Relative Deprivation and International Migration

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This article provides theoretical reasoning and empirical evidence that international migration decisions are influenced by relative as well as absolute income considerations. Potential gains in absolute income through migration are likely to play an important role in households' migration decisions, but international migration by household members who hold promise for success as labor migrants can also be an effective strategy to improve a household's income position relative to others in the household's reference group. The findings reported in this article provide empirical support for the hypothesis that relative deprivation plays a significant role in Mexico-to-U.S. migration decisions. The findings also suggest that this migration is an effective mechanism for achieving income gains in households that send migrants to the U.S. and that households wisely choose as migrants those of their members who are most likely to provide net income gains.

Do intragroup comparisons affect perception, incentives, evaluation, and behavior? If relative magnitudes count, do they count enough to aid not only in understanding and in generating more accurate descriptions but also in facilitating prediction?

Suppose that there are two villages of households whose incomes are as follows: $A_1 = (20, 30, 40, 50, 60)$ and $A_2 = (20, 60, 65, 70, 75, 80)$. The configuration of these income distributions is such that an income of 60 places an $A_1$ household at the top of its village income distribution. By contrast, in $A_2$, this same absolute income places a household within one rank of the bottom of the income distribution.

Suppose that by reallocating some of its labor to international migration, the household earning an income of 60 in each village can expect to receive a 20 percent (12 unit) increase in absolute income. An expected income model of migration would predict that the two households have the same propensity to participate in international migration. Assume, however, that the nature of the reallocation is such that when a household member is assigned to a foreign labor market, the household together with that member continue to consider $A_1$ as the relevant reference distribution. (We shall discuss this assumption momentarily.) If household utility is a function not only of absolute income but also of income position vis-à-vis other households in the village, then intuition could lead us to expect that the household in $A_2$ will have a stronger motivation to participate in migration than the one in $A_1$. That is, a given absolute income gain that confers a significant income position gain is worth more than the same absolute income gain that is not associated with an income position gain.

Suppose that through migration of a family member, the total income of the family rises. Suppose also, however, that the migrant's income, which is fully pooled with the income of the rest of the family staying behind, is earned in an economy in which incomes
are exceedingly higher than those prevailing in the home village. If the migrant were to engage in income comparisons with members of the absorbing economy in a manner similar to that characterizing comparisons made by his family in the origin economy, and if the deprivation thereby experienced by the migrant is taken into consideration by the family, the family's income gain could be eroded by the migrant's enhanced deprivation.

Presumably families are aware of the risk that through a reference-group substitution process they may fail to decrease the level of their relative deprivation (a concept formally defined in the next section) or to improve their level of relative satisfaction. Whereas migration within a country (particularly a culturally and socially homogenous country) can generate alienation and increased relative deprivation through a smooth reference-group substitution, international migration to an entirely different cultural and social milieu can carry with it built-in protection against such a substitution process and ensure that the original reference group continues to be the relevant reference group. By locating themselves in a host community distinct from their own, migrants are less likely to orient themselves to the host community than if they were to locate themselves in a "neighboring" host community. For a comparison to occur with the host community, some "minimal similarity" between the migrant and that community must be perceived. This becomes more likely when direct social interaction or sustained social relations persist. In some cases, the host community may consciously be selected to ensure estrangement, detachment, and social distance. Migrants may wish to guard against becoming oriented to the host community for fear that the secondary, negative effects of a changing reference group might outweigh the primary, positive effect of improving their position vis-a-vis the original reference group. Internationally migration thus can enable households to exploit cultural and social discontinuity across international frontiers, capture this discontinuity, and transform international dissimilarities into a source of advantage.

Relative Deprivation: The "Cornerstone Equation" and the Migration Hypothesis

The theory of relative deprivation is concerned with the feelings raised by intragroup inequalities. The original conceptualization of the theory appears in the famous three-volume research monograph The American Soldier: Adjustment During Army Life (Stouffer et al., 1949). The theory has been applied to several fields to model social behavior (see Crosby, 1979, for an excellent review). As pointed out by Merton and Kitt (1950), however, the concept of relative deprivation is not formally defined in The American Soldier. Therefore it is not surprising that Crosby counted four versions of the theory and that in general there is no agreement on what is the exact meaning of the term "relative deprivation." In this article we follow the approach developed in Yitzhaki (1979, 1982), Stark (1984a,b), and Stark and Yitzhaki (1988), which may be viewed as the economist's interpretation and quantification of the work of Runciman (1966). Runciman defined four conditions for an individual to feel relatively deprived: "We can roughly say that [a person] is relatively deprived of X when (i) he does not have X, (ii) he sees some other person or persons (possibly including himself at some previous or future time) as having X (whether or not that is or will be in fact the case), (iii) he wants X, and (iv) he sees it as feasible that he should have X" (Runciman, 1966:10).

The relativity of the concept comes from conditions (ii) and (iv). The feeling of deprivation is defined by conditions (i) and (iii). Replacing condition (i) with condition ('i')—"the person has X," where X represents a bundle of commodities x—enables us to interpret condition (ii') as representing the utility or disutility derived from x while condition (iii) eliminates disutility and thereby ensures utility. An individual's utility is a function of the commodities he or she has, whereas deprivation is the loss in foregone utility due to not