# MENA Seminar Series: Rational Inattention and Migration Decisions

Séminaire de Simone Bertoli, Banque Mondiale



Simone Bertoli a donné un séminaire au [département ...
et Afrique du Nord ](https://www.banquemondiale.org/fr/...)
*Rational  Inattention and Migration Decisions*, co-auteu...
eco.uc3m.es/personal/jfhuertas/index.html) (Universida...
for Employment Research - IAB and Cerdi).

## ABSTRACT

The standard micro-foundations of migration gravity equations, based on a random utility maximization model, assume that the individual-specific attractiveness of each destination is remotely and costlessly observable. We apply the insights from the literature on rational inattention in discrete choice models to migration decisions, to allow for a cost related to information acquisition. Such an extension of the canonical model entails that individuals with stronger priors about the identity of their utility-maximizing alternative rationally invest less in information acquisition. The theoretical model gives us an analytical expression for the expected value of information that can be computed from past bilateral migration flow data. Our econometric analysis reveals that migration flows originating from countries characterized by stronger priors are significantly less responsive to variations in economic conditions at destination.

CERDI (CNRS, UCA, IRD)

Membre de l'Institut universitaire de France

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