
HOUSEHOLD ECONOMIC STATUS AND MIGRATION: EVIDENCE FROM CENTRAL AND EASTERN EUROPEAN COUNTRIES

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Abstract

Migration has been a defining phenomenon in Eastern Europe since the fall of the Iron Curtain and has intensified with the free movement of people within the European Union. This paper examines the relationship between migration and household economic conditions, an area that has received limited empirical attention. Using panel data for 11 Central and Eastern European EU member states from 2013 to 2023, the study analyses how household financial indicators influence net migration balances. The empirical analysis applies panel regression techniques, including pooled OLS, random effects, and fixed effects models. The results show that household net financial assets and household investment rates are significant predictors of migration outcomes, while household savings and debt exhibit weaker or insignificant effects. These findings suggest that household-level economic resources and investment capacity play an important role in shaping migration dynamics in Eastern Europe. By connecting standardized household economic indicators to migration patterns, the paper provides new comparative evidence with relevant implications for migration and economic policy in the region.

Keywords: Household Economic Indicators, Migration, Panel Data Analysis, Eastern European Countries, Financial Assets and Investment

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INTRODUCTION

Migration has been a defining socioeconomic phenomenon in Eastern Europe since the early 1990s, when the fall of the Iron Curtain opened new opportunities for mobility (Favell, 2008). The process intensified after EU enlargement, as the principle of free movement facilitated large-scale emigration from Eastern to Western Europe (Kahanec – Zimmermann, 2016). From a theoretical

perspective, these migration flows are commonly explained by international migration theories that emphasize economic differentials between sending and receiving countries, such as neoclassical economic theory and the new economics of labour migration, which highlight wage gaps, employment opportunities, and household income strategies as key drivers of mobility (Todaro, 1969; Harris – Todaro, 1970; Stark – Bloom, 1985). This dynamic has profoundly shaped labour markets, household structures, and national

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development strategies, making it a central topic for policymakers and researchers (OECD, 2019). Eastern European countries were selected because they have experienced some of the most intense migration dynamics in Europe since the 1990s, combining large-scale emigration, rapid economic transformation, and significant changes in household financial structures. This makes them particularly relevant for analyzing how household economic indicators influence migration, in ways that may not be as visible in more stable Western economies. The reason for this study comes from the recognition that, while migration flows are widely analyzed from macroeconomic and labour market perspectives, the role of household-level financial indicators remains underexplored. Existing research has mainly focused on how migration affects household outcomes, including remittances, savings, and investments (Bauer – Sinning, 2005; Incațărău – Maha, 2012). While these studies demonstrate that migration reshapes household financial behavior, much less is known about the reverse mechanism, whether and how household financial conditions themselves drive or reduce migration. Standardized indicators such as the gross household saving rate, household debt-to-income ratio, household net financial assets, and household investment rates remain largely absent from comparative empirical analyses (Lou, 2022; Seitz, 2019).

The purpose of this paper is twofold: first, to provide a targeted literature review that identifies what is already known and what remains underexplored in this field; and second, to empirically test how household financial indicators shape migration balances across Eastern European EU countries. These aims are important because household-level financial resilience or vulnerability may influence migration decisions, linking microeconomic behavior with macro-level demographic outcomes (McKenzie – Rapoport, 2007; Gentili, 2013). The rationale of the present paper lies in bridging microeconomic household indicators with migration dynamics at the country level. By applying panel data econometric methods (OLS, random effects, and fixed effects with Hausman tests) to 11 Eastern European EU states between 2013 and 2023, the paper offers systematic comparative evidence on the relationship between household saving, debt, assets, investment, and net

migration balances (Wooldridge, 2010). Developing this idea further, the paper contributes to a deeper understanding of migration as not only a labour market phenomenon but also a reflection of household financial conditions. By distinguishing the relative importance of assets, savings, debt, and investments, and by comparing high- and moderate-migration countries, this research provides new insights into the differentiated mechanisms through which household financial structures shape migration in Eastern Europe (Dossche et al., 2022; Kozlovskiy et al., 2024).

