Combining Economics and Sociology in Migration Theory

Christina Boswell

This paper considers some of the impediments to interdisciplinary integration in migration theory, focusing on the problem of combining economics and sociology. It argues that neoclassical economics has a number of methodological advantages, deriving from its elegant theoretical structure and its aptitude for measuring and predicting individual behaviour. However, these features are contingent on a number of simplifying assumptions about social action: namely, a commitment to methodological individualism, a uniform conception of rationality, and a theory of individuals as utility-maximising. These assumptions become untenable in the case of migration decision-making, which partially accounts for the failure of economics theories adequately to explain and predict migration flows. Instead of rejecting such approaches, however, the article suggests how economics methodologies can be usefully applied within interdisciplinary research: either as a tool for modelling patterns of migration decision-making already observed through more qualitative methodologies; or as a means of testing and ruling out certain hypotheses about migration decision-making.

Keywords: Migration Theory; Methodologies in Migration Research; Economics; Sociology

Introduction

Migration researchers are familiar with the notion that interdisciplinary research is a good thing. If we scrutinise why this might be so, we would probably come up with two main arguments. The first is the breadth of possibilities offered by drawing on theoretical and conceptual tools from other disciplines. Because each discipline is specialised in a particular level of analysis or focused on a particular set of explananda, each develops its own distinctive categories of description and explanation. And categories developed for one discipline can be fruitfully borrowed
and adapted by others, to capture newly observed phenomena, or to re-describe what has already been observed (Weingart 1995). Thus sociology has borrowed the concepts of ‘human capital’ from economics, and ‘transnational spaces’ from geography; economics has borrowed concepts of ‘institutions’ and ‘network’ from sociology; political science has borrowed ‘systems’ and ‘structure’ from sociology. These spill-overs can enrich research in the respective fields.

The second argument is that employing methodologies from more than one discipline can enable us to cross-check or supplement empirical findings. Thus research projects increasingly combine quantitative methods (e.g. surveys, statistical analysis) with qualitative ones (interviews, participant observation, archive work). The idea is that different methods of observation can help us obtain a more accurate picture of reality, through what has been termed ‘complementary articulation’ (Wallerstein and Smelser 1969). In both cases, the expectation is that interdisciplinary research can help overcome the blind-spots of the respective disciplinary perspectives, and open up new interpretive possibilities (Bommes and Morawska 2005: 4). And although this expectation has often been frustrated (Bank and Lehmkuhl 2005), there has been a quite remarkable level of interaction between sociology, political science, law, geography and anthropology in migration research—reflected in the multidisciplinary nature of research institutes and graduate programmes, professional journals and publications.

Yet the discipline of economics has managed to remain relatively screened from this cross-disciplinary exchange (Lazear 2000). Certainly, it has picked up a number of concepts from sociology and political theory along the way, some of which are discussed in the previous article by Dragos Radu. But it has remained almost impervious to the large body of literature in philosophy and social science critiquing the sort of behaviourism and methodological individualism to which most economics—and certainly the dominant neoclassical paradigm—is attached. The result is that economics has by and large stuck to its quest for theoretical robustness and quantifiability, but at the expense of failing to incorporate more complex insights about social action. Where sociological concepts have been incorporated, this has been very much on the terms of neoclassical economics. ¹ Theories and concepts that cannot be precisely pinned down, quantified and measured in the way that is required are discarded or simplified.

Arguably, it is quantitative sociologists who have done most to promote interdisciplinarity between the two disciplines, with the use of econometrics now quite mainstream in leading US sociological (and political science) journals. But this hardly attests to the integration of more critical sociological insights into economics. If anything, it implies a switch of allegiance from the traditional sociological focus on social structures and non-economically rational behaviour, to a neoclassical framework. In such quantitative sociological contributions, the economics assumptions of methodological individualism and rationalism remain largely intact; the difference is that they are now applied to a wider range of social phenomena (see, for example, the paper by Sonja Haug in this issue).
This raises the question of whether economics and sociology, as traditionally conceived, have anything to gain from such an interaction in carrying out migration research. Economists may be concerned about a perceived trade-off between theoretical rigour and complexity of social explanation. They may justify excluding more radical insights about social embeddedness in order to retain wieldy models (Lazear 2000; see also DeVoretz in this issue). Sociologists, meanwhile, may dismiss such models as failing to capture the complexity of the determinants of social action. The contention of this paper, however, is that both disciplines would do well to heed the insights of the other in the area of migration theory. Economics should do so because their models risk overlooking the important ways in which social ties influence migration decisions. As Radu argues in his paper, taking seriously sociological insights about the influence of social ties in the formation and realisation of preferences will enable them to develop models that better capture reality. Sociologists also have much to gain from working with economists. Econometric methods offer useful tools for theory building, allowing researchers to test hypotheses in a far more systematic way. Those with an interest in policy research also have a more pragmatic reason to take economics seriously. The more formal modelling of causal relations provides possibilities for prediction which—although never offering more than approximations—are nonetheless of use for policy planning. Policymakers need to make well-founded assumptions about the impacts of policies on mobility. Economics is in a strong position to provide the appropriate methodological tools for this.

