

Determinants of East-West Migration in Germany: A Macroeconometric Analysis

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Abstract

A main feature characterising the transition process of eastern Germany is the scope with which East-West migration took place before, during, and after the German reunification. Overall, cumulative net migration East-West amounted to 1.7 million persons. This relates to a share of 10.3 % of the original East German population at the beginning of 1989.

There are only a few empirical studies that analyse the interregional migration movements within all of Germany using macro level data (e.g. Alecke/Untiedt (2000), Parikh/Van Leuvensteijn (2003) and Hunt (2006)). Only a minority of the encountered studies focus on East-West German migration more or less explicitly, but their investigations are conducted for rather small periods of time. Furthermore, the primary constraint of some of these macroeconometric studies of including wage and unemployment variables as the main explanatory factors in their empirical regression equations seems to be too restrictive, in particular, against the backdrop of other important migration determinants.

Against the background of the stated criticism on the macroeconometric studies, this research work explicitly analyses the determinants of East-West migration in Germany using a macroeconometric panel data model and applying pair-wise gross migration rates between the respective eastern and western German federal states for the period 1991 – 2007.

The results of the estimations conducted on gross migration rates East-West can be summarised as follows. The regional income difference as well as separately integrated income variables for both regions can be identified as highly significant explanatory variables explaining gross migration rates from the eastern to the western part. Regional differentials in the employment and labour market situation also act as important explanatory factors. Furthermore, a pro-cyclical dependency of migration can be confirmed in all estimated model specifications. Theory predicts a positive relationship between the level of qualification of individuals and the subsequent migration. This, too, can be indirectly confirmed with the analysed panel data set. Whereas increasing rents in the east act as a push-factor for East-West German migration, rising regional infrastructural differences seem to draw people towards the west. Distance as an approximation for migration costs shows the expected negative sign in all model specifications.

Keywords: East-West German migration, determinants of migration

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