



Return Migration and Economic Outcomes in the Conflict Context

SONJA FRANSEN^a, ISABEL RUIZ^b and CARLOS VARGAS-SILVA^{a,*}

^a *University of Oxford, UK*

^b *University of Amsterdam, The Netherlands*

Summary. — Knowledge about the economic implications of refugee return is essential in order to develop adequate policies in the post-conflict period. In this paper we explore differences in economic outcomes between return migrant households and non-migrant households using panel data from Burundi, a country which experienced large-scale conflict-led emigration and massive post-war refugee return. We use proximity to the border for identification purposes. The results indicate that returnee households have significantly lower levels of livestock, which is the main form of capital accumulation in Burundi. Returnee households also report lower values of subjective economic well-being relative to other households. The gap between returnee and non-migrant households is driven by more recent returnees, defined as those that returned less than 10 years ago. Our search for channels suggests that returnees are more likely to engage in economic activities that are generally correlated with lower levels of livestock. One possible explanation for this dynamic relates to the legal restrictions on economic activities faced by returnees while in displacement, which resulted in high levels of inactivity abroad and a potential loss/deterioration of skills.

© 2017 Elsevier Ltd. All rights reserved.

Key words — return migration, refugees, labor markets

1. INTRODUCTION

International migration is often temporary, and evidence suggests that, due to skills acquired abroad, many migrants return home to take advantage of a higher return in their home country (Dustmann, Fadlon, & Weiss, 2011; Dustmann & Görlach, 2016; Reinhold & Thom, 2013; Wahba, 2015a). Examples of these skills include knowledge of a new language, different markets, and production techniques. There is substantial statistical evidence that international migration experiences often result in a wage premium upon returning home (Barrett & Goggin, 2010; Co, Gang, & Yun, 2000; Reinhold & Thom, 2013; Wahba, 2015b). Several studies also have found that migrants accumulate resources for later investments in the home country (Yang, 2006), and returnees are particularly likely to become entrepreneurs upon return (Dustman & Kirchkamp, 2002; McCormick & Wahba, 2001; Mesnard, 2004; Piracha & Vadean, 2010).

The previous literature on return migration has focused on the case of “voluntary” migrants. However, millions of individuals around the world have been forced to leave their home countries in order to escape violence. The United Nations High Commission for Refugees (UNHCR) estimates that there were 21 million international refugees worldwide in 2015, and more than 80% of them are in neighboring developing countries (United Nations High Commission for Refugees, 2016). Many of these refugees eventually go home and become “return migrants.” In this paper, we explore the economic implications of being a returnee in a situation in which conflict was the original driver of a large-scale migration, followed by massive return migration after the end of the conflict.

International migration and return in a conflict/post-conflict context could perhaps also lead to potential skills and labor market experience gains for the migrants. Refugees, including those in camps, are often involved in trading relationships with host communities and participate in host labor markets. For instance, the trade in milk and meat between Somali refugee camps and neighboring communities in Kenya was estimated to be USD 3 million in 2010 (Enghoff, Hansen,

Umar, Gildestad, Owen, & Obara, 2010). In Tanzania, the presence of refugees from Burundi and Rwanda initially led to a “huge upsurge in business and trade conducted by both hosts and refugees” (Whitaker, 2002). Products that were previously exported to Burundi and Rwanda were now traded in refugee camps inside Tanzania, and in many cases, refugees used food aid to trade with host communities. Refugees also participate in host labor markets, and in some cases, even displaced the local workers (Ruiz & Vargas-Silva, 2015, 2016).

However, the decision to migrate, the experiences abroad and the decision to return are different in a conflict context and therefore so might be the consequences of being a returnee. In these situations, migration might take place even if the expected earnings gap between the host and home country is small or even negative. Although economic considerations are relevant, the level of violence often escalates abruptly during crises, making security the main determinant of migration. In addition, those escaping conflict usually have limited transportation options and often must walk to their destinations (Durieux, 2008), a fact that limits the available destinations and the possibility of making significant economic gains from migration. Moreover, in a conflict context, households often leave behind livestock, land, and other assets that are difficult to reclaim in the post-conflict period (Ruiz & Vargas-Silva, 2013).

Sometimes the host country also imposes restrictions on the movements and economic activities of refugees (Zetter & Ruaudel, 2016). For instance, Ongpin (2008) explains that a few years after the arrival of the refugees, Tanzania introduced

* The authors thank Pascal Achard, Brian Dillon, Taryn Dinkelman, Craig Loschmann, Edouard Mensah, Juan Carlos Muñoz-Mora, Susan Pozo, Mathis Wagner and participants at seminars at the Centre on Migration, Policy and Society (COMPAS), Institute for the Study of Labor (IZA), Kasetsart University, International Migration Institute (IMI), Refugee Studies Centre (RSC), European University Institute and World Bank for helpful comments and suggestions. We are also thankful to the editor and two anonymous referees for comments and suggestions. Final revision accepted: February 12, 2017.

restrictive legislation that prohibited refugees from possessing farms or owning land within the camps and from seeking employment outside the camps. This resulted in high levels of inactivity and made refugees highly dependent on humanitarian aid (Harild, Christensen, & Zetter, 2015; United Nations High Commission for Refugees, 2009). Other factors may also lead to high levels of inactivity of forced migrants. For instance, Lehrer (2010) explains that a “culture of idleness” developed over time in displacement camps in Northern Uganda, resulting in high levels of inactivity for different groups, particularly men.