In short, there are a number of good reasons to explore the scope and limitations for disciplinary integration. This paper builds on the previous contribution by Radu, examining the potential for the economic modelling of migration decision-making. This is a critical question, as it raises a number of issues that go to the heart of the tension between different theoretical assumptions about social action. The case of migration decision-making offers a good test for gauging whether economics is able to offer adequate tools for modelling social action. Any impediments to modelling this type of decision-making are likely to crop up in parallel attempts to model decisions on settlement, integration or citizenship acquisition. In contrast to Radu’s paper, however, I shall discuss impediments to modelling from the perspective of sociology, rather than economics. In other words, I shall consider whether economic models can adequately capture sociological insights about the impact of social interaction on migration decisions. The criterion for evaluating these models relates first and foremost to their empirical plausibility as accounts of social phenomena, rather than their theoretical rigour—in terms of quantifiability, level of generalisability, or predictive capacity.

The paper starts by considering what sorts of concepts of social interaction economists could potentially take on board in explaining mobility, and discusses the theoretical implications of incorporating these theories. It then considers what this implies about interdisciplinary methodologies: how best can sociologists and economists work together to model and test hypotheses about migration
decision-making? The central argument is that economic assumptions about the individual as utility-maximising offer an inadequate basis for theorising social action. And abandoning this model involves sacrificing a good deal of the theoretical robustness that economists rightly pride themselves in. However, this does not rule out the possibility of modelling patterns of behaviour altogether—as long as the researcher recognises that these patterns are characteristic of particular social groups and not amenable to generalisation across socio-cultural contexts. Finally, I suggest that econometrics has a valuable role to play in theory-building, and that this type of methodology should be more systematically used as a complement to more qualitative approaches.

Three Concepts of Social Interaction

While it is difficult to clearly demarcate the boundaries of the discipline of economics, one feature does tend to recur throughout economic literature: the conception of the utility-maximising individual. To be sure, some economists would admit that the content of utility may vary between individuals—as a function of individual psychological variables, or even social context (Robbins 1984). Moreover, the degree of rationality displayed by the individual in his or her attempts to maximise utility may be limited by imperfect information or other constraints. But the basic approach (at least within the dominant neoclassical school) can be summed up in terms of its adherence to three features:

- Methodological individualism. This is the thesis that facts about society and social phenomena can be explained in terms of facts about individuals (Lukes 1976). Thus the onus of social explanation lies in individual preferences and behaviour, and structures that can be derived from their interaction, rather than institutions, intersubjective meanings or culture. This in turn implies that the preferred methodology focuses on the observation and analysis of the behaviour of individuals.

- A utilitarian ontology of the self. This is the assumption that individuals seek to maximise their own utility. This is not so much a claim about the individual as being the appropriate unit of explanation, but rather about the psychological disposition of individuals to be interested in promoting their own well-being or happiness. It draws on the eighteenth- and nineteenth-century tradition of utilitarianism in political philosophy.

- A uniform concept of rationality. The assumption here is that individuals wish to maximise utility through rational means. In other words, individuals will act in a way that maximises their personal utility, given available information and subject to external constraints.

These are typical assumptions of neoclassical economics, although, as we shall see, assumptions about individual utility maximisation and rationality have been relaxed.
These three assumptions make it much easier for economists to develop relatively robust models of individual and group behaviour. Explanation may be reduced to a set of propositions about the impact of specified conditions on individual behaviour. And since this behaviour in turn depends on fairly transparent psychological facts (individual utility maximisation), and a predictable form of rationality for realising ends, then economists should be able to predict how specified changes will influence individual action. The predictability of preferences and rationality also increases the prospects for testing theories through the observation of individuals and their decisions. There is no need to get embroiled in attempts to understand subjective reasons for action, since explanations can be reduced to generalised propositions about utility and rationality. Moreover, hypotheses can be empirically tested through observing constant conjunctions or regularities in behaviour. In this sense, the three assumptions are interdependent: methodological individualism is possible precisely because of the transparency of human behaviour implied by the second and third assumptions.