LITERATURE REVIEW ON HOUSEHOLD ECONOMIC INDICATORS AND NET MIGRATION DYNAMICS

The present literature review examines studies that research the relationship between household economic indicators and net migration dynamics. A targeted literature review was conducted in two major academic databases, Web of Science and Scopus, both recognized for their extensive coverage of peer-reviewed research. The search strategy relied on specific keyword combinations aimed at capturing the relationship of household economic indicators and migration, using semantic variations and Boolean operators. These included: “household economic indicators AND migration”, “household saving rates AND migration”, “household net financial assets AND migration”, and “household investment rates AND migration”. The results revealed that only a limited number of papers directly address this specific nexus, highlighting a gap in the existing literature (Table 1 summarizes the literature review).

Research on the relationship between household economic indicators (HEIs) and migration dynamics reveals diverse mechanisms depending on geography, level of analysis, and methodological approach. A first distinction must be made between studies that examine how migration reshapes household indicators, and those that test whether household conditions themselves drive migration decisions. Several papers focus on the impact of migration on household savings and investment behavior. Bauer and Sinning (2005), using German GSOEP data, show that immigrants generally save less than natives, but that this gap disappears for temporary migrants once remittances

are considered; return intentions significantly increase both remittances and savings. Their findings underline how migration intentions shape household financial strategies rather than the reverse. Similarly, *Încalțărău and Maha* (2012), analyzing Romanian macro data, conclude that remittances contributed more to household and aggregate investment than to consumption, highlighting migration as both a survival and capital-formation strategy. *Lou* (2022) extends this discussion to rural China, finding that household migration is negatively associated with saving rates, while other controls such as education, health, marital status, and insurance also reduce savings. These studies show the migration and household indicators channel but do not establish whether strong household conditions affect migration itself (*Bauer – Sinning*, 2005; *Încalțărău – Maha*, 2012; *Lou*, 2022).

By contrast, evidence from Uzbekistan points to a clearer push mechanism. Using national surveys, *Seitz* (2019) finds that households with low life satisfaction, unemployment, or weak labor market integration are more likely to consider migration, while actual migrant households enjoy higher income and improved well-being. Remittances play a central role in reducing poverty (from 16.8% to 9.6% in counterfactual scenarios), smoothing shocks and improving life satisfaction. Here, poor household conditions clearly enhance migration, while improvements in income and satisfaction would be expected to reduce outflows (*Seitz*, 2019).

Theoretical and empirical work on migration as a household financial strategy further sharpens this link. *Clemens and Ogden* (2014) conceptualize migration as an investment decision under household credit and insurance constraints, with remittances as the returns. They argue that migration is chosen when local financial instruments are unavailable or inadequate, implying that improvements in household financial stability would reduce migration. Mexican evidence is particularly illustrative. *McKenzie and Rapoport* (2007) and *Gentili* (2013) both find an inverted U-shaped relationship between household wealth and migration. Poor households face liquidity constraints and cannot finance migration; middle-wealth households migrate most; and wealthier households reduce migration as local opportunities

increase. Migration networks lower costs over time, allowing poorer households to participate. Thus, “better” HEIs initially enhance migration up to a threshold, but at higher wealth levels they reduce migration (*McKenzie – Rapoport*, 2007; *Gentili*, 2013).

Studies of internal migration in advanced economies provide complementary insights. *Olney and Thompson* (2024), analyzing U.S. IRS data show that internal migration decreases with higher origin wages and increases with higher destination wages. Rising housing costs historically spurred migration, but households have become less responsive to these costs over time, contributing to the long-run decline in mobility. This suggests that strong household conditions (higher wages, affordable housing) reduce the need for migration, while weak conditions (low wages, high housing costs) enhance it (*Olney – Thompson*, 2024).

At a macro level, *Dossche et al.* (2022) documents that immigrants in the euro area have systematically lower wages and wealth, are more liquidity-constrained, and are more sensitive to labor market cycles, while the immigrant share has increased by 5 percentage points since 2007. *Kozlovskiy et al.* (2024), using Eurostat data, show positive correlations between net migration and GDP in many EU countries, with particularly strong effects in Poland, Spain, and the Baltics. These studies underline how migration changes the distribution of household economic indicators and macroeconomic performance, though they do not directly measure how household conditions affect migration rates (*ECB*, 2022; *Kozlovskiy et al.*, 2024).

