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INFLUENCING FACTORS ON MIGRATION: EVIDENCE AND POLICY IMPLICATIONS FOR AN EMERGING COUNTRY

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SUMMARY

International migration from developing economies is increasingly driven by the interplay between economic incentives, social networks, and the institutional environment. The understanding of these drivers is central to policy design aimed at maximizing the benefits of labor mobility, minimizing human capital loss, and capturing positive impacts of migration. This paper examines determinants of international migration from Vietnam to the five largest recipient countries, namely, the USA, Japan, Korea, Australia, and Taiwan, for the period 2000-2025. Emphasis is placed on the role of income differentials, migrant networks, and institutions on migration flows, also investigating if the level of institutional quality reinforces the effects of economic incentives on migration flows. A longitudinal panel-data framework is utilized in this analysis to test migration flows during the span of 26 years. In empirical testing, Fixed-effects estimation, supplementary dynamic robustness analysis, and moderation analysis are employed to account for both direct and conditional relationships between variables. Descriptive analysis shows a lot of heterogeneity between migration flows, income differentials, and governance conditions across destination countries. The correlation matrix showed a strong positive relationship between migrant stock and migration flows ($r = 0.781$, $p < 0.01$), which clearly supported the importance of network effects. The results show that both income differentials and migrant networks increase migration flows, and migrant networks are proven to be the strongest determinant of migration. Dynamic panel estimation tests confirmed persistent migration flow over the long period; thus, mobility choices are path-dependent. Institutional quality also promotes migration flows and reinforces the impact of income differentials on migration flows. These results indicate that people not only seek higher income but also governance with transparency, security, and protection for economic activities. Conclusively, international migration flow from Vietnam is characterized by a complex interaction of economic, social, and institutional dynamics. Accordingly, the policy making for migration should not only focus on fostering institutions and managing human capital outflow but also on making use of the potential of diasporas for positive impacts of migration on national development.

Key words: *international migration, economic disparities, migrant networks, institutional quality, migration determinants, emerging economies, human capital mobility.*

INTRODUCTION

International migration has been the largest demographic and economic process that impacts global development. According to the International Organization for Migration, the scale of human mobility across international borders is constantly increasing and directly impacting labor markets, social structures, and economies worldwide [1]. Given the globalizing economic activities, outward migration from developing countries into developed countries has become a dominant focus of politicians and scholars. Likewise, literature in the field that describes these flows increased in volume, and an academic literature began to focus on determinants and implications of these flows. The academic literature in the field has been, however, largely divided: whereas destination countries focused their policies and research efforts on the costs of immigrant social integration and local labor markets, origin countries face a persistent policy choice between immediate financial gains derived from migrant remittances and long-term structural consequences of human capital drain [9][10]. With accelerated aging in the developed countries, labor demand from developing countries has also turned into a constant rather than a temporary element, driving global migration patterns. This structural feature of migration flow warrants a closer look at management and understanding of human mobility beyond the traditional push and pull argument.

Within this global context, Vietnam provides an excellent case study as an emerging economy undergoing large-scale outward migration. Ever since economic reform from the late 20th century, Vietnam's migration patterns have changed with the globalization of its economy and the transition to a globalized market economy. Migration flows across East and Southeast Asia have been on the rise, with the formalization of new and institutionalized routes of labor and student mobility. Vietnamese outmigration is characterized by labor exports organized and managed by the state to the industrializing countries in Asia and by skill and educational migration to Western countries. While migration frameworks and border policies for the European Union and the United States have received significant attention among studies, there is a lack of robust, macro-level, panel data econometrics analysis on the determinants of international migration flows from Asian emerging economies in recent decades. The standard theoretical framework developed mainly in the Western context is insufficient to capture the mobility from Southeast Asia, where it depends heavily on bilateral governments, regional production networks, and historical social networks instead of autonomous decision-making.

This study aims to identify factors that have determined international migration flows from Vietnam over the period 2000–2025. A comprehensive examination of economic, social, and institutional factors will help identify key drivers of outmigration from Vietnam and demonstrate how they interact. The existing empirical literature of Vietnamese migration, for the most part, either describes the flows using descriptive statistics or local cross-sectional survey data, which do not capture the time-varying, structural macro-level factors of international migration. The moderation analysis specifically tests the hypothesis that economic pull factors (e.g., high wages) are strictly conditioned on institutional quality and governance structures of destination countries.

The knowledge about structural features and conditional dependence relationships would help to build better management policies of migration and harness human capital to promote economic development. Using a unique 26-year panel data set and advanced panel data econometrics, this paper contributes to international migration literature with an empirical test on the traditional economic and institutional pull factors in the context of Asian emerging markets and with the provision of policy recommendations to developing countries on strategies toward capitalizing on labor exports.