The decision to return is also likely to be affected by different factors in a conflict/post conflict context. A decrease in the level of violence back home can be a key determinant of the timing of voluntary returns. However, return is often involuntary, including cases of forced repatriation in which the host country considers that international protection is no longer justified and declares refugees to be illegal residents (Black & Koser, 1999, chap. 1). A case of involuntary return contrasts greatly with a case in which returnees are able to decide the timing of their return and take advantage of differences in the reward to particular skills between the two countries.

Given the particular dynamics of the migratory experience of the displaced, the implications and consequences of their migration should be explored in detail. In order to develop adequate policies in the post-conflict period, knowledge about the implications of being a returnee in this context is essential. The purpose of this paper is to increase the knowledge base on this topic. For the empirical analysis, we use longitudinal data from Burundi, a country that experienced a major civil conflict during 1993–2000. A returnee is defined as someone who crossed an international border for security or political reasons, spent at least three months abroad and later returned home. We use the survey data to test differences in livestock levels between returnees and stayees. As noted by Bundervoet (2009), livestock in Burundi is the main form of capital accumulation and acts as a savings and insurance mechanism. Finally, we explore the role of economic activities (during and after migration), vulnerability to crime and health shocks, time since return, and time spent abroad as potential key factors to explain the differences between returnees and stayees.

A large share of Burundi’s population was displaced to other countries during the conflict, with neighboring Tanzania being the main destination of migrants. In fact, at the time, the Burundian refugee population was the second largest refugee population worldwide, only behind Afghan refugees (Vorrath, 2008). After several years, Tanzania closed all refugee camps, stopped providing legal protection to the refugees, and repatriated the remaining camp residents to Burundi (European Commission, 2009; Harild *et al.*, 2015). The large majority of Burundian refugees from the 1993–2000 conflict have now returned to the country, making it possible to explore the medium-term implications of their international migration experiences. We use countrywide longitudinal data that were collected in 2011 and 2015. The survey has detailed information about livestock and economic activities of returnees and stayees. We also have information on returnees’ economic activities just before and during migration.

In addition, we explore whether the dynamics have changed across rounds of the survey. Any negative or positive gaps between returnee and stayee households may have possibly disappeared or increased over time. For instance, Verwimp and Muñoz-Mora (2013) estimate that it took 8–10 years after return for the level of welfare of Burundi’s internally displaced

households to converge to that of the non-displaced households. O’Reilly (2015) finds that in Northern Uganda, returnee households experienced a growth rate of per capita consumption that was significantly higher than comparable non-returnee households.

We control for the level of violence exposure during the conflict period and other key factors in the estimations. However, unobserved factors may have possibly affected the initial likelihood of becoming an international migrant (and therefore a returnee). We use several techniques to address this possibility. First, we use geographical factors, such as proximity to the border of Tanzania, as an instrument in our estimations. In the case of Burundi, most displacement took place by foot, and distance to Tanzania was one of the key determinants of being an international migrant. Second, as a robustness check, we use propensity score matching to compare outcomes of returnee and stayee households.

Our results show that, compared to stayees, returnee households have significantly lower levels of livestock. Returnees are more likely to engage in agricultural activities for subsistence or as employees, both of which are activities associated with lower levels of livestock. The evidence also suggests that legal and practical restrictions on economic activities in Tanzania could have resulted in high levels of inactivity while in displacement, a factor associated with a deterioration/loss of skills. This factor may also explain the economic gap between returnee and stayee households. Finally, the gap between returnee and stayee households decreased with the length of time since return.

2. CONFLICT AND FORCED DISPLACEMENT IN BURUNDI

Burundi is a landlocked country in the Great Lakes region of Africa. It is a relatively small country (27,830 square kilometers) and has consistently ranked as one of the poorest countries in the world. In 2014, the country occupied the 184th place (out of 188) in the Human Development Index (United Nations Development Programme, 2015). Also in 2014, the gross national income per capita was only USD 270, well below the average for sub-Saharan Africa (USD 1,699). The country is densely populated, and while close to 90% of the population depends on subsistence agriculture, cultivable land is relatively scarce (World Bank, 2015).

The country is divided along ethnic lines between Hutus and Tutsis. Hutus represent the majority of the population (approximately 85%), but Tutsis have historically maintained control of the key government positions (Krueger & Krueger, 2007). The first democratic elections of Burundi were held in 1993. The winner of the election, Melchior Ndadaye, was the first Hutu president of the country. Ndadaye was assassinated a few months after the election. This assassination and the political events that followed led to a long civil war in which an estimated 300,000 people were killed (Ngaruko & Nkurunziza, 2000).¹

Hundreds of thousands of people fled their homes in search of refuge during the conflict period. In this study, we are interested in those who left the country, most of whom were international refugees in neighboring countries. As shown in Figure 1, Burundi shares borders with the Democratic Republic of Congo (DRC, 236 km), Rwanda (315 km), and Tanzania (586 km). In these neighboring countries, Tanzania has been historically perceived as the stable “safe haven” for refugees (Kamanga, 2005). In the early 1990s, while the DRC and

Download English Version:

<https://daneshyari.com/en/article/5105276>

Download Persian Version:

<https://daneshyari.com/article/5105276>

[Daneshyari.com](https://daneshyari.com)