Taken together, the literature suggests that the relationship between household economic indicators and migration is context-dependent and often nonlinear. Evidence from developing countries (Uzbekistan, rural Mexico, rural China) highlights how poor household indicators (low income, low satisfaction, weak financial tools) drive migration as a survival or portfolio strategy. Yet, once households accumulate sufficient wealth, the need to migrate diminishes. In advanced economies, higher wages and affordable housing anchor populations, while deteriorating conditions push migration. At the aggregate European level, net migration inflows are associated with stronger economic performance, showing how migration in turn reshapes household

outcomes. Thus, the balance of evidence suggests that good household economic indicators generally reduce migration at higher levels of welfare, but at low and middle levels, improvements in income or wealth may initially facilitate migration by relaxing financial constraints.

RESEARCH GAPS

The targeted literature review shows that while the relationship between migration, remittances, and household financial behavior has been widely studied,

the direct role of household economic indicators such as the gross household saving rate (HSR), household debt-to-income ratio (HDEB), household net financial assets ratio (HNFR), and the gross investment rate of households (HIR) remains largely unexplored. Existing studies mostly analyze how migration reshapes savings and investment, rather than whether these indicators influence migration decisions. Evidence is also fragmented by geography, concentrated in single-country cases outside the EU, with limited cross-country comparative work using harmonized data. Moreover, the literature rarely

Table 1 Literature review on household economic indicators (HEIs) and migration

Authors & year	Geographical coverage	Relevance for household economic indicators and migration dynamics	Do “better” household economic indicators reduce or enhance migration?
Lou (2022)	Rural China	The direction studied is migration to savings (not savings to migration). Shows how migration changes HEIs (savings behaviour).	Not estimated. No evidence that higher savings/other HEIs raise or lower migration rates.
Bauer & Sinning (2005)	Germany	Links migration intent/ duration to household saving/ remitting behaviour and composition of migration (temporary vs permanent) shapes HEIs.	Not estimated. This paper doesn't test whether higher savings/wealth change migration rates.
Dossche et. al. (2022)	Euro area	Documents systematic HEI gaps by migrant status and notes rising immigration; i.e., migration reshapes the distribution of HEIs and macro transmission.	Not estimated. Descriptive on HEIs and migrant shares; no causal effect of HEIs on migration rates.
Încălțărău & Maha (2012)	Romania	Shows migration - remittances -household/ aggregate investment channel (HEIs respond to migration).	Not estimated. No test of whether household investment/consumption levels change migration rates.
Seitz (2019)	Uzbekistan	Clear push mechanism from poor HEIs to migration; migration then improves HEIs via income/ remittances.	Better HEIs reduce out-migration: when jobs/ income/ life satisfaction improve, the push weakens. Evidence is strongest on the push side.
Clemens & Ogden (2014)	Global (conceptual)	Theoretical link: household financial constraints and risk management are core drivers of migration dynamics.	Conceptual: easing constraints / improving HEIs would reduce the need for migration as a risk-management tool.
McKenzie & Rapoport (2007)	Mexico	Direct micro-mechanism tying household wealth and net emigration dynamics (via networks & costs).	Non-monotonic: better HEIs (wealth) enhance migration from low to middle, but reduce it at high wealth.
Kozlovskiy et al. (2024)	Europe (EU-27, CH, UA)	Macro evidence of migration affecting development; does not unpack household-level mechanisms.	Not estimated. Paper relates net migration to GDP, not HEIs - migration.
Gentili (2013)	Mexico	Strong household-finance angle: wealth, assets, networks jointly determine migration intensity.	Non-monotonic: better HEIs (wealth) enhance migration up to mid-wealth, then reduce it at higher wealth.
Olney & Thompson (2024)	United States (internal)	Clean price/ income mechanisms: household income & housing costs shape internal migration patterns and their decline.	Higher origin wages (good HEI) reduce out-migration; higher destination wages enhance migration; higher origin housing costs push out-migration (but responsiveness has fallen).

Source: Authors' elaboration.

addresses dynamics over time or disentangles causality between household conditions and migration flows. These gaps suggest the need for systematic empirical research linking household-level and macro-level indicators directly to migration patterns, particularly in the Eastern EU context.