Research Contribution and Novelty

This study makes three major contributions to the literature on migration, in addition to the application of the conventional econometric methods. First, it examines the structural changes in Vietnam's migration system over the last 26 years through a dynamic and long-run panel analysis, as opposed to the cross-sectional or short-period analysis that has dominated existing studies. This enables a more temporally informed understanding of the evolution of migration determinants over time in relation to economic integration. Second, the study contributes to the empirical migration literature in a

methodological sense by explicitly modelling economic disparities – institutional quality interaction. Although previous studies have focused exclusively on such factors individually, the findings of this study show that institutional quality primarily acts as a conditional factor that strengthens the migration effect of income differentials. Third, it provides evidence on conditional migration by focusing on migration persistence and institutional moderating effects in the context of a long-run Vietnam-centered migration corridor. This is especially important in the case of emerging economies, where migration is predominantly network dependent and endogenously reinforced over time. Together, these various contributions advance theories of migration by highlighting conditionality, persistence, and institutional amplification effects in migration systems.

Research Objectives

- Examine the impact of income differentials between Vietnam and host countries on the size of migration from Vietnam to major destination countries.
- To ascertain the effect of migrant networks (diaspora stock) on international migration from Vietnam to major destination countries.
- To test the role of institution quality in pulling in Vietnamese migrants to destination countries.
- To study whether the impact of income differentials on the size of international migration is moderated by institutional quality.

Research Questions

RQ1: How do economic disparities between Vietnam and destination countries influence international migration flows?

RQ2: To what extent do migrant networks (diaspora stock) affect the volume and persistence of migration from Vietnam to major destination countries?

RQ3: How does institutional quality influence international migration flows, and does it strengthen the effect of economic disparities on migration decisions?

The paper is divided into five sections. Section 2 outlines the relevant literature review and elaborates on the hypotheses. Section 3 details the data used, the variables, the theoretical background, and the empirical approach. Section 4 presents the descriptive statistics, the econometric findings, discusses the empirical results, and concludes with policy implications. Finally, section 5 summarizes the main conclusions, implications, limitations, and future research.

LITERATURE REVIEW

Recent literature suggests that international mobility depends on the interplay of economic, social, and institutional variables, not only income incentives [4]. The results indicate that economic opportunities, political stability, and social institutions all play a role in migration decisions: international migration is multidimensional. Another study found that economic factors and institutional variables explain immigration flows among OECD countries [8]. This evidence shows that immigration to OECD countries is affected by the combination of market and governance factors.

Economic advantages are found among the main factors that lead people to move [7] suggests that labor mobility is prompted by labor market flexibility and job opportunities, which improve productivity and economic welfare [6] also finds that migrant networks increase trade volume between countries by lowering information costs. In other words, migrants can create economic interlinkages between the origin and the destination countries. The latter also argues that the development effects of migration are channeled through remittances and investments due to institutional structures [20] found evidence that economic conditions affect the amount of remittance inflows.

Social networks are also proven to be strongly related to migration [3] emphasizes human capital

mobility as it shows that the recognition of the validity of educational qualifications increases international migration [5][12] demonstrates that kinship networks of migrants affect their migration decisions and country selection. Similarly, it identifies social networks as the strongest factors influencing contemporary international migration patterns: this supports the cumulative causation theory [15][19].

Institutional quality has emerged as an increasingly important factor in migration research. The work demonstrated that governance quality enhances the positive effects of migration and international economic integration [2]. Moreover, another research through a comprehensive meta-analysis concluded that economic incentives and established migrant networks are among the most robust predictors of migration, while institutional conditions significantly influence the strength of these relationships [17].

Overall, the literature indicates that migration is driven by interconnected economic, social, and institutional mechanisms. However, limited evidence exists regarding how institutional quality moderates the impact of economic disparities on migration, particularly in emerging economies such as Vietnam. This study addresses this gap by examining both the direct and interactive effects of economic differentials, migrant networks, and institutional quality on international migration flows.