In what follows, I shall consider how far economics can incorporate some theory of social interaction, consistent with retaining these features. I shall consider three main concepts of social interaction, ranging in ascending order of how radically they challenge the assumptions of methodological individualism, utilitarian ontology and uniform rationality. Where possible, I shall draw on examples from migration literature to illustrate these points.

Social Ties Affect Decisions about How to Maximise Utility

This first concept of social interaction is the least challenging for economic models. It flows from the insight that individuals’ decisions may be influenced by the characteristics or actions of those around them. More precisely, the behaviour and characteristics of other people in society influence the individual’s decisions on how best to meet his or her ends.

There are two important examples of this type of social tie in migration literature. The first concerns how interpersonal bonds influence decisions, and is best embodied in the concept of social capital. On this account, the individual participates in networks comprising a set of interpersonal ties. The substance of these ties is captured in the concept of social capital: a set of expectations developed amongst individuals regarding the performance of certain services. Social capital is usually defined functionally as a set of expectations which can be redeemed in the form of access to financial capital, employment, accommodation, and so on (Massey et al. 1998). This definition implies that social networks and social capital are compatible with a concept of the individual as utility-maximising. The individual instrumentalis social networks to realise predefined interests. In the context of migration theory, social networks help increase utility through facilitating mobility. As Massey and his
associates write, ‘Networks make international migration extremely attractive as a strategy for risk diversification or utility maximisation’ (Massey et al. 1998: 43). Such utility-enhancing ties can be captured by a revised Harris–Todaro model of the type described in Radu's paper, which incorporates network variables into otherwise traditional neoclassical explanations of individual decision-making.

The second type of social tie fitting this category concerns how the individual’s decisions are influenced by the characteristics and decisions of others in his or her environment. Unlike the case of social capital, this is not so much a claim about the impact of goods flowing between individuals, but rather about how observation of others influences individual behaviour. Following Manski (2000), we can distinguish between two senses in which this can be the case: contextual effects and endogenous effects. Contextual effects describe the case where the individual is influenced by the characteristics of others in his or her group. For example, Stark and Bloom have argued that decisions to migrate are influenced by interpersonal income comparisons—not just between destination and sending areas, but between households in destination areas (Stark and Bloom 1985). Thus the observation of relative deprivation in the sending area can be a more significant determinant of migration than absolute deprivation, or deprivation relative to the destination area. Endogenous effects refer to how the individual can be influenced by observing the choices of others. A good example in migration literature is the so-called ‘herd effect’, whereby an individual may follow other emigrants on the assumption that they are making rational choices about utility maximisation (Epstein and Gang 2004; see also Epstein in this issue). Thus an individual could migrate even in the absence of information on opportunities in the destination country, simply on the assumption that others know better.

These forms of social interaction are quite consistent with both methodological individualism, and the utilitarian conception of interest formation. Individuals remain the main unit of analysis, and they are assumed to behave in a way that maximises their personal utility. If consideration of others enters the formation of preferences, it is only in an instrumental sense. Observation of, or interaction with, other people may lower transaction costs or reduce uncertainty in the realisation of (pre-given) preferences. Nonetheless, embracing this concept of social ties does imply departure from a radically individualist conception of rationality. It is rational for individuals to be influenced by the characteristics or behaviour of others in the realisation of preferences. In other words, the account implies adopting some concept of ‘social rationality’ rather than ‘formal rationality’ of the kind espoused by neoclassical economics (Swedberg et al. 1987). In principle, this observation can be generalised as a proposition about all individuals, e.g. in the form of the claim that all individuals have a disposition to build social ties to minimise costs, or to be influenced by the characteristics and behaviour of those around them. In this sense, it could be quite consistent with a model that reduces explanation to facts about individual psychology.
However, accepting that social ties enter into decisions about how to maximise utility does, arguably, open the door to some recognition of the role of social facts in influencing individual behaviour. If one accepts that individual behaviour is generally influenced by the preferences and behaviour of others, then it is likely that the scope and content of this type of influence will vary depending on culturally specific factors. Let us unpack this point in the case of social capital. The assumption here was that the development of trust, loyalty, reciprocity and so on helps individuals maximise individual utility. In the form defended by Massey et al. (1998), and also by Granovetter (1985), this implied the fairly innocuous claim that individuals have a propensity to utilise interpersonal relations to further their interests. Yet Thomas Faist introduces a further important feature of migrant networks. He defines these as composed not only of interpersonal norms of reciprocity or trust, but also of so-called ‘symbolic ties’, i.e. shared beliefs and values, including shared memories and a common identity (Faist 2000: 102). These symbolic ties can define the scope of a network (e.g. networks based on an ethnic criterion of membership), and they enable participants to develop deeper ties of loyalty or mutual trust that are derived not just from expectations of mutual benefit, but also from a sense of shared identity. Whether or not we accept Faist’s particular account, what is important to note is the evident need to include some notion of symbolic ties to supplement the instrumentalist conception.

