

Why do some people migrate repeatedly between their home country and a host country, each time over relatively short periods, usually a few months, instead of migrating permanently? Several explanations have been proposed so far, of which the most important one is the host country's policy, which often allows for temporary migration but not for permanent migration. Other explanations include homesickness, higher purchasing power of the host country's currency in the home country, risk management, and tradition. However, we argue that this list is incomplete, because it ignores the role of the very basic human need: being satisfied with own standards of living. In social sciences, we refer to deficiencies in that matter as experiencing relative deprivation.

Our research project will propose and explore a new mechanism which, in some cases, should lead to choosing repeat migration over permanent migration. This mechanism builds on the concept of the sense relative deprivation: we will assume that people feel distress when they earn less than others who are relevant to them. We will also assume that social ties between migrants and those left behind erode with time spent away from home, and that migrants form new social ties with those with whom they interact in their new location - their neighbors, coworkers, and so on. Because migrants' earnings are most likely high when compared with the earnings of those left behind, but not as high when compared with the earnings of their new neighbors and coworkers, the migrants will be satisfied with their own earnings, as long as their reference group consists of other individuals in the home country. Unfortunately, the more time the migrants spend in the host country, the less they know and care about the earnings of those left behind, and the more they look up at their new neighbors and coworkers. This causes them to feel relatively deprived, and the feeling grows stronger in time.

If only there was a way for the migrants to preserve those left behind as their main reference group for income comparisons... But there is a way: return home every now and then! Being around relevant others during periodic returns to the home country seems like a good method for having them rather than the new neighbors as a reference group when asking oneself: "am I satisfied with my standards of living?" Of course, this comes at the cost of earning less over the lifetime, compared to if migration was permanent. Whether the gain from choosing repeat over permanent migration outweighs the cost of foregone earnings will depend on how much a migrant cares about what she earns relative to how much she cares about what she earns relative to others. Those for whom relative earnings matter the most should prefer migrating repeatedly rather than permanently.

This research project will formalize the above considerations. It will involve constructing a theoretical model in which prospective migrants choose the optimal duration of their cyclical stays in the host country, followed by cyclical returns to the home country. The model will be used to derive testable predictions regarding factors which are important for choosing repeat migration over permanent migration. Then, the model will be calibrated using data for two pairs of countries with shared history of supplying and receiving repeat migrants - Mexico-US and Poland-Germany. Finally, the project will involve a test of the model's predictions in a lab experiment.