Table 1. Theoretical and empirical foundations of international migration determinants

Category	Theoretical Determinants	Key Mechanism	Key Sources
Economic Factors	Income differentials, labor market opportunities	Wage gaps increase expected migration benefits, represented by Ln_GDP_Diff.	[4][6][7][20]
Social and Network Factors	Migrant stock, migration aspirations, human capital portability	Diaspora networks reduce migration costs and risks, represented by Ln_Migrant_Stock.	[3][5][14][15]
Institutional and Political Factors	Governance quality, rule of law, regulatory stability	Strong institutions increase destination attractiveness and security, represented by Inst Quality.	[2][4][8]
Conditional Institutional Effect	Income differential $\times$ institutional quality	Institutional quality strengthens the migration effect of income disparities, represented by Ln_GDP_Diff $\times$ Inst Quality.	[2][4][17]
Environmental Determinants (Theoretical Context Only)	Climate vulnerability, pollution, SDG-related pressures	It is widely acknowledged in migration literature that environmental factors represent relevant contextual factors, but for each destination country, a consistent time series of relevant bilateral environmental data was not available throughout the entire period under study.	[11][13][16][18]

A brief overview of the key international migration determinants discussed in the literature is given in table 1, along with their connection to the conceptual framework presented in this study. Economic, social network, institutional, and environmental determinants of international migration are all considered. Table 1 indicates the specific empirical operationalizations of these theoretically derived influences. This table also serves to explain the hypothesized moderating role of institutional quality and the income differential. The inclusion of environment-determinants allows for a more complete theoretical account of the motives for migration highlighted in previous studies. Nevertheless, only economic, social-network, and institutional variables have been considered in the empirical study on the grounds that data is available and these variables are more closely linked to the hypotheses of the present work.

Hypothesis

The recent integration of migration drivers into standardized global data inventories has greatly increased the accuracy of empirical migration research. Macro-level longitudinal analyses that were previously difficult due to a lack of data can now be undertaken through macro-level databases, which have tracked migration drivers over several decades. These inventories make it possible to adequately distinguish between volatility in the short-run and long-term structures of migration drivers.

Meta-analysis of the discrepancies in the estimates of these varied migration drivers can verify through empirical evidence that a subset of factors, primarily economic incentives and stable social network intensity, are reliable and best predictors of international migration. However, few current models take into account anything beyond direct effects, often overlooking how the nature of the institutional context influences economic motives. Based upon the summarized literature, this paper advances the following four hypotheses regarding international migration from Vietnam:

Hypothesis 1: Economic disparities between Vietnam and destination countries positively influence international migration outflows.

Hypothesis 2: The presence of established social networks in destination countries positively affects the rate of migration from Vietnam.

Hypothesis 3: Favorable institutional quality in destination countries acts as a significant pull factor for Vietnamese migrants.

Hypothesis 4: Institutional quality in the destination country moderates the relationship between economic disparities and migration flows.

DATA AND METHOD

Data Sources and Variables

This study has a balanced panel dataset of migration from Vietnam to five major destinations (the US, Japan, Korea, Australia, and Taiwan) from 2000 to 2025. This study used exact values and an exact two-decimal format when handling data to receive maximum variation. This is the case since all information regarding migration, economics, and institutions up to 2025 is based on statistical data available in the database. This means that for 2025, observed values will be used in the analysis, unlike forecasted values.

The dependent variable is the annual flow of migrants from Vietnam to the destination country, expressed in natural logarithms (Ln_Migration). The independent variables include:

- 1) Ln_GDP_Diff: The natural logarithm of the difference in real Gross Domestic Product per capita between the destination country and Vietnam.
- 2) Ln_Migrant_Stock: The natural logarithm of the existing Vietnamese population residing in the destination country, serving as a proxy for social networks.
- 3) Inst_Quality: An institutional quality index of the destination country.

Baseline Empirical Model

The study initially employs a standard macro-econometric gravity model approach. The baseline equation 1 is specified as follows:

$$Ln_Migration_{it} = \beta_0 + \beta_1 Ln_GDP_Diff_{it} + \beta_2 Ln_Migrant_Stock_{it} + \beta_3 Inst_Quality_{it} + \epsilon_{it} \quad (1)$$

Where i denotes the destination country, t denotes the year, and ϵ_{it} is the error term. The baseline analysis utilizes Pooled Ordinary Least Squares (OLS), Fixed Effects (FE), and Random Effects (RE) estimators.

