Does Relative Deprivation Induce Migration? Evidence Based on Multidimensional Wellbeing Status in Uganda.

Kashi Kafle (k.kafle@ifad.org), Rui Benfica (r.benfica@ifad.org), and Paul Winters (p.winters@ifad.org)
Research and Impact Assessment Division (RIA)
International Fund for Agricultural Development (IFAD), Rome, Italy

Selected poster prepared for presentation at the 2017 Agricultural & Applied Economics Association Annual Meeting, Chicago, Illinois, July 30-August 1

DOES RELATIVE DEPRIVATION INDUCE MIGRATION? EVIDENCE BASED ON MULTIDIMENSIONAL WELLBEING STATUS IN UGANDA

Kashi Kafle (k.kafle@ifad.org), Rui Benfica (r.benfica@ifad.org), and Paul Winters (p.winters@ifad.org)

Research and Impact Assessment Division (RIA), International Fund for Agricultural Development (IFAD), Rome, Italy

INTRODUCTION

- This paper examines the relationship between relative deprivation (relative wellbeing position of households within a reference group) and migration in Uganda.
- In contrast to traditional models that identify income maximization as a driver of migration, we test the hypothesis that migration is driven by minimization of relative deprivation (Stark and Taylor,1991)
- We examine the migration-deprivation relationship in multidimensional wellbeing space; both consumption and multi-dimensional wellbeing index (MWI).

RESEARCH QUESTIONS

- Does relative deprivation induce migration?
- Do the consumption-based and MWI-based relative deprivations have identical effects on migration?
- Does the migration-relative deprivation relationship hold consistently under various demographic conditions?

KEY VARIABLES

Relative Deprivation
- We construct the measure of relative deprivation (RD) by using the Stark-Yitzhaki index (Stark, 1984; Stak and Yitzhaki, 1988):

$$RD_{ir} = \int_{y_{ir}}^{y_{hr}} [1 - F(z)].dz$$

where y_{ir} is the level of household i's expenditure, and y_{hr} is the highest level of expenditure in the reference group r.
- We use the same approach to construct the MWI-based relative deprivation.

Migration
- Migration is defined as movement of members out of the household for more than a month in the last 12 months, irrespective of reasons.
- Outcome variable for this analysis is number of migrants from the household.

DATA

Two waves of LSMS-ISA data from Uganda. The first wave (2009/10) consists 2975 households and the second wave (2011/12) consists 2716 households. A fairly low rate of attrition left a two-period panel of 2642 households to work with. This analysis uses the panel of 2642 households and various sub-samples.

ECONOMETRIC MODEL

We use two approaches to estimate the effects of relative deprivation (RD) on migration.
- The first approach uses the simple OLS to estimate the effects of baseline relative deprivation (RD_{ir1}) on migration that occurred between two rounds (M_{ir2}). i.e.

$$M_{ir2} = \alpha_0 + \alpha_1 RD_{ir1} + \Pi X_{ir1} + \varepsilon_{ir}$$

X_{ir1} is the vector of control variables in baseline, ε_{ir} is idiosyncratic error
- Our second approach takes advantage of the panel data and uses household fixed effects to estimate the effects of relative deprivation (RD_{irt}) on migration (M_{irt}).

$$M_{irt} = \beta_0 + \beta_1 RD_{irt} + \Pi X_{irt} + \mu_{ir} + u_{irt}$$

X_{irt} is the vector of control variables in time t, μ_{ir} is household fixed effects, and u_{irt} is idiosyncratic error

DESCRIPTIVE RESULTS

- Consumption-based and MWI-based relative deprivation measures are highly correlated
- Relative deprivation is negatively correlated with number of migrants

