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## Reintegration upon return: insights from Ecuadorian returnees from Spain

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### Reintegration upon return: insights from Ecuadorian returnees from Spain

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### Summary

Using the ECM2 survey data on Ecuadorian migrants returning from Spain, we investigate the determinants of reintegration upon return. We study how the migration experience, but also the before- and after-migration characteristics, correlate with migrants' outcomes upon return. We adopt a broad conception of reintegration, considering jointly labor market-related outcomes that proxy for structural reintegration and subjective indicators that provide insights on sociocultural reintegration. The determinants of these two types of outcomes appear to be different: reintegration indeed encompasses multiple dimensions which cannot be captured by a single indicator. Our results suggest that return assistance programs' efficiency in helping reintegration could be improved by (i) targeting, ex-ante, returnees who plan to launch their own business, and, ex-post, the most vulnerable workers (women, older returnees, unemployed), and (ii) facilitating the labor market integration of foreign-educated returnees. They also call for further research to better understand the consequences of these programs.

Key words: Returnees, Integration, Satisfaction, Ecuador, Spain

JEL Classification: F22, O15, F15, J28

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### The Ecuador – Spain migration corridor: elements of context

In the aftermath of the recent economic crisis, a mass return migration was expected (IOM, 2010). With the steep recession in developed countries and the limited consequences in developing ones, the popular belief was that weaker incentives to pursue their stay would urge migrants to return. One of the most considerable flows was that of Ecuadorian migrants returning from Spain (Roig and Recaño, 2012).

During the economic boom in Spain (2001-2008), the growth model led by labor-intensive sectors boosted an extraordinary process of job creation. The huge increase in labor demand could only be partially covered by the native workforce, and Spain experienced one of the most intense voluntary labor immigration flows ever recorded in Europe: nearly 4.5 million immigrants entered between 2001 and 2008, with 3.6 million from developing countries (de Arce and Mahia, 2014).

Ecuador is one of the main countries of origin of immigrants in Spain (only surpassed by Romania and Morocco). Symmetrically, Spain represents one of the main destinations of Ecuadorian emigrants. Around 1.1 million Ecuadorians were living abroad in 2013 (more than 10% of the population) according to the UN (2014). This diaspora mainly results from two waves of migration: one in the early 1980s, mostly directed towards the US; and a second in the late 1990s – the "mass emigration" – mostly directed towards Spain. At that time, the severe economic crisis, in a context of political instability and financial mismanagement, created "push" factors in Ecuador that added up to the "pull" factors in Spain mentioned above. Between 1.4 and 1.6 million Ecuadorians emigrated between 1999 and 2005 (Herrera et al., 2012), a large part of them for Spain where migration was also made easier by the common language and lack of visa requirements (until 2003).

The burst of the economic bubble, and the crisis it entailed, led to a significant shift in migration flows. The shrinkage of employment opportunities took place in a restrictive immigration policy context, a change of regulation in 2011 having consolidated the legal link between arrival and permanence of foreigners and job market needs.<sup>1</sup> Inflows of immigrants started to reduce slowly, and return of resident immigrants to rise markedly. The population of Ecuadorian origin in Spain exhibited a very strong return dynamic, considerably higher than that of nationals of other countries. According to the General Secretariat for Emigration and Immigration (Secretaria General de Emigración e Inmigración), the number of Ecuadorians living in Spain with a residence card fell by 49% between 2009 and 2013, when the population from other Latin American countries only declined by 21%.

Again, "push" and "pull" factors simultaneously operated. Indeed, since the arrival of President Rafael Correa into office in 2007, the Ecuadorian government started implementing programs to

<sup>&</sup>lt;sup>1</sup> Immigration Regulations approved by Royal Decree 557/2011, of April 20. Full text available at http://www.boe.es/boe/dias/2011/04/30/pdfs/BOE-A-2011-7703.pdf

attract the diaspora back home. In a perspective of "State-led transnationalism" (Jokisch, 2014), the Ecuadorian government's efforts reinforced the spontaneous return due to the crisis and to Spanish policies.

One of the Ecuadorian initiatives consisted in the creation of the Secretaría Nacional del Migrante (SENAMI, National Migrant Secretariat) which aim was to define the public policy on human mobility. Offices of the SENAMI were opened in the most important host countries of the diaspora in an attempt to create more bonds with the origin country. Various return assistance programs were promoted through these offices, ranging from tax exemptions for returnees to free shipping of goods owned abroad.<sup>2</sup> The SENAMI estimates having assisted more than 40,000 Ecuadorian migrants to return from abroad between 2008 and 2013.