Once we accept the concept of symbolic ties, then we must acknowledge that the content of these ties is likely to vary as a function of cultural variations between groups. Thus some cultures have higher expectations about mutual assistance (culture of hospitality, helping others in need), trust (norms of confidentiality, respecting your word), or loyalty (supporting a friend or family member even if it conflicts with other commitments or priorities). And admitting this possibility has two consequences for neoclassical models. First, it implies that the impact of social ties on individual decisions cannot be expressed solely as a generalisable proposition valid for individuals across cultures. Culturally specific concepts of loyalty or obligation produce variations in how social ties are utilised and how they impact on individual decisions. Second, following on from this, one cannot predict the impact of interpersonal ties on individual decisions without examining the cultural specificities of a given network. In other words, we need to introduce a layer of social facts into our explanation.

Similar considerations apply to the second sense in which individual decision-making is influenced by other people—Manski’s concepts of endogenous and contextual effects. The propensity to be influenced by other members of one’s environment (emulating their success, or copying their decisions) is likely to depend on a number of variables, including the nature and intensity of interpersonal relations in a particular community. And there are obvious ways in which these variations will not be reducible to generalisable propositions about individuals, but will rather depend on cultural specificities.
To summarise, much of the migration literature that incorporates social ties as a determinant of decision-making seeks to do so consistently with the assumption of methodological individualism. Yet it is difficult to accept the importance of social capital, observational learning or ‘herd effects’ without taking into account the possibility of culture-specific variations in the scope and content of these effects in different cases. This implies that incorporating even this weak conception of social interaction does not leave the methodological and ontological assumptions of the neoclassical model unscathed.

**Individuals are Not Interested Exclusively in Maximising Their Own Utility**

The second concept of social embeddedness relates to what sorts of interest individuals seek to maximise. It comprises a set of claims challenging the notion that individual utility can be reduced to self-interest, or the egoistic pursuit of individualistic goals. Instead, human beings can have a fundamental interest in promoting (or undermining) the well-being of other people. Thus individuals are not separate atoms exclusively concerned with their individual utility, but their welfare is in many ways fundamentally bound up with that of others (Raz 1988; Williams 1993).

One of the most familiar examples of this claim in migration theory is the concept of family or household decision-making (Stark 1991; Stark and Bloom 1985). The assumption here is that families spread risk through diversifying the allocation of labour between different markets. As such, the relevant unit for making decisions that maximise utility is a group of people rather than a single individual. The implication is that individuals have a basic interest in the welfare of the family group that is not compatible with an egoistic ontology of the individual. However, this claim does not present a particular challenge to neoclassical models. All it implies is a substitution of the individual decision-maker for a new, well-defined unit (family or household)—much in the way that micro-economics takes the firm as a unit of profit maximisation. And it can be captured in a general proposition about the psychology of all individuals, in the form that they are oriented towards the well-being of their families.7

What may be more challenging is the notion that individual definitions of utility vary according to particular psychological traits or social conditions. Thus one could imagine a utility function based on a wider concern for other members of the community, or for those in distress. Such preferences may be explained as a psychological disposition to empathy or altruism, or as a socially mediated commitment to particular ethical principles. Alternatively, an individual’s utility could possibly be increased through bringing about the suffering or exclusion of others. Indeed, the notion that individual utility could incorporate such preferences has been a constant problem for normative theories of utilitarianism (Dworkin 1996: 235; Elster and Roemer 1991). Consider, for example, the problem of the racist, who derives utility from discriminating against ethnic minorities. In the case of economic
theories, the problem can be expressed in terms of the methodological difficulties posed by deviation from generalisable propositions about individual utility. To be sure, an economic model could in principle explain racism in terms of an individual’s utility function (for the classic example, see Becker 1971). But this does imply conceding that one cannot derive any universal propositions about individuals’ preferences.