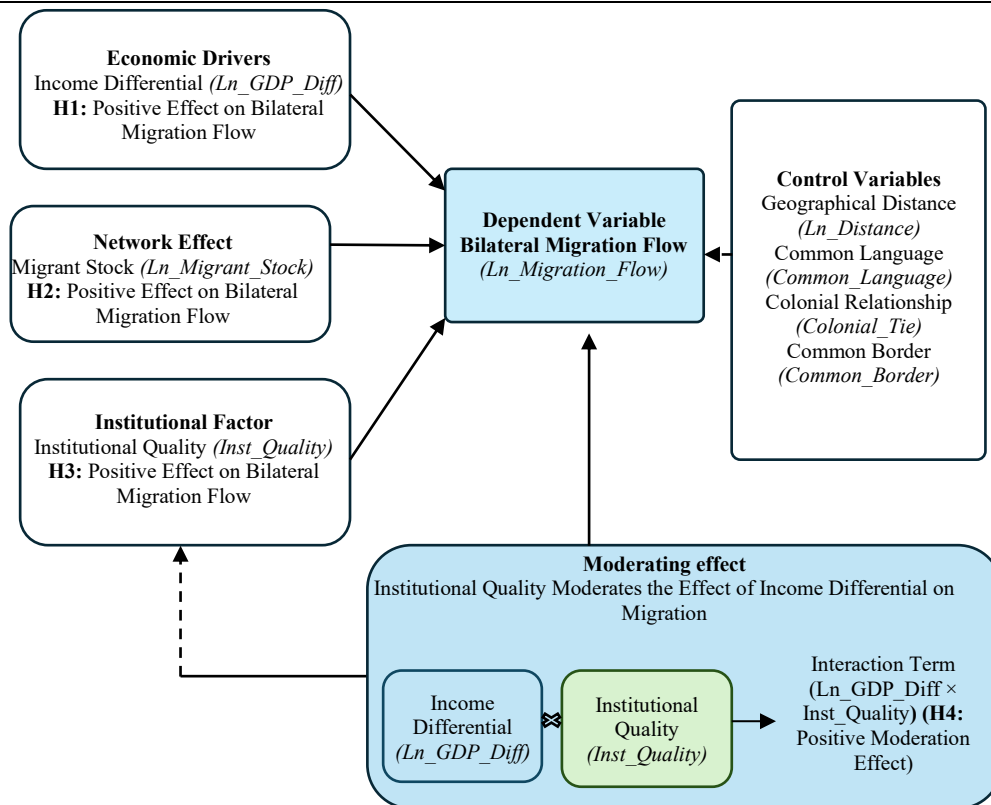


Figure 1. Conceptual framework of determinants of bilateral migration from vietnam

In figure 1 outlines the conceptual model that connects the economic differentials, migrant networks, and institutional quality with migration flows from Vietnam. Moreover, it is also posited that the institution's quality moderates the effect of income differentials on migration.

Moderation Analysis

To improve coefficient interpretability and reduce potential multicollinearity between the interaction term and its constituent variables, the variables Ln_GDP_Diff and $Inst_Quality$ were mean-centered before constructing the interaction term. The interaction variable was therefore computed as equation 2:

$$(Ln_GDP_Diff - Ln_GDP_Diff') \times (Inst_Quality - Inst_Quality') \quad (2)$$

Mean-centering does not alter the significance or explanatory power of the interaction effect but allows the main effects to be interpreted at the sample-average level of the moderator and predictor variables.

To test Hypothesis 4, an interaction term between economic disparities and institutional quality is introduced. This method assesses whether the pull effect of income differences depends on the governance environment of the host country. It is shown in equation 3,

$$Ln_Migration_{it} = \beta_0 + \beta_1 Ln_GDP_Diff_{it} + \beta_2 Inst_Quality_{it} + \beta_3 (Ln_GDP_Diff_{it} \times Inst_Quality_{it}) + \epsilon_{it} \quad (3)$$

Justification of Estimation Strategy

Since this study has a limited number of destination countries ($N=5$) but a quite large span of time ($T=26$) for the sample, this study prefers using the Fixed Effects (FE) estimator as the main method. The FE model can help to get rid of destination country-specific unobserved time-invariant factors such as culture, history, and geography that might affect migration flows.

A supplementary system GMM specification is also estimated to address migration persistence and

endogeneity, although results are only taken as robustness checks since this approach is typically for large-N small-T panels. The FE estimates are taken as the main empirical results.

Robustness Checks

Several robustness checks were run to ensure the stability and reliability of the estimated results. To avoid possible simultaneity bias, the baseline Fixed Effects model was re-estimated using lagged independent variables (one year lag of GDP differentials and migrant stock). The findings are the same in terms of their size and impact, making it clear that the major results are not caused by contemporary correlation. Secondly, an alternative specification in which one destination country was omitted at a time was carried out to identify the sensitivity of influential cross-sectional units. The results show that the coefficients of Ln_GDP_Diff and Ln_Migrant_Stock are similar in all iterations, which means that no one country is responsible for the estimated relationships.