The history of the Ecuador – Spain migration corridor thus provides an interesting case to study return migration, since both migration and return have taken place in large proportions and in clear settings of push and pull factors. On the other hand, to the best of our knowledge, the recent wave of returns to Ecuador has never been analyzed in a quantitative perspective. In this context, taking advantage of original survey data, our study questions which before-, during- and after-migration characteristics matter as determinants of returnees' socioeconomic reintegration in Ecuador.

## I. The reintegration of Ecuadorian returnees: theoretical insights from the literature

Before asking empirically which characteristics of the migration experience itself, but also of the before- and after-migration events in the returnees' lives, are statistically associated with post-return outcomes, we recall below the main theoretical views on the process of return migration and reintegration that have been developed by the literature and consider them in the frame of the Ecuador – Spain case. Based on the literature, we adopt a broad conception of reintegration as a conjuncture of objective and subjective factors, of which we analyze four. We do not claim that these four variables allow to draw a complete portrait of the socioeconomic reintegration of Ecuadorian returnees, but we argue that they provide complementary information about the various dimensions of reintegration upon return.

While the neoclassical economic theory conceptualized return as a failure of the migration experience (Todaro, 1969), according to the new economics of labor migration (NELM), returning can simply be the achievement of the migration goal (Stark, 1991). In this framework, return migration is part of an optimal strategy to maximize lifetime utility (Dustmann, 2003) and various components can shape return intentions, such as consumption preferences, purchasing

<sup>&</sup>lt;sup>2</sup> See for instance the programs "Plan Bienvenid@ A Casa: Por un regreso voluntario, digno y sostenible", "El Cucayo", "Menaje del hogar" and "Retorno Volunario". These programs include elements such as free transportation, unemployment benefits in a lump sum, duty-free repatriation of belongings, employment assistance and start-up funds for productive investments.

power of the host-country currency in the home country, or access to credit (see notably Djajic and Milbourne, 1988; Galor and Stark, 1991; Dustmann and Weiss, 2007 and Mesnard, 2004a, among others). Relying on return intention survey data, de Haas et al. (2015) compare the potential outcomes of the neoclassical migration theory and NELM, and find that there is complementarity between these theories and no standard process of return migration. Additionally, Portes et al. (1999) put forward the concept of transnationalism, considering return as a stage of the migration cycle and not its end. As also highlighted by Cavalcanti and Parella (2013) and de Lera and Pérez Caramés (2015), the existence of migrant communities that maintain strong transnational ties leads to rethinking the return from a demystified perspective and contemplating it as a stage, not necessarily the last, in the migration project. Similarly, as showed by Massey et al. (2015), return can also be embedded in the migration process itself when it is of circular nature. Consistently with this perspective of transnationalism, the recent paper of Carling and Pettersen (2014) shows how return intentions are shaped by the relative strength of integration in the countries of origin and of residence, and Cassarino (2004) highlights the importance of the preparedness of the return and mobilization of resources (both in the origin and destination countries) for the integration upon return.

Given the historical context described above, and consistently with these recent developments of the literature on return processes, the case of the Ecuador - Spain return migration appears to be more complex than what a dichotomous success/failure framework suggests. For instance, some migrants who had economically succeeded abroad have lost almost everything because of the crisis, while others returned to Ecuador while they had not planned to do so, or returned earlier than what they had planned, in order to avoid the worst of the crisis in Spain. These types of experiences can neither be seen as a success nor as a failure of the migration experience per se, and the subsequent reintegration of returnees in Ecuador might depend on multiple factors, in particular related to their migration experience and to the circumstances of their return. In such contexts, return should not be viewed a priori as the end of the migration experience but rather as a step in a migration cycle that might potentially continue. In a recent paper, de Lera and Pérez-Caramés (2015) study the decision to return of Ecuadorian and Romanian migrants in Spain. They highlight that these communities consider return as a phase of their migration process, thus leaving out the simple paradigm of failure and success and advocating for a perspective of transnationalism to study these migration corridors. The transnational nature of the Ecuadorian migration was put forward even in the early literature on the topic such as the complete overview offered by Herrera et al. (2005). The empirical approach that we adopt hereunder acknowledges these different sources of complexity and adopts a perspective of transnationalism to think of the potential before-, during- and after-migration determinants of reintegration.