If we accept the possibility of non-generalisable conceptions of utility, we must consider the determinants of such divergence in preferences. And here we almost inevitably depart from the exclusive dependence on psychological facts. If we accept that basic preferences—or utility functions—vary between individuals or social groups, we can locate this variation in two possible factors: genetic make-up, or socialisation (or some mixture of the two). Either a racist is genetically conditioned to dislike black people (a proposition I assume few would defend), or s/he is a racist as a result of some interaction between psychic structure and societal conditions. Now one could try to reduce these socially specific factors to generalisable propositions, such as level of education, economic status, intensity of interaction with non-co-ethnics, etc. But studies attempting to explain racist or anti-immigrant sentiment have consistently failed to find systematic correlations between such characteristics (see, for example, Dustmann and Preston 2000). Far more likely is that the disposition to racism is mediated by the shared beliefs and norms into which individuals are socialised. This is overwhelmingly substantiated by the fact that attitudes towards ethnic groups vary significantly between different societies. This brings us back to the notion that, in order to explain behaviour, we need to invoke factors specific to particular societies or social groups. In short, we must accept the claim that definitions of utility are at least partially contingent on particular social settings.

Individual Utility is Constituted by Shared Norms and Beliefs

This brings us to the third, more radical challenge to neoclassical economic models. It is the claim that individual preferences are in a very profound sense shaped by the social context. In other words, shared norms and beliefs mediate the individual’s definition of his or her interests. On this account, social ties have a far more fundamental role in decision-making on migration. They do not merely facilitate the implementation of pre-given goals, or shift notions of how best to realise goals. Nor is it just the case that ties with specific people (e.g. family members) influence definitions of utility. Rather, shared beliefs, norms, memories, conceptions of collective identity or social roles influence the very definition of an individual’s welfare, interest or utility. And this in turn implies that propositions about human behaviour cannot be reduced to statements about individual psychology. Rather, we need to introduce a layer of social facts to explain behaviour: we need to accept the explanatory weight of intersubjective norms and beliefs.
This perspective fundamentally challenges the neoclassical model. First, it implies forsaking the transparency of motives implied by the assumptions of utility maximisation and rationality. Individual decisions cannot be explained in terms of observable and predictable facts about psychology. In addition (or instead, depending on how far one takes the argument), we need to understand the social context in which the individual is embedded. In the context of migration theory, this might require, for example, understanding the sorts of beliefs, expectations and values linked to migration in a given cultural setting. How far is migration seen as a feasible and desirable means of augmenting wealth or social status? What sorts of judgement are made of people who migrate, or return? Which members of the community (class, occupation, family position, gender, age) are considered ‘suitable’ emigrants, and what are their obligations and responsibilities vis-à-vis those left behind? In short, what is the ‘culture of migration’ in a particular setting, and how does it impact the decisions of different members of the community?

Economists may try to counter this argument by claiming that these culturally specific variables are not central in migration decisions. Or, alternatively, that these are important determinants of migration, but that they tend to be similar between cultures. As such, models that abstract from such cultural divergences may still offer fairly close approximations of migration decision-making. Perhaps we could concede that this type of abstraction is indeed justifiable in the case of economic models of market transactions. But in the case of migration, we are seeking to explain decisions with profound repercussions for almost all aspects of an individual’s life. The decision to relocate will affect a person’s prosperity and social standing, their family life, as well as the possibilities for articulating and developing their cultural identity. And partly as a result, notions about whether migration is an acceptable or desirable choice are likely to be deeply influenced by shared beliefs and values. Moreover, where one element of the decision depends on bonds of trust, reciprocity and loyalty between members of a community (migrant networks), then we would expect culturally specific norms to impact the substance and strength of these bonds. It is therefore not surprising that migration cannot be reliably modelled on the basis of generalisable propositions about utility maximisation that hold across space and time. Such modelling—insofar as it is possible at all—needs to take into account cultural factors influencing decision-making.

Methodological Implications

If culturally-specific variables are considered central in understanding migration decisions, then we need to replace (or at least supplement) the methodological individualist approach. Individual decisions can only be understood if we can get some insight into the shared values and beliefs of a particular community that shape migration choices.

Now this clearly raises a number of methodological difficulties for economic models. We can distinguish three in particular. First is the problem of observation, a
classic issue in the philosophy of social science. There is an influential school that argues that once we accept that social action is shaped by shared norms, then action cannot be understood simply through observing regularities or constant conjunction in people's behaviour. Rather, the researcher must understand the social meaning attached to particular actions. And this in turn requires understanding the intersubjective norms that give actions their meaning. Put another way, if an observer wants to show uniformity between two actions, s/he needs to establish some criterion of identity between them. But such criteria, so the argument runs, will rely on some rule about what is relevantly similar; and understanding this rule in turn presupposes being part of a mode of communication in which such rules have been established.