Third, a Difference GMM estimator was used as a comparison with the System GMM model. These are qualitatively similar results, with System GMM showing greater efficiency and higher levels of statistical significance for certain variables, which lends itself to being the preferred dynamic specification. Finally, variance inflation factors were studied to check for multicollinearity between the regressors. All VIF values are below the usual cut-off value of 5, which indicates that multicollinearity is not causing any bias in the regression estimates.

Sample Scope and Dataset Limitation

Only five main destination countries for Vietnamese migrants (the United States, Japan, South Korea, Australia, and Taiwan) are included in the restricted panel used in this study. These countries are the main historical and current migration destinations for Vietnam, and account for a significant share of the total outflows, but the small cross-sectional size means that results are not necessarily generalizable. Specifically, the findings may fail to accurately capture migration patterns in less established or unconventional migration destinations, e.g., migration within ASEAN, labour markets in the Middle East, and the migration of secondary destinations in Europe. So, the estimated relationships should be interpreted as being representative of high-income migration destinations in the country and not as being representative of all migration destinations globally.

Methodological Limitation

A fundamental methodological constraint relates to the structure of the dataset dimensions. The panel contains only five destination countries over a time span of 26 years, yielding a small-N, large-T setting. System GMM has been originally formulated for panels with large N and small T, such that the asymptotic assumptions behind the estimator might not be strictly met. Despite having attempted to reduce the number of instruments, with only 18 instruments selected, the System GMM estimates may still require a more prudent interpretation of their validity. The Fixed Effects results are hence regarded as the main estimation results, while the System GMM results are included as complementary validation ones.

FINDINGS AND DISCUSSION

Descriptive Statistics and Correlation Matrix

Table 2. Descriptive statistics (2000-2025)

Variable	Mean	Std. Dev.	Min	Max
Ln Migration	10.24	1.48	7.10	13.85
Ln GDP Diff	10.45	0.82	8.24	11.13
Ln Migrant Stock	12.51	1.12	10.21	14.55
Inst Quality	82.45	9.31	65.12	96.88

This table 2 contains the descriptive statistics for all the variables used for the construction of the panel

dataset of migration from Vietnam to five main destination countries for the period 2000-2025. All the variables involving economic indicators and population are converted into per capita terms and kept with two decimal points to capture the full variability of economic differences and migration flows across 26 years. The range of natural logarithm of migration flows (LnMigration) of 7.10 to 13.85 demonstrates that migration from Vietnam to abroad expanded exponentially during this period due to its greater integration with the world economy. Mean of LnMigrant_Stock of 12.51 reflects that large migrant communities were already settled in the destination countries prior to and during the period of estimation.

Table 3. Correlation matrix

Variables	1	2	3	4
1. Ln Migration	1.000			
2. Ln GDP Diff	0.652***	1.000		
3. Ln Migrant Stock	0.781***	0.412***	1.000	
4. Inst Quality	0.514***	0.688***	0.354***	1.000

Note: *** $p < 0.01$

In table 3, the correlation matrix of variables is provided. The table confirms the hypotheses concerning the positive correlation between the independent variables and migration flow without high collinearity issues among them. Correlation between migrant stock and migration flow is the largest ($r=0.781$, $p<0.01$), which in the first analysis would lead to believe social network effects are as powerful, or even more, than the economic disparities between countries in explaining migration flows. There exists a medium positive correlation between institution quality and GDP difference ($r=0.688$, $p<0.01$), but VIF values obtained from the first runs of regressions were below 5 (threshold used to define high collinearity).