DATA AND METHODS

This study investigates the relationship between household economic indicators and net migration dynamics in Eastern European countries through a panel data analysis. The analysis covers 11 EU member states from Eastern Europe (Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, and Hungary) over the period 2013–2023. The dependent variable is the crude rate of net migration plus statistical adjustment, as reported by Eurostat. Net migration was chosen because the balance between emigration and immigration captures not only emigration decisions but also the migration flows that have shaped these countries in recent years. In particular, during the COVID-19 pandemic, Poland experienced a sharply negative migration balance (−20.3 in 2020, followed by 0.1 in 2021), which subsequently recovered, a pattern not observed in the other countries in the sample. By contrast, the invasion of Ukraine, which began on 24 February 2022, generated an exceptionally positive migration balance for most of the countries studied, especially those in close geographic proximity to Ukraine (with net migration increasing from 4.8 in 2021 to 30.9 in 2022 in the Czech Republic; from 5.3 to 29.5 in Estonia; from −0.2 to 11.7 in Latvia; from 7.0 to 25.5 in Lithuania; and from −0.9 to 5.6 in Romania).

The independent variables include four household economic indicators: (i) Gross Household Saving Rate (HSR), (ii) Household Debt-to-Income Ratio (HDEB), (iii) Household Net Financial Assets Ratio (HNFR), and (iv) Gross Investment Rate of Households (HIR). These variables capture different dimensions of household financial capacity and resilience.

Table 2 shows the descriptive statistics for the variables used in the analysis.

It can be observed that the descriptive statistics reflects different patterns and distributions for the analyzed variables.

The analysis began with pooled Ordinary Least Squares (OLS) regressions to establish baseline associations, followed by Random Effects (RE) and Fixed Effects (FE) estimations to account for unobserved country-specific heterogeneity. The Hausman specification test was applied to choose between RE and FE models. Results from the Hausman test generally favored the FE specification, which was adopted as the preferred model for interpretation. The baseline empirical model can be expressed as:

$$\text{MIGRATION}_{it} = \alpha + \beta_1 \text{HSR}_{it} + \beta_2 \text{HNFR}_{it} + \beta_3 \text{HIR}_{it} + u_{it}$$

where MIGRATION_{it} represents the net migration rate in country i at time t , while the coefficients β capture the marginal effects of household economic indicators. Panel unit root tests were not performed because, in small panels such as the one used in this study, these tests are not a necessary condition and may, moreover, distort the overall statistical analysis (Mravak, 2023; Jönsson, 2005). Nevertheless, the possibility of conducting stationarity tests in future analyses with a longer time dimension is not excluded.

Table 2 Descriptive statistics

Indicator	HDEBT	HIR	HNFR	HSR	MIGRATION
Mean	47.49	7.30	135.48	7.21	0.66
Median	46.06	7.17	133.61	8.55	0.25
Maximum	72.56	14.42	255.53	22.88	30.90
Minimum	21.81	1.17	64.22	−11.18	−20.30
Std. Dev.	13.22	2.40	40.65	7.18	6.74
Observations	120	120	120	120	120

Source: Authors' estimations.

RESULTS, LIMITATIONS AND DISCUSSION

Results

Given its consistently low statistical significance, HDEB was excluded in the second model to improve estimation efficiency, while HSR was also excluded in Model 3. As shown in Table 3, the final preferred model (Model 3, FE) includes HNFR and HIR.

To further capture potential heterogeneity in migration dynamics, the sample was further divided into two groups: (1) High-emigration countries,

characterized by persistently negative net migration balances (Romania, Bulgaria, Croatia, Latvia, Lithuania) and (2) Moderate-emigration countries, with migration rates closer to balance or fluctuating around zero (Czechia, Slovenia, Slovakia, Estonia, Hungary, Poland). As observed in Table 3 and Table 4, separate FE and RE estimations for each sub-sample reveal distinct patterns: in high-emigration countries, HNFR emerges as the key predictor of migration, whereas in moderate-emigration countries, HIR plays the central role.