For to notice something is to identify relevant characteristics, which means that the noticer must have some concept of such characteristics; this is possible only if he is able to use some symbol according to a rule which makes it refer to those characteristics (Winch 1958: 85; emphasis in original).

Where researchers have foregone this form of understanding and nonetheless proffered plausible explanations, we can infer that they have based this on implicit understanding of the relevant norms. As Habermas has expressed it:

It is precisely the unacknowledged but unbreakable attachment of the behaviourist approach to a linguistically articulated preunderstanding [Verständnis] of experience in the everyday world of social life which explains why behaviourist theories of human behaviour are possible ... [I]f we presuppose an initial understanding through linguistic communication of the hidden intentionality of behaviour we can analyse intentional action behaviouristically (Habermas 1979: 162).

The problem of understanding thereby creates what has been described as a 'hermeneutical circle' (Taylor 1985): there is no way of explaining action without referring to shared rules, yet only those within the relevant community of language or norms will understand the rules. Hence there is no possibility of couching explanation in terms of generalisable rules, understood 'from the outside'.

Acknowledging the hermeneutical problem does not, however, imply that we should give up attempts at social explanation altogether. But we may have to ratchet down our expectations about what sort of explanation is possible (Luhmann 2002; Taylor 1985). Moreover, we would certainly do well to consider replacing or supplementing the sorts of methodologies pursued in economics. We should consider methods of enquiry more typical of ethnology or qualitative sociology, instead of (or even better: in combination with) the collection and statistical manipulation of quantitative micro-data. We should attempt to gain some insight into what migration means to particular communities or individuals, and this can only be done through a more qualitative analysis of the cultural norms of that group.

Second, even if we can understand these meanings, we are still left with the challenge of deriving systematic rules about how these affect individual decisions.
Economic modelling requires that we represent our generalisations about the determinants of action more formally. At the very least, we must be able to specify different determinants and attribute them relative causal weight. For example, we should be able to estimate how important a role income differentials play, as opposed to the social cachet attached to migration. In principle, this may be achieved through a carefully constructed comparative analysis of individuals or groups, which holds relevant parameters constant, or through the statistical manipulation of data through multivariate analysis (Smelser 1976). But we should be clear that such weighting of factors will vary from individual to individual. Even if we are dealing exclusively with individuals from one socio-cultural group, we must nonetheless recognise that each individual will internalise and process shared norms in a different way. The model can therefore at best provide a stylised representation of the determinants of decision-making, based on some ‘average’ or ideal-typical configuration of determinants—perhaps broken down according to different possible sequences or constellations of characteristics (Smith 2003).

Third, assuming both of these problems are addressed, we still face a problem of obtaining adequate data. The relevant variables may not be captured in existing datasets, and the collection of new data may require considerable resources.

Two Options for Research Collaboration

Bearing these problems in mind, I would like to sketch two possible research designs that could circumvent some of the problems raised by the economic modelling of social interactions. It should be recalled that the goal is to combine the theoretical rigour of economics with sociological insights about the role of social interaction in shaping migration decisions. We should also remember the three levels at which such interaction could enter into individual decisions:

- social ties as form of capital to be instrumentalised to maximise utility (which we can term the social capital thesis);
- concern about the welfare of others (in a positive or negative sense) as a component of utility (the non-individualistic utility thesis);
- individual preferences as constituted by shared norms (the social norms thesis).

I have argued so far that accepting the first two claims makes it difficult to reject the third one. Any explanation of the content and significance of relations to other members of a society or network will need to be based on some understanding of inter-subjective norms shaping social ties in the group under study. While the social norms thesis is perhaps not so crucial for explaining why people flee armed conflict or starvation, it does become important for explaining cases in which migration is one option among other manifestly feasible alternatives.

I would like to suggest that there are two main ways in which economics methodologies could be fruitfully combined with more qualitative sociological
research on migration decision-making. The first essentially involves developing a
theory of decision-making for one or more delimited social groups, and then
attempting to formalise this in a more wieldy economic model. The second requires
employing econometrics to test and potentially rule out specific hypotheses derived
from qualitative work. In both cases, this type of interdisciplinary research design
could equally be applied to modelling decision-making or testing hypotheses in
other areas of migration research, for example decisions on settlement or
naturalisation.