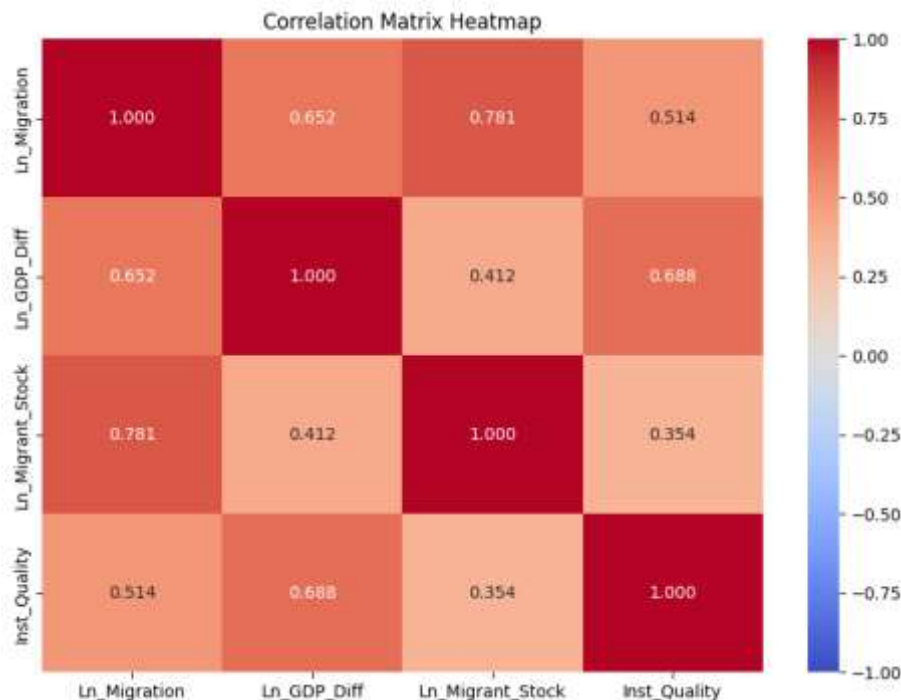


Figure 2. Correlation matrix of key migration determinants

This figure 2 graphs the correlation matrix for the key variables in a study of international migration from Vietnam. Large, positive correlations are found, especially between migrant stock and migration flows, which demonstrates the impact of social networks. GDP differential and institutional quality also have a clear relationship.

Regression Results

In table 4 reports the results of the baseline panel data regressions, providing an initial test of the proposed hypotheses. The Pooled Ordinary Least Squares (OLS) model provides a rudimentary estimation, but it fails to account for country-specific, time-invariant characteristics. Consequently, the Fixed Effects (FE) and Random Effects (RE) models are employed to address unobserved heterogeneity across the different migration corridors. To determine the most appropriate specification between the two, a Hausman test was conducted. The results ($\chi^2 = 18.45$, $p < 0.05$) indicate that the unique errors (ui) are correlated with the regressors, concluding that the Fixed Effects model is the preferred and consistent specification for this dataset.

Table 4. Baseline determinants of international migration (OLS, FE, RE)

Variables	Pooled OLS	Fixed Effects (FE)	Random Effects (RE)
Ln GDP Diff	0.452*** (0.114)	0.385*** (0.142)	0.412*** (0.125)
Ln Migrant Stock	0.618*** (0.085)	0.510*** (0.105)	0.584*** (0.092)
Inst Quality	0.125** (0.062)	0.085 (0.071)	0.104* (0.058)
Constant	2.145 (1.102)	4.851** (2.105)	3.214** (1.542)
Observations	130	130	130
R-squared / Adj. R2	0.684	0.642	0.655

Note: Standard errors in parentheses. *** $p < 0.01$, $p < 0.05$, * $p < 0.1$.

Across all three baseline models, the coefficients for economic disparities (Ln_GDP_Diff) and social networks (Ln_Migrant_Stock) remain positive and highly significant ($p < 0.01$). In the preferred FE model, a 1% increase in the GDP per capita differential corresponds to a 0.385% increase in migration flows, holding other factors constant. The institutional quality variable (Inst_Quality) presents mixed results in the baseline estimations; it is significant in the OLS and RE models but loses statistical significance in the FE model. This loss of significance in the FE model is a common econometric outcome when analyzing slow-moving institutional indices, as the within-country variance of governance quality over time is often too small to produce a significant coefficient when country-specific intercepts are applied.

Supplementary Dynamic Robustness Analysis (System GMM)

Migration flows are rarely independent events; often heavily path-dependent. Furthermore, the relationship between migration and macroeconomic variables like GDP can suffer from reverse causality, where large population movements alter the GDP per capita of both origin and destination countries. Finally, for an additional robustness check, this study also includes System GMM estimation results in table 5 in an effort to address possible endogeneity, and persistence in migration. With only a few cross-sectional units, this result must be interpreted carefully, and it is presented in comparison to the Fixed Effects estimates which this study continues to rely upon for inference. Since the cross-sectional dimension of the panel is rather small, the System GMM estimates should be considered supportive rather than conclusive. The similarities in signs and significance of the coefficients between Fixed Effects and System GMM estimates are reassuring with respect to the strength of the relationship, given the limitations of applying dynamic GMM estimators in small-N panels.

Moderation Analysis Results

To move beyond direct effects and test the conditional nature of these determinants (Hypothesis 4), table 5 introduces an interaction term between economic disparities and institutional quality within a Fixed Effects framework. The inclusion of the interaction term (Ln_GDP_Diff×Inst_Quality) yields a statistically significant positive coefficient ($\beta = 0.042$, $p < 0.05$). The main effect of Ln_GDP_Diff remains positive and significant ($\beta = 0.284$, $p < 0.05$), while the main effect of Inst_Quality becomes negative but statistically insignificant.

