorist attacks
- Anti-immigrant sentiment in Europe
- Opportunity to reclaim the need of closing borders to immigrants

How Radical Islam affects willingness to migrate?

Outline

- Cultural factors play an important role for economic behavior (Fogli and Fernandez, 2009; Guiso et al., 2006, 2009; Tabellini, 2010)
- Religiosity affects several domains (Freeman, 1986; Lehrer, 2004; Torgler, 2006; Sommer, 2013; Opfinger, 2010, Gundlach, 2013; Guiso et al., 2003; Barro and McCleary, 2003)
- According to the migration literature, migration motivations can be described as a combination of push and pull factors.
- We consider radical Islam as a push factor affecting migration behavior in the Arab world.

Outline

1. **Introduction**

2. **Literature**

3. **Theory**

4. **Data and Methods**

5. **Preliminary Results**

Risk-neutral agents from country 0 (the source country) have to choose between migrating to country 1 (the host country), or staying in country 0.

- Wage at origin: w_0^s
- Wage at destination: w_1^s
- Cost of migration: $C = (c_f + c_p)$
- Psychological cost (Akerlof, 1980): $c_p = \beta \varepsilon V$
  - V = the importance of values for the agent
  - ε = sensitivity to the social norm imposing the respect of these values (density function $f(\varepsilon)$ uniform in $[0, 1]$)
  - β = how much these values are widespread in the source country (with $0 < \beta < 1$; $\frac{\partial c_p}{\partial \beta} > 0$, $\frac{\partial c_p}{\partial \varepsilon} > 0$ and $\frac{\partial c_p}{\partial V} > 0$)

- Decision to migrate: $w_1^s - c_f - c_p > w_0^s$
- The critical ε which makes an agent just indifferent between emigrating or not is given by:

$$\varepsilon^* = \frac{w_1^s - w_0^s - c_f}{\beta V} = \int_0^{\varepsilon^*} f(\varepsilon)d\varepsilon = \alpha \qquad (1)$$

- Agents with a lower value of ε are more likely to emigrate $\rightarrow$ α is the willingness to migrate

$$\alpha = \frac{w_1^s - w_0^s - c_f}{\beta V}$$

- $\frac{\partial \alpha}{\partial w_0^s} < 0$; $\frac{\partial \alpha}{\partial w_1^s} > 0$
- $\frac{\partial \alpha}{\partial s} > 0$ with $w_1^s > w_0^s$
- $\frac{\partial \alpha}{\partial c_f} < 0$
- $\frac{\partial \alpha}{\partial V} < 0$ with this effect being higher/lower, the higher/lower the share of agents adhering to these values (β)
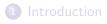
Testable Predictions

- being more radical decreases the willingness to migrate
- a higher income in the source country or a higher level of education leads to a lower willingness to migrate
- the effect of radical Islam on the intention to migrate is stronger in countries where radicalism is more widespread

Outline

1. **Introduction**

2. **Literature**

3. **Theory**

4. **Data and Methods**

5. **Preliminary Results**

- Arab Barometer

  Wave 2 (2010/2011) and Wave 3 (2012/2014)

- Arab Countries

- Observations: 11378 for 2010/2011 and 11425 for 2012/2014

- Radical Islam: Set of ideologies, also referred to as *Political Islam*, holding that Islam should guide not only personal life, but also social and political life (Berman, 2003)
- Three questions regarding subjects' opinion (on a scale from 1 to 4) about the use of Islamic law in the formulation of:
  - penal laws
  - personal status laws
  - inheritance laws
- Additive scale index (1-10)
- Principal component analysis first component.

- Determinants of willingness to migrate: **Probit with fixed effects**, heterogeneous effects
- Addressing Endogeneity: **IV/RDD (TBD) and PSM**
- **Limitation of the empirical analysis**
  Willingness to migrate instead of actual migration decisions :
  aggregate level analysis

Key variables, summary statistics

Variable	Mean	Std. Dev.	Min.	Max.	N
Willingness to migrate	0.335	0.472	0	1	20971
Radical Islam	7.587	2.564	1	10	20133
Male	0.502	0.5	0	1	21614
Age	36.026	12.005	18	64	21614
Primary Education	0.303	0.46	0	1	21614
Secondary Education	0.479	0.5	0	1	21614
Tertiary Education	0.126	0.332	0	1	21614
Employed	0.474	0.499	0	1	21553
Log income US dollars	6.135	2.44	-3.239	15.593	19046
Internet Use	1.373	1.706	0	4	21331
Time West 1	0.032	0.175	0	1	21188
Time West 2	0.027	0.162	0	1	21188
Time West 3	0.017	0.131	0	1	21188
Time West 4	0.027	0.161	0	1	21188
General Trust	0.27	0.444	0	1	20889
Government Satisfaction	3.883	2.39	1	10	15584
How interested in politics	2.728	0.978	1	4	21425

Outline

1. **Introduction**

2. **Literature**

3. **Theory**

4. **Data and Methods**

5. **Preliminary Results**

Table: Determinants of the willingness to migrate

| | Baseline | | Gender | |
	(1)	(2)	Female	Male
Radical Islam	-2.974***		-1.274***	-0.811**
	(0.6)		(0.3)	(0.3)
Radical Islam (2)		-4.961***		
		(1.1)		
Obs.	11094	11094	5333	5761

Table: Determinants of the willingness to migrate by educational level

| | | Educational Levels | | |
	No Education	Primary	Secondary	Tertiary
Radical Islam	-1.650***	-1.120***	-0.862***	-2.013**
	(0.6)	(0.4)	(0.3)	(1.0)
Obs.	847	3669	5628	940

Table: Determinants of the willingness to migrate by destination countries

	Not to Gulf Countries	To Gulf Countries
Radical Islam	-1.557***	-0.839***
	(0.4)	(0.3)
Obs.	2856	6960

Table: Determinants of the willingness to migrate: PSM

	Nearest Neighbor Matching	Kernel Matching
PS1	-2.3***	-2.3***
	(0.6)	(0.6)
PS2	-1.8***	-2.3***
	(0.7)	(0.7)

Table: Determinants of the willingness to migrate: Aggregate analysis

	Actual Outflow (%, 2010, 2011, 2013)
Radical Islam (mean)	-11.7***
	(1.7)
R^2	0.949
Obs.	15

- Radical Islam decreases the willingness to migrate
- This result is robust to different statistical techniques
- Problem: better address the question of endogeneity
- Problem: test the results by using different dataset

Thank You!
valentina.rotondi@polimi.it