**Economic Modelling of Migration Decision-Making**

This first type of research design consists of developing an economic model of
decision-making, based on observation of the causal dynamics operating in the
decision-making of a given reference group or groups. In contrast to deductive
models that work ‘top-down’ from generalised propositions about rationality and
utility maximisation, this approach involves the ‘bottom-up’ induction of causal
relations from empirical observation. It requires the deployment of both qualitative
and quantitative methods, in a series of steps: beginning with more exploratory,
qualitative methods, and carefully working these upwards into a more formal,
quantitative model. Since the model is based on the observed behaviour of delimited
groups, it avoids making any unwarranted generalisations about migration decision-
making across socio-cultural contexts. Thus the model is not dependent on
generalisable propositions about rationality or the content of utility. Rather, it
derives its propositions from field-based research on the preference weightings of
given reference groups. Such an approach could take the form of three steps, as
follows.

In a first step, qualitative methods could be employed to understand what meaning
particular socio-cultural groups attach both to migration, and to the various
determinants that are usually assumed to influence migration decisions (income
differentials, employment opportunities, loyalty and commitments to family, social
cachet attached to emigration, type of support to be expected from migrant networks,
etc.). This would help address the problem of understanding intersubjective
meanings attached to migration in particular socio-cultural groups.9 The point
would be to develop an understanding of the culture of migration and how this may
influence migration decisions in one or more specified community. The sorts of
methods that could be used are focus groups, participation—observation, analysis of
local media, and qualitative interviews.

The second step would involve a comparative analysis of how individuals within
the relevant group(s) internalise and act on these norms in their decision-making on
migration. This step is important for reasons touched on earlier in the paper. I argued
that it is one thing to deny methodological individualism and quite another to reject
the ontological claim that action is an attribute of individual agents (cf. Lukes 1976;
Runciman 1983). Thus, once we have gained some understanding of a culture of
migration, we need to understand how individuals subjectively process these norms in their migration decisions. In other words, it is important to look at the individually structured configuration of cultural norms that determine migration. This involves examining how individuals apply such norms in the weighting of different sorts of determinants (economic, social, etc.) in making migration decisions. Various hypotheses about the role of these variables could be tested through semi-structured interviews.

The third step would require transposing the results into a more formal economic model. The model would be a simulation of the determinants of migration decision-making for an average or typical member of a reference group. It would quantify and weight the relative importance of the set of independent variables derived from the more qualitative research carried out in the first two steps. Limiting the model to smaller reference groups allows one to hold constant a number of the variables that are most difficult to quantify and observe: historical and cultural factors influencing preferences for migration, or the impact of legislation in countries of origin and in destination countries. If the psychological and cultural characteristics of a reference group are sufficiently homogeneous, one could expect this ‘average behaviour’ model to approximate fairly well to the decision-making of any individual within the group (controlling for variations in other factors such as income, employment, gender, family status, and so on). Alternatively, the model could be constructed according to different decision-making scenarios, for example varying according to the individual’s risk propensity/conservatism. Once the model has been developed, it could be tentatively applied to other relevantly similar reference groups, to see if it can be extrapolated to explain and predict migration decisions in other contexts.

It should be noted that, in common with much economics research, this method implies trying to model behaviour through the observation of people’s preferences. It differs from economic methods, however, in that it involves observing behaviour at the group level, rather than limiting observation to individual agents. This follows from the insight that we can only make sense of individual behaviour if we understand the collective norms that give it meaning. We therefore need to be clear about the social context of preference formation before being able to explain individual decisions. However, this observation-based approach clearly has its limitations when it comes to theory building or comparative research. It can explain individual decisions with reference to collective norms, or the cultural context in which they are made, but it cannot account for the emergence of different sets of norms in different social contexts. So in order to try to account for similarities or divergences between groups, or to explain changes in behaviour over time, it will be useful to introduce some assumptions about how certain ‘macro’ conditions could have a similar causal impact on different groups—for example, how economic or social conditions or political changes could explain why one village’s culture of migration evolved in a different way from that of another.
Econometrics as a Method of Testing Hypotheses

Econometrics provides an excellent tool for the more systematic testing of correlations between independent and dependent variables. Its formalism and its techniques for controlling the relative significance of different variables enable it to test the plausibility of hypotheses on far larger samples.