Table 3 Baseline regression results for household economic indicators and net migration (2013–2023)

	Model 1 OLS	Model 1 Random Effects	Model 1 Fixed Effects	Model 2 OLS	Model 2 Random Effects	Model 2 Fixed Effects	Model 3 OLS	Model 3 Random Effects	Model 3 Fixed Effects
HSR	0.141 (0.087)	0.080 (0.109)	-0.054 (0.152)	0.149 (0.079) *	0.092 (0.101)	-0.053 (0.149)	-	-	-
HNFR	0.046 (0.014) ***	0.072 (0.020) ***	0.142 (0.036) ***	0.045 (0.014) ***	0.068 (0.018) ***	0.143 (0.035) ***	0.055 (0.013) ***	0.077 (0.018) ***	0.139 (0.033) ***
HDEB	0.010 (0.044)	0.007 (0.061)	-0.007 (0.122)	-	-	-	-	-	-
HIR	1.258 (0.225) ***	1.467 (0.305) ***	1.346 (0.536) **	1.258 (0.224) ***	1.444 (0.291) ***	1.352 (0.525) **	1.253 (0.226) ***	1.468 (0.304) ***	1.356 (0.522) **
C	-16.305 (3.497) ***	-20.751 (4.903) ***	-27.792 (9.075) ***	-15.759 (2.689) ***	-19.788 (3.355) ***	-28.248 (4.504) ***	-15.960 (2.716) ***	-20.570 (3.468) ***	-28.165 (4.480) ***
R ²	0.280	0.253	0.451	0.280	0.253	0.451	0.258	0.249	0.450
Hausman	Chi sq. 8.830			Chi sq. 9.452			Chi sq. 7.328		
	Prob. 0.0655			Prob. 0.0238			Prob. 0.0256		

Note: Significance levels: * for >10%, ** for > 5%, *** for >1%.

Source: Authors' estimations.

Table 4 Regression results with only high-emigration countries

	Random Effects Model 1	Fixed Effects Model 1	Random Effects Model 2	Fixed Effects Model 2
HSR	0.202 (0.153)	0.091 (0.189)	-	-
HNFR	0.111 (0.029) ***	0.208 (0.048) ***	0.115 (0.028) ***	0.231 (0.043) ***
HIR	1.702 (0.416) ***	0.912 (0.645)	1.606 (0.403) ***	0.883 (0.637)
C	-27.891 (5.481) ***	-34.412 (5.912) ***	-27.354 (5.409) ***	-34.870 (5.788) ***
R ²	0.311	0.502	0.287	0.499
Hausman	Chi-Sq. 10.548		Chi-Sq. 11.565	
	Prob. 0.0144		Prob. 0.0030	

Note: Significance levels: * for >10%, ** for > 5%, *** for >1%.

Source: Authors' estimations.

Table 5 Regression results with only moderate-emigration countries

	Random Effects Model 1	Fixed Effects Model 1	Random Effects Model 2	Fixed Effects Model 2
HSR	-0.177 (0.204)	-0.293 (0.228)	–	–
HNFR	0.052 (0.030) *	0.058 (0.053)	0.038 (0.023) *	0.041 (0.051)
HIR	1.662 (0.554) ***	2.474 (0.851) ***	1.553 (0.493) ***	2.385 (0.853) ***
C	-15.684 (4.555) ***	-21.499 (6.527) ***	-14.984 (4.036) ***	-21.726 (6.560) ***
R ²	0.235	0.387	0.237	0.370
Hausman	Chi-Sq. 3.019		Chi-Sq. 2.513	
	Prob. 0.3886		Prob. 0.284	

Note: Significance levels: * for >10%, ** for > 5%, *** for >1%.

Source: Authors' estimations.

Panel data models are particularly suited for this analysis because they allow for controlling unobserved heterogeneity across countries, exploit both cross-sectional and time-series variation, and increase estimation efficiency compared to pure cross-sectional or time-series approaches (Wooldridge, 2010).

For high-emigration countries, the fixed effects model is more appropriate, as the Hausman test yields p-values below 0.05. By contrast, for countries with moderate emigration, a random effects model is preferred, and the results are therefore less conclusive.

A linear model was chosen because it directly captures household well-being in relation to emigration decisions and destination attractiveness for immigrants. Moreover, given the size of the sample, a linear specification is considered more appropriate than nonlinear models (Wooldridge, 2023).

