

2.7 RETURNING MIGRANTS*

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Migration is not necessarily a one-way movement. According to empirical data, a substantial proportion of economic migrants (20–50 per cent) spend less than five years in the destination country – they either return to the sending country, or migrate further. Thus, the scale of return migration is significant; therefore it is important whether its effects on the sending (and receiving) countries are positive or negative.

The monitoring of return migrants is only possible with a considerable delay and has a limited scope to capture their exact magnitude; therefore the impact on receiving and sending countries is difficult to quantify. The share of return migrants can be estimated on the basis of flow data; however data are not harmonised across receiving countries and do not provide detailed information on the main characteristics of migrants. Therefore, knowledge on return migration mainly comes from targeted research.

Generally, returners can make positive contributions to the economy of their origin by sharing their experience and/or savings accumulated abroad. Both emigration and return migration are selective (this is referred to as double selection), therefore much more detailed information would be necessary on migration flows in both directions in order to assess the impact of return migration (i.e. the net impact of emigration). The sending country can benefit most from return migration if there is a positive selection of returners among emigrants. A further condition for potential beneficial effects is that returners find employment or start a business at home matching their experiences gained abroad, and spend their savings on increasing either human or physical capital.

Who returns and why?

According to the *OECD's* estimate (2008) the rate of return or onwards migration is between 20–75 per cent annually, and it is highest within the first five years after emigration. However, there is a considerable variation in the rate of remigration across countries. The development gap between the sending and receiving countries is negatively associated with the rate of remigration. Furthermore, economic cycles also have an important effect: recessions tend to affect migrants more; they are more likely to return or migrate further during economic downturns (*Bijwaard–Wahba, 2014*). *Papademetriou–Terrazas* (2009) however, argue that the economic and social structure of the sending country have a larger effect on the decision to return than the cyclical position of the receiving country.

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The motivations of return migration are diverse, and – as in the case of emigration – can change over time and multiple causes can be present at the same time. They can also be classified into “push” (related to the receiving country) and “pull” (related to the sending country) factors. The main push factors in the receiving country are job-finding probability, the probability of finding a job utilising the migrant’s qualifications, the earnings and available savings, as well as the success and degree of integration (for example whether the individual has a spouse, where they live, whether they own a property). The pull factors include the economic and political circumstances, job opportunities in the sending country, the potential “gain” from the accumulated experiences after return, as well as personal preferences (*OECD, 2008, Dustman et al., 2011*). Nevertheless, there can be many other motives for return migration, for example returning after retirement is also common.

The importance of individual factors that determine the magnitude of return migration is also shaped by the motives of emigration. According to Roy’s standard model of international migration (*Roy, 1951*) return migrants tend to be negatively selected from positively-selected migrants (i.e. the worst from the best) and positively selected from negatively-selected migrants (i.e. the best of the worst) (*Borjas, 2014*). If the purpose of emigration is long-term settlement in a country with higher income levels, then return migration is caused by the failure of the original intention and returners will be negatively selected: those would return who are unemployed or on low income in the destination country, or are less integrated in the receiving country and more integrated in the sending country (*Constant–Massey, 2002*). However, if migration is planned to be temporary from the outset, then those employed and on a higher income or with savings are the ones likely to return, thus the returners will be positively selected from the emigrants.

The two types of migration are present concurrently, which might explain the U-shaped relationship between income, age, education and the probability of return migration demonstrated by empirical studies (*OECD, 2008, Bijwaard–Wahba, 2014*). However, according to *Pungas et al. (2012)*, over-education, rather than education, plays a role in the propensity to return (for example in the case of Estonians working in Finland). Alongside the experiences and savings accumulated by returnees, their capacity to innovate and become actors of change also determines whether return migration can foster development in the sending country (*Cassarino, 2004*). Nevertheless, there is a lack of empirical data on this.

Return migration to Central and Eastern Europe

Following the accession of Central and Eastern European (CEE) countries to the European Union in 2004, the intensification of migration meant that an increasing number of people acquired experiences abroad before the finan-

cial crisis. Then migration was predominantly temporary: for the majority of migrants the planned and actual duration of stay abroad was less than one to two years (*Randveer–Room, 2009, Blanchflower–Shadforth, 2009*). Before the economic downturn, the majority of migrants took up employment in low-skilled jobs, which might explain the temporary character of migration (*Zaiceva–Zimmermann, 2013*).