Regression analysis in particular could be used to test hypotheses at different stages of research. For example, the findings of field-based interviews could be transposed into more formal hypotheses about migration decision-making. The hypotheses would describe likely correlations between quantifiable and observable variables. Independent variables could include features related to social networks, as well as general economic, social and demographic characteristics. The dependent variable would be the decision to migrate. These correlations could be tested through a survey distributed to a wider sample of people, including those who stayed in the place of residence or returned, and those who migrated. Regression analysis would then be carried out to test hypotheses about the determinants of migration decisions for this specific group. The analysis would enable researchers to rule out certain hypotheses, and it may support the plausibility of others. It may also be that the analysis finds significant correlations that have not yet been considered—in which case, it would be worth considering what other theories could underpin these, and re-examine them through (qualitative) interviews.10

Conclusion

This paper has explored some of the difficulties in combining sociological and economic theories and methodologies in the explanation of migration decision-making. In particular, it examined whether economic models could adequately capture the role of social ties in influencing migration, without abandoning the premises necessary for more rigorous theory-building. I suggested that the answer to this was a qualified no. On the one hand, the substance and weight of social ties in influencing migration were likely to vary between different socio-cultural groups. Thus the quest for generalisable propositions based on the sort of methodological individualism characteristic of neoclassical economic models was likely to prove futile. On the other hand, this did not imply abandoning attempts to model the role of social ties. Economic methods could still be employed to help formalise and test theories developed through qualitative research methods, provided the models were restricted to the explanation of ‘average’ or ideal-typical behaviour of specific social groups, or for individuals sharing particular characteristics.

Building on these ideas, the paper proposed two forms of collaboration between economics and sociology in research on migration decision-making. The first was a methodology that sought to model the results of qualitative research into the determinants of migration. The idea was to take advantage of the aptitude of economics methods for developing formal models, while at the same time ensuring that the content of the model adequately captured the complexity of socially
mediated decisions. The second suggested employing econometric techniques—especially regression analysis—in order to more rigorously test hypotheses derived from sociological research on wider samples. In both cases, the translation of qualitative forms of understanding and explanation into more formal equations will necessarily involve a degree of stylisation. Arguably, this is a price worth paying in order to enable a more rigorous testing of hypotheses and the development of more wieldy models. But ultimately, cooperation between the two disciplines will always involve some trade-off between theoretical rigour and complexity of social explanation.

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Notes

[1] For example, some branches of economics have sought to incorporate insights about how institutions mediate individual or collective choices. A large body of literature on institutional economics, or ‘new institutionalism’, has recognised and sought to do justice to the role of intersubjective norms and values in shaping or constraining individual choice. See, for example, Nee (2003); North (1990). But these contributions generally adopt some form of rational choice model, sticking to the epistemological and ontological assumptions listed below.

[2] Or, in other areas of enquiry, the maximising family unit or firm.

[3] Note that this thesis is different from what Steven Lukes calls ‘truistic social atomism’, i.e. the claim that ‘the ultimate constituents of the social world are individual people’ (Lukes 1976). Almost no-one would refute this ontological claim. What is at stake is whether a focus on individuals is adequate for explaining social phenomena.

[4] As the economist O. Lange put it, ‘The postulate of rationality ... provides us with a most powerful tool for simplification of theoretical analysis. For, if a unit of decision acts rationally, its decision in any given situation can be predicted by mere application of the rules of logic (and of mathematics)’ (Lange 1945: 30).

[5] Manski in fact distinguishes three effects (see Radu’s paper for a discussion). However, his third concept of ‘correlated effects’ is not relevant for my discussion, as it describes characteristics that are derived from the (contingent) similarity of social conditions, rather than social interaction between individuals.

[6] The term ‘social facts’ is used to denote social phenomena that cannot be reduced to facts about individuals. Allowing for the necessity of social facts in explanation therefore implies abandoning methodological individualism. See Mandelbaum (1976).

[7] Although of course the nuclear family as a unit is itself historically contingent.

[8] This sort of claim would be similar to the notion that hypotheses should be tested exclusively through the approximation of their predictions to empirical events, rather than through the
plausibility of their assumptions. See Friedman (1953). For a concise but excellent critique of Friedman’s position, see Nagel (1963). A third alternative rebuttal is that these cultural factors are endogenous. In other words, culture does mediate the way in which an individual perceives and acts on economic variables influencing decisions, but if culture develops in the same way—or develops in such a way as to have the same impacts on individuals’ behaviours—given the economic environment, we can apply an economic model. The economic model would then be universally applicable, and culture differences would themselves be largely reflections of the economic environment.

[9] It may not be possible precisely to pin down the group in the first instance. Indeed, the scope of the relevant community of norm-sharers may be something to be refined in the course of steps one and two.

[10] For an example of this type of dual methodology, see the ongoing project of the Migration Research Group on ‘Diversity, Integration and the Economy’, conducted by a group of economists, sociologists and political scientists. Information on the project, which is sponsored by the Volkswagen Foundation, can be found under http://www.migration-research.org/diversity.

References


