

Determinants and Consequences of Internal Return Migration in Thailand and Vietnam

VERA JUNGE, JAVIER REVILLA DIEZ and LUDWIG SCHÄTZL
Leibniz Universität Hannover, Germany

Summary. — This paper draws a distinction between local return migrants, who move back to their home village, and regional return migrants, who return to other places within their home provinces in Thailand and Vietnam. Using multinomial regressions we firstly analyze determinants of internal return migration and find that while local return migrants are lower educated than continuing migrants, this negative human capital selection cannot be found for regional return migrants. Secondly, after returning local return migrants often engage in agriculture, while regional return migrants continue in nonfarm employment, thereby diversifying the household income and consequently bringing potential for future economic development.
© 2013 Elsevier Ltd. All rights reserved.

Key words — internal migration, return migration, vulnerability, regional development, nonfarm labor market, Southeast Asia

1. INTRODUCTION

Migration in developing countries is increasing rapidly while also patterns of migration have been changing over time. In fast developing countries such as Thailand and Vietnam nonfarm income opportunities in the periphery emerge and migrants begin to return to their home regions in order to find work. Theory on the determinants and impacts of return migration focuses on international return migrants who bring back knowledge and skills to their home countries, while internal return migrants are often viewed as the losers of the competitive urban labor markets. This view is nevertheless lacking in depth, with some recent studies showing that internal return migrants may have similar positive impacts on their home regions development (Demurger & Xu, 2011; Wang & Fan, 2006).

The theoretical and empirical literature on return migration is shaped by this success–failure dichotomy which has been criticized as being too narrow by a number of researchers (Constant & Massey, 2002; Dustmann, 2003; Piotrowski & Tong, 2010; Wang & Fan, 2006). Constant and Massey (2002) state that return migrants may be heterogeneous with regard to their motivation and conclude from their analyses that instead of one unitary process of return migration, there may exist several groups of return migrants. Cassarino (2004) notices that we still need to understand the determinants of return and especially “why some returnees appear as actors of change, in specific social and institutional circumstances at home, whereas others do not” (Cassarino, 2004: 270). However, most empirical results stress the idea of return as failure building on a negative human capital selectivity (Newbold, 2001; Piotrowski & Tong, 2010; Reyes, 1997), while other studies show that returnees may also bring back knowledge, are potential entrepreneurs and most likely to induce regional development (Demurger & Xu, 2011; Wang & Fan, 2006). Demurger and Xu (2011) find for example that internal return migrants in China are more likely to become entrepreneurs after their return than non-migrants. While the body of empirical literature on internal return migration in China is growing rapidly, other Asian countries experiencing similar processes have been less studied.

Empirical results depend, of course, on who is under examination. An aspect that has been largely neglected in this context is that not every “return migrant” is willing to return to his or her home village or community. Indeed, some of the mixed empirical results are not only due to different country cases but to the utilization of different return migrant definitions. While some studies focus on returnees to home communities only, other studies include all returnees who move back to their former provinces. Gmelch (1980) states that the impact of return migrants also depends on the return destination since local return migrants often find it difficult to apply their knowledge in their home community. On the other hand, return migrants who move to other destinations within their former provinces may be more likely to use their skills thereby diversifying the regions’ and households’ income structures and potentially reducing vulnerability.

Linking this discussion to the context of Thailand and Vietnam, the need for a distinction between migrants returning to their home community and those returning to other destinations within the larger province becomes obvious. Internal migration is the prevalent form of migration within the rural areas of Thailand and Vietnam. Within our survey data only 4% of the rural out-migration is to international destinations. In addition, the economic development in Thailand and Vietnam during the past decade has been enormous. Regional nonfarm labor markets in provincial and district capitals are developing and provide increasing employment opportunities (Benjamin & Brandt, 2004; Brünjes, 2012). Other work within our research project finds that companies in peripheral regions of Thailand and Vietnam suffer particularly from a lack of high-skilled labor (Mausch, 2010; Schmid, 2011). The growing nonfarm opportunities in and around intermediate cities of Thailand and Vietnam are therefore likely to increase the incentives for well educated internal migrants to return to their home provinces, while less educated migrants may continue to move straight back to their home villages and communities. However, empirical evidence taking into account these two different return destinations is missing. Furthermore, studies regarding the impacts of internal return migration are rare and information about occupations after return is often not available.

The aim of this paper is therefore to analyze the determinants and consequences of internal return migration. Thereby, we will distinguish explicitly between

- Local return migrants: who move back to their former home community, and
- Regional return migrants: who move back to their former province, although not to their former home community.

The distinction between local and regional internal return migrants is crucial since these two return migrant groups can differ considerably for example regarding their education levels, which is why their potential impact on regional development and vulnerability is also expected to be different.

The remainder of this paper is structured as follows. Section 2 summarizes the conceptual and empirical literature on internal return migration and hypotheses are derived. Section 3 presents the dataset, definitions and the applied methodology. Section 4 is subdivided into an analysis of determinants of return and a second part with an analysis of consequences and a discussion on potential regional impacts on regional development and vulnerability after return. Section 5 summarizes the major results and derives conclusions.