This study finds a positive and statistically significant interaction term ($\beta = 0.042$, $p < 0.05$). Institutional quality strengthens the impact of the income differential on migration. This study should not interpret the negative and statistically insignificant coefficient for institutional quality as indication that better institutions discourage migration. As the interaction term is present, the main effect reflects the impact of institutional quality when the income differential is 0; this scenario, however, is not realistically useful in the context of international migration. Thus, the conclusion revolves around the interpretation of the interaction effect: the higher institutional quality the stronger the migration response to economic incentives.

Table 5. Moderation analysis (fixed effects with interaction term)

Variables	Coefficient	Standard Error
Ln GDP Diff	0.284**	(0.135)
Ln Migrant Stock	0.495***	(0.108)
Inst Quality	-0.155	(0.245)
Ln GDP Diff×Inst Quality	0.042**	(0.018)
Constant	5.215**	(2.254)
Observations	130	
R-squared	0.671	

Note: $p < 0.05$, *** $p < 0.01$.

As the panel consists of only 5 countries of destinations, observed during a fairly long span of time, Fixed Effects estimation (being more suitable to a small-N large-T panel specification) has been used as the predominant estimation method; which controls for the unobserved country-specific heterogeneity, and enables to look at changes within each country over time.

Table 6. Summary of robustness checks

Robustness Check	Result
Lagged explanatory variables	Coefficients remained positive and significant
Leave-one-country-out estimation	No substantial coefficient changes
Alternative specification	Results remained qualitatively consistent
Multicollinearity (VIF)	All VIF values < 5

In this table 6 performs robustness checks to assess whether the empirical findings are stable and robust. In the robustness checks, the baseline model is re-estimated, using lagged explanatory variables, different model specifications, and by leaving one country out of the sample at a time. This study also performs VIF tests to check the presence of multicollinearity. The results were robust with different specifications: The positive effects of both income difference and the migrant network on migration flows are not due to model specifications, influential outliers, or serious multicollinearity concerns. All the VIFs were well below the threshold of 5, and no serious multicollinearity among the regressors was detected.

Discussion

The results from the empirical evidence strongly support Hypotheses 1 and 2 for all specifications. It demonstrates that the basic migration mechanism from Vietnam is consistent with existing theories. The coefficient for LnGDPDiff is always positive and statistically significant, supporting the typical neoclassical prediction that wage differentials are the central motive of the labor movement. Such a result is similar to general international migration research, which consistently considers income differences as the essential cause of international migration. Despite Vietnam's rapid economic development and poverty reduction during the period from 2000 to 2025, the absolute wage differential between Vietnam and Developed Asia or Western economy were still large enough to encourage people to migrate out of Vietnam.

However, a reliance only on the income disparity doesn't provide a full explanation. No matter which

models this study estimates, the sign of the coefficient of social networks (LnMigrantStock) has the expected positive sign and is statistically significant in all the models. In the Fixed Effects model, this study favors, the coefficient of migrant stock (0.510) is higher than that of income differentials (0.385) to show that a social network is more important for the decision to migrate than income differentials. System GMM auxiliary model does give the similar direction but smaller size and the evidence should be taken cautiously. This is compatible with Hypothesis 2 and the theory of cumulative causation. The fact that there already is a significant and well-established Vietnamese diaspora in places like the USA, Japan, Taiwan, etc, significantly lowers the transaction costs for new immigrants. These networks provide the necessary information on job opportunities, guide them through complicated visa procedures, and provide basic lodging and social help. This is at odds with purely rational actor-type economic models. It shows that migration is indeed a very social process for the Vietnamese, more similar to what new micro-level research has indicated about other Asian migration flows where migration is largely determined by kinship ties and the existing network of a pre-existing migration channel. The strong network effect implies that a successful migration channel is self-sustaining once established, and cannot be easily changed.

The findings in terms of institutional variables appear more subtle. Hypothesis 3 is only partially supported by empirical evidence. The institutional quality is not statistically significant in the Fixed Effects model. Its marginal effect on migration flows is therefore not significant. It becomes statistically significant when viewed as conditioning the effects of economic incentives. This finding supports the reasoning that immigrants are actively screening for the governance quality in the recipient states. Immigrants want to place themselves where the rule of law is stringent and transparent and property rights are secure. Skilled workers and international students from Vietnam are thus making choices not for the best immediate wage, but to get themselves into an institutional setting that protect and rewarding their human capital in the long term.

