

ARE RETURNEE MIGRANT WORKERS ECONOMICALLY BETTER OFF?

INTRODUCTION

Every year over 250,000 Sri Lankans leave the country for foreign employment. This outflow of migrants has increased steadily over time, increasing 20 fold from 1986 to 2012. But, little is known about those who return to the country after working abroad, although returnees can be more beneficial to the economy than migrants (Athukorala 1990). They bring back new skills and capital which can provide more value addition and create new employment opportunities, if invested properly.

But after an extended period away from the country, most returnees find it challenging to reintegrate both socially and economically. Finding employment, lack of savings, lack of information on potential business activities are some of the key economic challenges they face, while weakened family ties with spouse and children and neighbours make social reintegration difficult.



Source: Own calculations.
Note: Sample size is 1981.

POLICY RECOMMENDATIONS

Better coordinated more comprehensive reintegration programmes

Awareness and better coordination between different programmes could improve the effectiveness of reintegration programmes. Also, reintegration programmes should look into all aspects of reintegration (social as well as economic) and work on building awareness on reintegration from the pre-departure state.

Better financial literacy

Analysis suggests that those who didn't invest their earnings were less likely to report improvements in their economic situation. Better training on how to invest their money during the pre-migration phase may result in better economic outcomes for the returnees.

Safe migration

Individuals who have experienced adverse impacts while abroad, such as harassments and non-payment of wages were less likely to successfully reintegrate economically and socially. The government should study the patterns of such adverse impacts and take action to minimize those, i.e. through safe migration programmes.

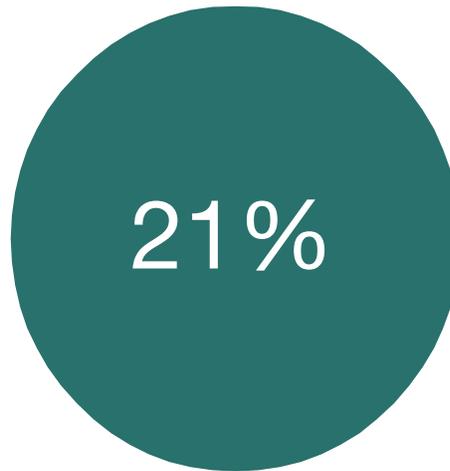
DATA AND METHODOLOGY

This policy brief gives the highlights of a recent IPS (Institute of Policy Studies) study assessing the success in economic and social reintegration of returnee migrants, and the correlates contributing to that success. It uses the "Reintegration with the Home Community-Perspective on the Lives of Returnee Migrant Workers" survey data conducted by Social Policy Analysis and Research Centre (SPARC) of the University of Colombo in 2012 with funding from the International Labour Organization (ILO). The survey interviewed 2000 returnee migrants using a purposive sampling strategy, of which 1981 are used for the study after cleaning.

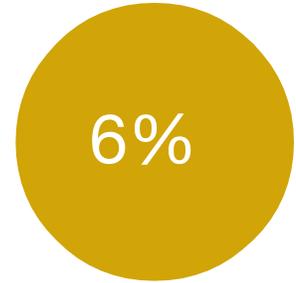
The study assessed the improvement in family economic situation in two ways. The first is based on an individual's self-assessment of their economic status pre and post-migration. The second is based on the improvement in the possession of productive assets. The correlation between these variables assessing family economic improvement was analyzed using a probit analysis against socio-economic characteristics of the respondents as well as controls for type of work done while abroad, conditions of employment while abroad, and institutional support received after returning. A series of qualitative interviews were done to validate the quantitative findings.

RESULTS

These results suggest that the majority of returnee migrant workers did not improve their economic situation upon their return (see graphic). Further, of those who are employed, only about 76 per cent found employment within three months of returning. About 15 per cent took three to six months to find employment and 9.5 per cent took more than six months to



Only 21% of returnee migrants improved their economic situation



Only 6% of returnee migrants improved their productive assets

find employment. Qualitative findings validate the above findings. Further analyses by skill level show that economic improvement is higher for skilled workers (includes both semi-skilled and skilled workers) compared to that of unskilled workers (includes housemaids). Nevertheless, the economic improvement of skilled workers is also limited, with only 28 per cent reporting family economic improvement.

Qualitative findings show that a majority was unable to find suitable work upon return and was considering re-migrating. The unattractive local job market with low wages being offered and the lack of an

enabling business environment and necessary financial assistance to commence any form of self-employment venture, were highlighted to be some of the most problematic challenges associated with economic reintegration. Furthermore, problems encountered in relation to spouse and other family members misusing the remittances were also highlighted as key economic challenges faced by returnees. Different government and non-government organizations have started various initiatives to better reintegrate returnees. However, only a limited number of returned were aware of these programmes and have used these programmes.

Sources:

Athukorala, P. (1990). International Contract Migration and The Reintegration of Return Migrants: The Experience of Sri Lanka. Melbourne: School of Economics, La Trobe University.

This policy brief is based on the findings from a study carried out by IPS researchers Suwendrani Jayaratne, Nipuni Perera, Neluka Gunasekera and Nisha Arunatilake on 'Returning Home: Experiences & Challenges', with funding from the Think Tank Initiative.



INSTITUTE OF POLICY STUDIES OF SRI LANKA

100/20 Independence Avenue
Colombo 7, Sri Lanka

T: +94 11 2143100 / 2665068, F: +94 11 2665065

www.ips.lk

For more information
<http://med-mig.ips.lk/>