The baseline regressions for the full sample of 11 Eastern European countries (2013–2023) reveal that household net financial assets (HNFR) and the gross investment rate of households (HIR) are consistently significant predictors of net migration balances, while the gross household saving rate (HSR) shows weaker and inconsistent effects. The household debt-to-income ratio (HDEB) proved statistically insignificant across all specifications and was therefore excluded in the preferred model (Model 2, FE). Model 2 with fixed effects, supported by the Hausman test,

indicates that higher household net financial assets and higher household investment rates are associated with more positive migration balances, suggesting that periods of improved household wealth and investment correspond to reduced emigration or increased immigration in the region. By contrast, saving rates did not exhibit a robust relationship with migration.

The sub-sample analysis uncovers important heterogeneity. In high-migration countries, HNFR is the main driver, highlighting the role of household wealth and capital accumulation in shaping migration decisions. Conversely, in moderate-migration countries, HIR becomes more relevant, suggesting that local household investments are more effective in anchoring populations when migration pressures are less acute. These findings underline the differentiated mechanisms through which household financial conditions influence migration depending on national migration contexts.

Contribution to the literature

This study addresses the identified gaps by providing direct empirical evidence on how household economic indicators shape migration in Eastern European EU member states. Using panel data for 2013–2023 and testing four household-level indicators (HSR, HDEB, HNFR, HIR), the results show that household net financial assets (HNFR) and household investment rates (HIR) are significant predictors of net migration

balances, while household debt (HDEB) and savings rates (HSR) play only marginal roles. Importantly, the analysis distinguishes between high-migration and moderate-migration countries: in the former, household assets matter more, while in the latter, investment rates are the main driver. By linking standardized Eurostat indicators to migration flows through fixed-effects models, this research fills the measurement, regional, and temporal gaps in the literature, offering new comparative evidence that highlights the differentiated mechanisms through which household financial conditions influence migration dynamics in Eastern Europe.

As control variables, the analysis includes three indicators from the Heritage Economic Freedom Index (2024), namely Labor Freedom, Monetary Freedom, and Property Rights. Table 6 reports the results starting from the baseline model, in which Property Rights emerges as the only statistically significant control variable:

The results reported in Table 6 indicate the importance of property rights in migration decisions.

Next, Pesaran's CD test (Pesaran, 2004) and the Wooldridge test (Wooldridge, 2002) are applied to assess issues related to cross-sectional dependence and autocorrelation.

Table 6 Regressions with control variables

	Model 1 Random Effects	Model 1 Fixed Effects	Model 2 Random Effects	Model 2 Fixed effects	Model 3 Random Effects	Model 3 Fixed Effects
HSR	0.017 (0.081)	-0.146 (0.149)	0.022 (0.076)	-0.149 (0.148)	0.025 (0.077)	-0.110 (0.145)
HNFR	0.041 (0.014) ***	0.126 (0.035) ***	0.039 (0.013) ***	0.126 (0.035) ***	0.038 (0.013) ***	0.119 (0.035) ***
HIR	0.715 (0.249) ***	0.689 (0.558)	0.698 (0.232) ***	0.706 (0.555)	0.714 (0.234) ***	0.681 (0.556)
LABOR FREEDOM	-0.003 (0.057)	-0.053 (0.085)	-	-	-	-
PROPERTY RIGHTS	0.195 (0.038) ***	0.138 (0.048) ***	0.198 (0.037) ***	0.137 (0.048) ***	0.197 (0.037) ***	0.142 (0.048) ***
MONETARY FREEDOM	-0.051 (0.143)	-0.179 (0.154)	-0.042 (0.139)	-0.185 (0.154)	-	-
C	-19.001 (11.586)	-11.881 (13.676)	-19.792 (11.366) *	-14.728 (12.844)	-23.150 (2.815) ***	-29.231 (4.364) ***
R ²	0.402	0.501	0.414	0.499	0.409	0.492
Hausman	Chi-Sq. 10.685		Chi-Sq. 10.493		Chi-Sq. 7.750	
	Prob. 0.098		Prob. 0.062		Prob. 0.101	

Note: Significance levels: * for >10%, ** for > 5%, *** for >1%.