Regarding the concept and measure of reintegration, we rely on the in-depth study on integration and integration policies of Heckman (2006), who considers that "social integration stands for the inclusion of new individual actors in a system, for the creation of mutual relationships among actors and for their attitudes to the social system as a whole". In order to better apprehend integration, he proposes a framework that distinguishes two main dimensions: structural integration (access to the labor market, housing, etc.) and sociocultural integration (notably the feeling of belonging and social interactions). We build on this distinction to identify four dimensions of reintegration upon return that our data allow to measure.

A large part of the literature focuses on the occupational choice upon return as main indicator of structural integration. With overseas savings allowing overcoming the credit constraints in the home country, most studies find a significantly higher probability of returnees to become entrepreneurs upon return, compared to non-migrants (see notably Ilahi, 1999; McCormick and Wahba, 2001; Dustmann and Kirchkamp, 2002; Mesnard, 2004b). Based on these results, the first indicator related to structural integration that we consider is self-employment, which involves the inclusion of returnees in the socioeconomic system of their origin countries and, at the same time, corresponds to a preferred status as suggested by the literature. We do not argue that selfemployment should be considered as an "ideal" status or as a sufficient indicator for a "successful return", but merely a status which implies interacting with the origin society, as opposed to the exclusion which might be entailed by a status such as "inactive" or "unemployed".<sup>3,4</sup> To complement this first indicator related to structural integration, we consider a variable indicating whether the returnee found a job less than three months after coming back. Again, a "successful return" is of course not guaranteed by the fact of having found a job quickly upon return. Nevertheless, it is reasonable to believe that, on average, returnees who look for a job during a longer period of time after their return are more likely to suffer durable exclusion from or difficult reintegration into the labor market.

Aside from occupational choice, integration remains rarely studied in a quantitative perspective, which is mainly due to a lack of data and to the difficulties associated with the measurement of the other dimensions of reintegration (notably sociocultural).<sup>5,6</sup> In a qualitative approach aiming at properly accounting for the cyclical dimension of migration, and consistently with the perspective of transnationalism, Sussman (2000) proposes a 'Cultural Identity Model' to conceptualize the evolution of identity across migration and return migration experiences. She

<sup>&</sup>lt;sup>3</sup> Although not included in the core of the text for sake of space, some additional results about salaried work will also be referred to.

<sup>&</sup>lt;sup>4</sup> Vancluysen et al. (2016) analyze the specific case of return entrepreneurs in Ecuador and highlight that people often find themselves in situations of necessity entrepreneurship, which correspond to a difficult integration on the labor market. Nevertheless, the major differences between our study and theirs limit the comparisons both in terms of conceptual framework and results. A first major difference is that they base their study on a qualitative survey, while we use a quantitative survey, meaning that we do not take into account the full heterogeneity of individuals and rather highlight an average effect. Secondly and importantly, our areas of study are different, with their analysis being concentrated on the relatively rural provinces of Azuay and Cañar and ours on the urban areas of the Pichincha province. Furthermore, they focus on a group of beneficiaries of a specific official program, Banca del Migrante, while in our sample, we have a number of beneficiaries of a large array of return assistance programs (none of Banca del Migrante). Finally, their sample is composed of return migrants from various destinations, while we focus on returnees from Spain. On the other hand, other studies of Ecuadorian returnees such as Alarcón and Ordóñez (2015), Vasco (2011) and Schramm (2011) put forward their preference for self-employment.

<sup>&</sup>lt;sup>5</sup> For a complete review of the literature on return migration, see Wahba (2014).

<sup>&</sup>lt;sup>6</sup> For an extended review of the literature on return migration in particular dealing with reintegration upon return, see David (2015).