After 2008, many expected a decrease in emigration and an increase in return migration due to the economic downturn in the old Member States (*Martin–Radu, 2012*). Although there were sending countries where this happened temporarily (e.g. Poland, Slovakia), there are also examples of the opposite (i.e. Latvia). Overall, East–West migration continued to increase and it was further intensified by Germany and Austria fully opening up their labour markets in 2011.

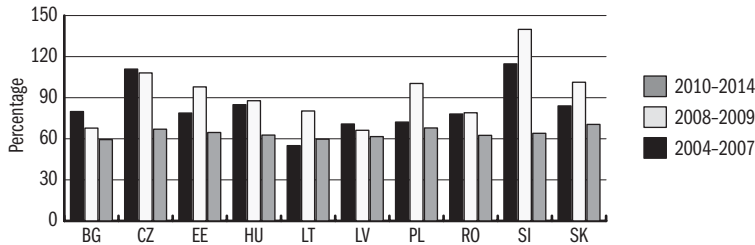
Available data on CEE countries and empirical studies confirm that the extent of return migration is substantial. *Martin–Radu (2012)* estimated that the proportion of those who had spent at least six months working abroad ranged from 2.6 to 9.1 per cent in CEE countries in 2006–2008. The authors analysed data from the *European Labour Force Survey (EU–LFS)* from 2002 to 2007 in five countries: the Czech Republic, Poland, Lithuania, Hungary and Romania and found that the majority of returnees were male, and that singles as well as those with secondary education and graduates were over-represented among them compared to the non-migrant population. In most CEE countries returnees were positively selected compared to both emigrants and those staying abroad. Controlling for individual characteristics, the results show that returnees were more likely to become inactive or start a business than non-migrants.

Zaiceva–Zimmermann (2013) examined return migrants after 2008 and they also found that returnees are usually positively selected, namely they are more educated than the non-migrant or the non-returning migrant population. This is also supported by the fact that the majority of migrants returning to Central and Eastern Europe at the beginning of the crisis were actually employed 12 months earlier in the receiving country. However, the authors highlight that return can also be temporary and returnees might leave again when the economy takes an upturn again in the receiving countries. Individual country analyses also tend to show that the labour market integration of returnees is by-and-large successful – with the exception of Poland, where the unemployment rate is higher among return migrants than in the non-migrant population (*OECD, 2013, Kabanec–Kureková, 2014*).

The rate of return migrants from Germany to CEE Member States (EU–8 + 2) declined around 2010, primarily due to the increase in the number of migrants from EU–8 + 2 (*Figure 2.7.1*). According to data from the German Immigration Office, the rate of migrants from Germany to Central and Eastern Europe relative to migrants from CEE to Germany was relatively stable

by sending country prior to 2008; it then increased in some countries. Since 2010 the share of returnees, as well as the differences between the EU-8 + 2 countries, declined substantially, primarily due to the increase in the number of migrants to Germany. Despite the lower return rate, the share of those with experience abroad increased within the EU-8 + 2 populations, because the size of the potential pool (i.e. those migrating to Germany) also increased.

Figure 2.7.1: Migration from Germany to EU-8 + 2 Member States relative to migration from those countries to Germany (percentage)



Country abbreviations: BG: Bulgaria, CZ: Czech Republic, EE: Estonia, HU: Hungary, LT: Lithuania, LV: Latvia, PL: Poland, RO: Romania, SI: Slovenia, SK: Slovakia.

Note: The figure shows migrants by country of origin and destination. Migrants from countries of origin to Germany or from Germany to destination countries might not be citizens of either the country of origin or the destination country.

Source: *BMF* (2016) pp. 220–224.

Return migration to Hungary

Hungary became a net receiving country during the early years of the post-communist regime change: the combined number of Hungarians who returned from emigration, the immigration of ethnic Hungarians from neighbouring countries together with the ethnic groups from the former Yugoslavia exceeded the number of those leaving the country during the 1990s to a substantial extent. In this period there was also a net immigration of Hungarian citizens due to low emigration coupled with high return migration (primarily of the retired). Table 2 of *Ambrosini et al.* (2015) shows that the rate of return migration relative to gross migration was the highest in Hungary (1.34) out of the nine East-Central European countries¹ included in the analysis, in the period between 1990 and 2000 according to UN data.