Source: Authors' estimations.

Table 7 Pesaran CD test and Wooldridge test for Model 3 with fixed effects from Table 3

Wooldridge	F (1, 10) = 0.108	Prob > F = 0.7495
Pesaran CD-Test	Pesaran's test of cross sectional independence = 5.885, Pr = 0.0000	Average absolute value of the off-diagonal elements = 0.310

Source: Authors' estimations.

Table 8 Regression with Drisc/Kraay errors

HNFR	0.139 (0.041) ***
HIR	1.356 (0.702) *
C	-28.165 (6.841) ***
R ²	0.281
Obs.	120

Note: Significance levels: * for >10%, ** for > 5%, *** for >1%.

Source: Authors' estimations.

The test results suggest re-estimating the model using Driscoll–Kraay standard errors. Table 8 reports the regression results for Model 3 from Table 3 estimated with Driscoll–Kraay standard errors.

Limitations

Several limitations should be acknowledged. First, the analysis relies on aggregate Eurostat indicators, which may obscure household-level heterogeneity and within-country regional disparities. Second, the study does not fully address potential endogeneity between migration and household indicators; while higher wealth may reduce emigration, migration itself can shape wealth accumulation through remittances and labour market effects. Third, the focus on Eastern EU member states ensures comparability but limits generalizability to non-EU contexts or Western Europe. Finally, the ten-year window (2013–2023) captures important post-crisis dynamics but may not fully reflect longer-term structural transformations in household finance and migration behavior.

Discussion

The results provide new evidence on the underexplored nexus between household financial conditions and migration dynamics. The strong effects of household net financial assets and investment rates highlight that migration is not solely a labour market phenomenon but also reflects the financial resilience of households. The fact that HNFR matters most in high-migration contexts suggests that capital constraints remain a key driver of emigration, consistent with theories of migration as a household investment decision (Clemens – Ogden, 2014; McKenzie – Rapoport, 2007). In moderate-migration contexts, the relevance of household investments indicates that

local opportunities and capital formation can anchor populations more effectively, in line with development-driven migration theories. The insignificance of debt and the weak role of saving rates are also noteworthy. While debt dynamics often dominate household finance discussions, they appear less relevant for migration decisions in Eastern Europe, perhaps because credit markets remain less developed compared to Western economies. Similarly, saving rates may reflect precautionary behaviour rather than structural financial capacity, limiting their explanatory power. Taken together, these findings advance the literature by linking standardized household indicators directly to migration outcomes and by showing that their effects are context-dependent. They also carry implications for policy, strengthening household asset accumulation and facilitating productive investment may reduce emigration pressures, especially in high-migration countries, while in moderate-migration contexts, supporting household-level investment opportunities could stabilize migration balances.

CONCLUSION

This paper has examined the relationship between household economic indicators and migration in Eastern European EU countries over the period 2013–2023. By using panel data econometric methods, the study has demonstrated that household net financial assets and household investment rates are significant predictors of net migration balances, while household saving rates play only a marginal role and household debt levels appear irrelevant. The results highlight important heterogeneity across contexts. In high-migration countries, household assets are more influential, reflecting the economic vulnerabilities

and capital needs that sustain emigration pressures. In moderate-migration countries, household investments matter more, pointing to the role of local opportunities in anchoring populations when migration dynamics are less acute. These findings contribute to filling a notable gap in the literature, which has focused predominantly on remittances and post-migration household outcomes rather than pre-migration financial conditions. By linking standardized Eurostat household indicators directly to migration flows, this paper advances both the empirical and conceptual understanding of migration as a phenomenon shaped not only by labour market dynamics but also by household financial structures. At the same time, the analysis underlines

that the effects of household economic conditions on migration are neither linear nor uniform. Instead, they are context-dependent and interact with broader economic development patterns. Policymakers in Eastern Europe may thus reduce emigration pressures by supporting household wealth accumulation and facilitating productive investments, while recognizing that the financial drivers of migration differ across high- and moderate-migration countries. Future research could build on this study by incorporating micro-level household data, addressing endogeneity concerns, and extending the analysis beyond Eastern Europe to assess whether similar patterns hold in other regional and institutional contexts.

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