2. LITERATURE REVIEW: RETURN AS FAILURE VERSUS SUCCESS

A literature review reveals that return migration is an understudied area of migration, particularly in the context of internal return migrants within developing countries. The existing literature is dominated by two main ideas; Return as failure versus return as success (Bovenkerk, 1974; Wang & Fan, 2006), which is identified either by the return migrants characteristics or by the consequences and impacts following the return.

(a) Determinants of return

The argument of return as failure is based primarily on the assumption of a *negative human capital selection* process. While migration itself is a selective process with the more educated individuals usually leaving their home regions (Lee, 1966), the return as failure idea states that internal return migrants are losers of the competitive labor markets at the destinations and have to return due to their lower level of education and skills (Borjas, 1989; King, 1986; Lee, 1984; Lindstrom & Massey, 1994; Piotrowski & Tong, 2010).

Constant and Massey (2002) state that this idea is based on arguments of the neoclassical migration theories (Sjaastad, 1962; Todaro, 1976). In this view, regional wage differences comprise the initial reason behind migration and if these wage differentials persist, return migration should only occur if the migrant cannot achieve the expected higher income, for example due to under- or unemployment, lower-than-expected wage differentials, or high psychological costs such as homesickness (Constant & Massey, 2002).

Furthermore, within developing countries formal education increases the likelihood of being employed in the nonfarm sector (Brünjes, 2012; Janvry & Sadoulet, 2001; Lanjouw, 2001; Winters *et al.*, 2009) and is also positively linked with higher incomes (Becker, 1962, 1993; Brünjes, 2012; Mincer, 1958, 1974; Schultz, 1961). Therefore, formal education and nonfarm work experience will be rewarded more outside the rural setting (Constant & Massey, 2002). This assumed negative human capital selectivity of return migrants within developing countries stresses the idea of return as failure.

In contrast, following for example the income target theory (Piore, 1979; Reyes, 1997), return migrants can also be seen as *the winners among the migrants*, who are well trained and therefore able to get a job, save money, and achieve a pre-established income target which enables them to return home (Galor & Stark, 1990). In contrast to the return as failure argument, a negative human capital selection is rejected by this body of literature and return migrants are not seen as failures but as successes (Constant & Massey, 2002).

The majority of empirical studies regarding return migration center on this question of *human capital selectivity*. Particularly studies in developing countries but also between neighboring countries tend to underline the return as failure argument (Newbold, 2001; Piotrowski & Tong, 2010; Reyes, 1997; Wang & Fan, 2006). Wang and Fan (2006) for example analyze internal return migration in two Chinese provinces and find that the young, the more educated, and those trained in nonfarm work are more likely to represent continuing migrants who do not return. They conclude that the least positively selected migrants are the ones most likely to return, although they acknowledge that returnees consist of more than only a homogenous failure group (Wang & Fan, 2006). Studies with a focus on return migration within Thailand and Vietnam are particularly exceptional. Piotrowski and Tong (2010) conduct a recent analysis of determinants of return migration in Nang Rong, Buriram, in Thailand. The results again support the view of return as failure since they find that return migrants exhibit lower education levels than those migrants who do not return. In addition, migrants with non-agricultural occupations are less likely to return than agricultural workers (Piotrowski & Tong, 2010). In total, only few studies identify a positive human capital selection process (for Mexican Americans in USA see Saenz & Davila, 1992).

Although *regional push- and pull factors* were the initial inspiration for migration theories (Lee, 1966), they are less commonly discussed in the context of return migration. However, these factors can also influence the return decision (Lee, 1984). On the one hand, push-factors in the destination area can influence migrants' decision to return—such as economic crisis and the related higher risk of unemployment and lower income (Bastia, 2011; Castles & Vezzoli, 2009; Koser, 2009). On the other hand, pull-factors in the region of origin may also influence the return decision but are mentioned only sporadically in the literature. Indeed Gmelch (1980) indicates that pull factors in the home region are more important than push factors for the return decision and in particular increasing economic opportunities are thought to have a positive impact on the return decision (Saenz & Davila, 1992). This bridges the gap to international return migration theory where migrants are not only seen as striving for some specific income target but also as moving in order to gain work experience and improve labor skills; a goal which is not possible to achieve within their home country at that time. The returnees do not have to return home but choose so since they see increasing opportunities for them and feel that they can assist with the development of their home countries. This may also apply to internal return migrants, and in particular to regional return migrants, who may perceive positive long-term developments in their home regions. A return due to regional pull factors implies no negative human capital or income selectivity. In addition, DaVanzo (1981) states that highly educated or skilled migrants may have better access to interregional information and may process information more efficiently, which implies a positive selection process. Empirical evidence also stresses the importance of favorable economic conditions—high wages or employment growth—in the region of

Download English Version:

<https://daneshyari.com/en/article/992070>

Download Persian Version:

<https://daneshyari.com/article/992070>

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