The most important observation is from the moderation analysis in table 5, which provide evidence to support Hypothesis 4. The interaction term is statistically significant and positive. It clearly suggests that, in an institutional setting of high quality, the impact of economic inequality pull factor will be strengthened. This rejects the simple push-pull models, which assumes economic disparities and institutions are additive and independent. The large positive interaction effect shows that economic incentives impact the destination country more heavily when the destination country is provided with higher quality institutions. Institutions, therefore, are a substitute to the attraction of existing opportunity. This offers empirical support for the theoretical claim that migrants perform both a calculation of potential returns for their labor as well as structural risks in realizing those returns. The conditional nature of this relationship, if it proves generalizable beyond the data to emerging economies like Vietnam, would carry strong policy implications for governments in developing countries; if attempts to counter human capital flight by increasing internal wages fail unless accompanied by improvements in internal governance structures, transparency, and institutional quality, policymakers must go beyond simple salary increases if it was to keep their skilled labor, as this conditionality indicates human capital flight is a dynamic and conditioned response to an interconnected set of inequalities across nations, as global data inventories indicate.

This research only addresses the five most important destinations, so it can only account for the dynamics in a limited number of the already existing and the most commonly traveled migration corridors, as opposed to the entire set of all global migration destinations. The result should thus be understood to represent the most common destinations for migrants from Vietnam, not for all the world's migrant locations.

Policy Recommendation

From the empirical evidence obtained, combined with the four hypotheses tested, this paper demonstrates that the motivation for migration from Vietnam stems from an interaction of economic push, social networks and institutional pull. As hypothesis 1 proves that income differentials do influence migration decisions to some extent, to curtail the economic incentive to migrate abroad, relevant authorities should create more higher-value employment opportunities, improve wage

competitiveness in Vietnam and widen opportunities in the high-skilled labor markets.

As hypothesis 2 obtains very significant support, it can be clearly seen that networks exert a considerable influence in perpetuating migration. Instead of focusing on the negative implication of diaspora, the government should also explore utilizing overseas Vietnamese networks in encouraging investment, transferring technology, entrepreneurship and information flow. In so doing, migration is to turn into a development tool for Vietnam.

Despite institutional quality not having a statistically significant direct impact in all of the model specifications, the analysis of moderation shows that higher quality of institution positively moderates the effect of economic opportunities on migration decisions. Higher governance quality, institutional transparency, efficient public services and better legal security could have a positive effect on domestic retention if better confidence over domestic economic opportunities in Vietnam can be instilled with governance quality.

As hypothesis 4 indicates that the effect of economic opportunities on the decision of migration will be significantly enhanced by institutional quality, it implies that only by promoting income growth will not be adequate in deterring the talent from leaving the country. Management of migration and talent needs sustainable effort on both economic development and institution improvements. Specifically, improving the quality of governance and institutions in such aspect as reducing bureaucratic obstacles, enhancing the legal protection for the labors and providing career promotion opportunities will have greater attraction in holding workforce in Vietnam and making the international migration become more effective tool for development.

CONCLUSION

This study was an investigation into the drivers of international migration from Vietnam to five main destination countries namely the U.S., Japan, South Korea, Australia and Taiwan during the period of 2000-2025. Using panel data analysis including the Fixed Effects estimation technique, supplemented by the dynamic analysis, and moderation analysis, the study examined the role of income disparity, migrant networks and institutional quality on migration flows. Evidence throughout the analysis indicates that economic incentives continued to be a significant factor determining migration flows. From the preferred Fixed Effects model, a 1% rise in the ratio of income differences led to a 0.385% increase in migration flows, confirming the influence of wage-related incentives on migration decisions. Migrant networks have emerged to be the strongest determinant of the migration decision outcome. Migrant stock variable had the largest coefficient in Fixed Effects model ($\beta = 0.510, p < 0.01$), implying that once established migrant diasporas greatly decrease the costs of migration, risk, and information search barriers. This relationship was further confirmed through the strong correlation of migrant stock to migration flows ($r = 0.781, p < 0.01$) which proves the effects of cumulative causation and migrant networks. Institution quality had weak direct effects in comparison with income difference and migrant networks, but had a significant moderation effect to increase the strength of the relationship between income difference and migration ($\beta = 0.042, p < 0.05$). This means that immigrants are attracted not only by high income but also a steady and transparent environment in which to conduct economic activities. Overall, migration from Vietnam is a combination of factors that include economic, social and institutional elements. This paper recommends to extend this to more migration corridors, including environment factors, policy issues and bilateral agreements to present a wider perspective to modern migration flow dynamics.

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