

Heterogeneous Effects of Deep Regional Trade Agreements on International Migration

Cen Xin

January 2021

Abstract

This study empirically analyzes the effects of deep trade agreements on bilateral migration flows by estimating the structural gravity model for cross-country migration. Using a sample of 35 OECD destination countries and 201 origin countries over the period 1995-2014, I find that signing a deeper trade agreement increases migration flows from Southern countries to Northern countries. I also find that the legally enforceable labor-related combined index, labor market regulation provisions, and visa-and-asylum provisions play a more critical role. Furthermore, in the more detailed policy areas related to migration coded by the Contents of Deep Trade Agreements 2.0 database, I find that the more depth in visa-and-asylum policy areas, the more depth in labor market regulation policy areas stimulates migration flows strongly. The policy areas that relate to movements of natural persons in services show its positive effects on migration flows, rather than full-service policy areas.

Keywords: deep trade agreements; international migration

JEL classification: F15; F22