Consumption-based and MWI-based RD

Relative Deprivation-Migration Relationship
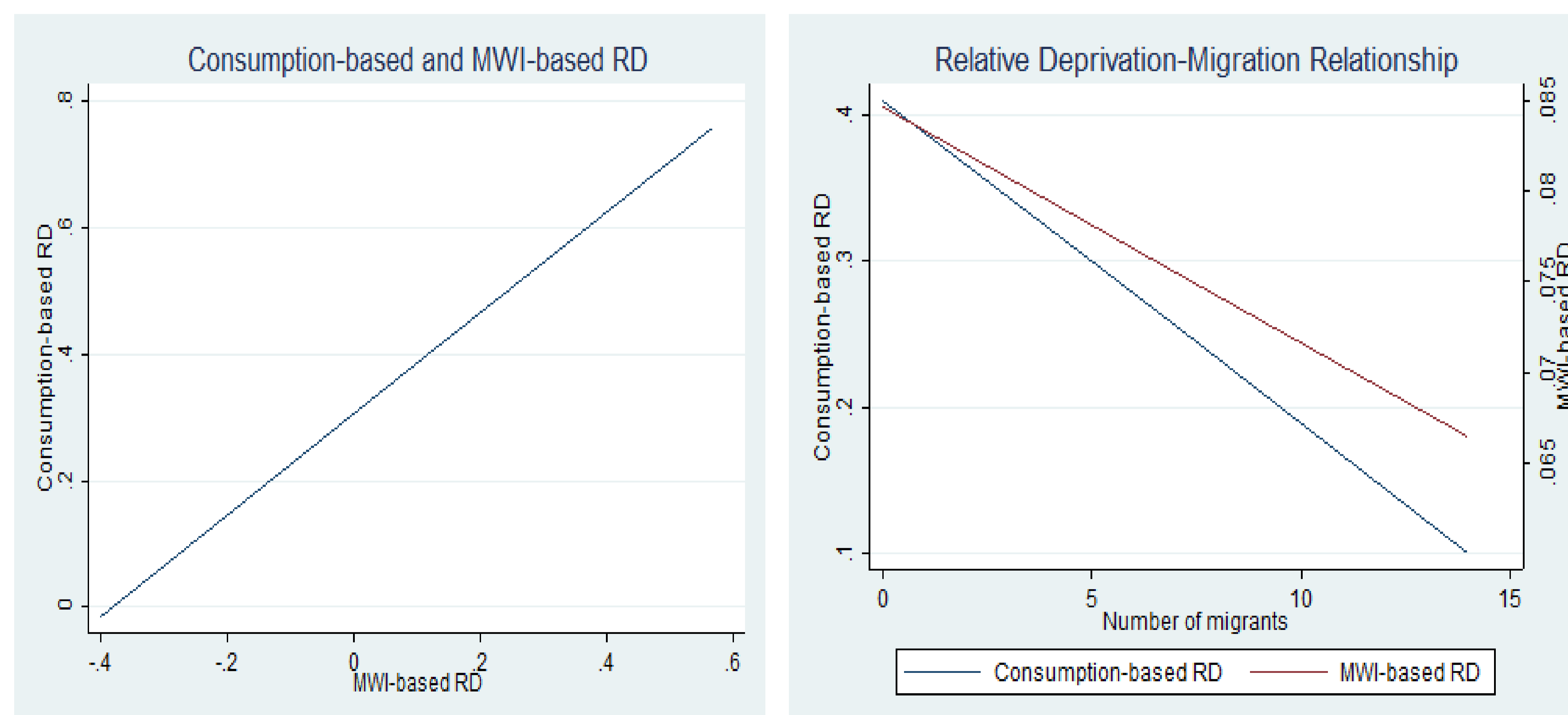
EMPIRICAL RESULTS

	Dep. Variable: No. of migrants			
	Consumption space		MWI space	
	OLS	Fixed effects	OLS	Fixed effects
Relative deprivation	-0.080***	-0.38***	-0.090	-0.55*
	(0.026)	(0.11)	(0.090)	(0.28)
Controls	Yes	Yes	Yes	Yes
Observations	2620	5136	2618	5111

- Relative deprivation negatively affects migration

RESULTS UNDER VARIOUS DEMOGRAPHIC CONDITIONS

	Dep. Variable: No. of migrants			
	Urban	Rural	Female headed	Male headed
Relative deprivation	-0.32***	-0.92***	-0.47**	-0.41***
	(0.11)	(0.35)	(0.20)	(0.13)
Controls	Yes	Yes	Yes	Yes
Observations	3949	1187	1486	3650

- The negative relationship is indifferent across geographic location and gender of household headship

CONCLUSION

- Results indicate that in the context of Uganda, relative deprivation decreases the likelihood of migration. The more deprived a household is in its reference group, the less number of members move out of the household.
- The finding is in direct contrast to the 'relative deprivation minimization' theory of migration.
- The negative relationship is robust under various demographic conditions.
- Results imply that migration may be too costly for very poor or relatively deprived households.

REFERENCES

1. Stark, O. (1984). Rural-to-Urban Migration in LDC's: A Relative Deprivation Approach. *Economic Development and Cultural Change, 32*(3).
2. Stark, O., and Taylor, J. E. (1991). Migration Incentives, Migration Types: The Role of Relative Deprivation. *The Economic Journal, 101*(408).
3. Stark, O., and Yitzhaki, S. (1988). Labour Migration as a Response to Relative Deprivation. *Journal of Population Economics, 1*(1), 57–70.