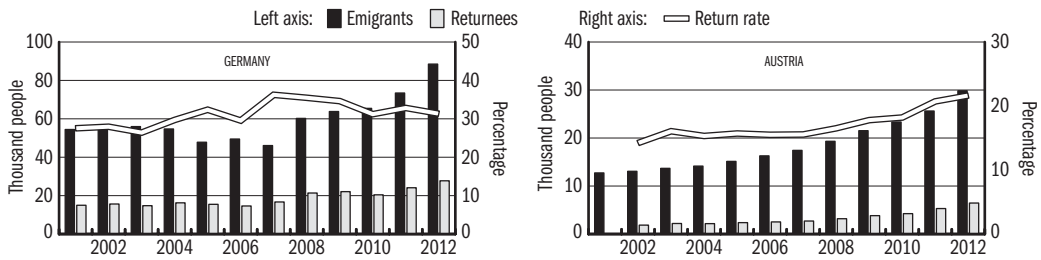
The net migration of Hungarian nationals turned into negative in the early 2000s temporarily and then again during the 2008 crisis. Moreover, from 2002 to 2007 the return rate was already well below the average of the CEE countries according to the European Social Survey (ESS) database (*Martin-Radu, 2012*). The number of emigrants exceeded the number of Hungarian returnees during the financial crisis, albeit the fact that the number of Hungarian-born migrants increased both in absolute and relative terms among returnees: it more than doubled between 2005 and 2011 compared to the period before the 2000s (*KSH, 2016*).

¹ Albania, Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland and Romania.

It is not possible to determine the exact rate of return migration on the basis of available data. However, on the basis of mirror statistics and official Hungarian statistics, the share of return migrants to Hungary can be estimated at 25–42 per cent of emigration in the years following the crisis. Nevertheless, it is important to emphasise that the share of returnees is difficult to measure and might change over time.

Between 2001 and 2012 each year on average over 70 per cent of Hungarian nationals working abroad chose either Germany, Austria or the United Kingdom as a destination country. The share of the three countries reached 81% in 2014 (KSH, 2014, Table 8.2.25), therefore the largest number of returnees can also be expected from these. Detailed national statistics are available for Germany and Austria to analyse the number of returnees. According to official data, Hungary was a net sending country in the period between 2001 and 2012 towards both countries. The number of emigrants from Hungary to both Austria and Germany became typically higher after 2008. However, while the rate of returnees from Austria has been gradually increasing since 2007, in the case of Germany it has been steadily declining since its peak in 2007 (Figure 2.7.2).

Figure 2.7.2: Migrants from Hungary (thousand people) and the rate of return migration in Germany and Austria



Note: Emigrants are stock, return migrants are flow data.

Source: Germany: Eurostat (2014), Destatis (2013). Austria: Statistik Austria (2013). Gödri et al. (2014): pp. 66–68.

Based on various comparative studies it can be concluded that the characteristics of Hungarian returnees do not significantly differ from those of their Central and Eastern European counterparts. Returning to Hungary is a deliberate choice for a large number of Hungarians working abroad. Compared to migrants from other CEE countries, Hungarians typically spent more, shorter periods abroad (Hárs, 2009). Smoliner et al. (2011) highlights that the majority of migrants from Hungary are male, and according to Hárs (2009) the share of males could have reached up to 75 per cent in 2008–2009, therefore males were also over-represented among return migrants. According to the most recent data, from 2014 on, there are still more male returnees than fe-

male; however their share is substantially lower, 56 per cent (*KSH*, 2014, Table 8.2.24). *Co et al.* (2000) showed that male return migrants in Hungary could not achieve a wage premium relative to their non-migrant counterparts, however female returnees, who tended to find employment in the financial sector, achieved up to 40% higher salaries than those who stayed in the country.

Martin-Radu (2012) found that Hungarian return migrants had tended to be positively selected in the period prior to the crisis (they were younger and more highly qualified than the general population), with the addition that returnees were more likely to become self-employed than employed after their return. According to the same survey, a common characteristic of self-reported returnees was that they typically either lived in a long-term relationship or were married, and were much less likely to be childless compared to those staying abroad (69% vs 44%). They got a job and worked typically full time both abroad and in Hungary following their return. Returners highlighted the opportunity for higher earnings and career development as the main motives for working abroad. The main reasons for returning among Hungarian respondents were clearly the separation from family and friends.

Conclusions

With the massive rise in the number of Hungarian migrants between 2010 and 2014, the number of Hungarian returnees has also increased. Hungarian returnees, similarly to other Central and Eastern European migrants, are typically positively selected: they are younger and more educated than the non-migrant population and it seems that their labour market integration has also been successful. The increase in the number of returnees might have also mitigated the negative impact of the “brain drain” to some extent in the period following the crisis; however, there is no information whether returnees are also positively selected relative to the population permanently settled abroad.

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