defines four categories of possible cultural transitions, which we rely on as theoretical framework for thinking about the determinants of sociocultural reintegration. 'Subtractive' and 'additive' identity shifts consist of two different reactions in front of the discrepancies between the homeand host-cultures. In the first case, while perceiving most people around as dissimilar, the returnee focuses its social relationships on fellow returnees. In the 'additive' case, the strong interactions of the returnee with its host country culture are associated with minimal interactions with the home country culture. Third, the 'affirmative' identity shift predicts that the links of the migrant with its origin culture are maintained and strengthened all along the migration experience(s). Last, the 'intercultural' identity shift corresponds to migrants who manage to hold multiple cultural representations at the same time. This theoretical framework was illustrated, in particular, by Tannenbaum (2007), who highlights the complexity of the cultural reintegration process of Israeli return migrants. In our case, the data allow to analyze some subjective dimensions of reintegration that can be thought of as part of this sociocultural integration. We first exploit a question about satisfaction upon return. This variable provides a thorough indicator of the degree of happiness of the returnee with respect to his return, which proxies for the perceived reintegration into the home society. Second, we consider the willingness to re-emigrate. Consistently with the transnationalism theory, the data reveal that return is often not planned to be permanent: coming back to Ecuador can then be seen as a (premeditated or accidental) step in the migration process, after which a significant share of returnees plan to re-emigrate. In line with the 'additive' identity shift case, this willingness might impede to a certain extent their reintegration since they might be more prone to focus on preparing their departure than on creating social links. On the other hand, in an 'intercultural' identity shift perspective, returnees who want to re-emigrate could invest more in their integration so as to accumulate capital at a faster pace, and re-emigrate sooner. In conjuncture with satisfaction upon return, we argue that the willingness to re-emigrate provides a complementary piece of information about the subjective dimensions of reintegration upon return.

The novel dataset which we exploit thus allows us to tackle the determinants of Ecuadorian return migrants' reintegration building on the approach of Heckman (2006), and focusing on four different outcomes upon return, two being related to the labor market and two being subjective indicators. These four outcomes provide a non-exhaustive but broad picture of reintegration upon return.

### II. Data and method

### 2.1. The survey

The ECM2 survey, conducted in 2014, interviewed 410 Ecuadorian return migrants from Spain in the province of Pichincha.<sup>7,8</sup> All of them had returned at least one year before the interview,

<sup>&</sup>lt;sup>7</sup> ECM2 is part of the FP7 granted Project "NOPOOR – Enhancing Knowledge for Renewed Policies against Poverty". SP1 Cooperation – Collaborative project – SICA. Grant Agreement no: 290752.

and had spent at least one year in Spain. This minimum duration since return was chosen in order to target individuals who have had enough time to settle in. Moreover, since the questionnaire covers characteristics of the pre-migration period, only individuals who were at least 15 years old at the time of emigration were interviewed.

In the absence of census data that would have made it possible to contact randomly selected returnees in Pichincha, the sampling was made through a snowballing procedure. A first phase gathered a core group of returnees who either (i) had attended workshops organized for returnees by the local government; (ii) had signaled themselves on a website created for the survey; (iii) had been identified by the local associations; (iv) had benefited from programs of the SENAMI; or (v) were registered as unemployed at the Ministerial job program (Bolsa de Empleo del Ministerio de Relaciones Laborales de Ecuador). The fact that the core group gathered returnees who had benefited or not from return assistance programs, who were unemployed or not, who were involved in associations or not, and who were interested in governmental programs or not, was reassuring over its diversity and over the capacity of the final sample to cover the plurality of Ecuadorian returnees' profiles. However, the sampling procedure, and the fact that interviews were solely conducted in Pichincha, involve selection bias risks. As said before, no census of returnees is available, which makes it impossible to precisely assess the representativeness of the sample. To enlighten this issue, we compare our sample with returnees interviewed in the 2013 ENEMDU survey.<sup>9</sup> This survey is conducted every trimester by the national statistics institute of Ecuador (INEC) and is representative at the national level.<sup>10</sup> Comparing our sample with the returnees of this larger scale database allows providing suggestive, though limited, evidence on selection. Table 1 displays the average of the variables that are comparable between the two surveys, over the sample of returnees of the ENEMDU data (Col. 1), the sample of returnees from Spain of the ENEMDU data (Col. 2), and our own sample (Col. 3).

The few variables which are symmetric between the two surveys limit the scope of this comparison. Still, the average shares of women, of self-employed, and of each education category are very similar when focusing on returnees from Spain. On the other hand, our sample is relatively older, which was expectable given the selection criteria of the ECM2 survey. The figures provided in Table 1 thus go in a reassuring direction, although the risk that the sample is not representative of the average Ecuadorian returnee coming back from Spain has to be kept in mind.

<sup>&</sup>lt;sup>8</sup> Pichincha is the second (among 24) province in terms of population, its capital Quito is also the capital of the country, and it concentrates the highest share of return migrants (around 30% according to Mejia-Ochoa and Castro, 2012).

<sup>&</sup>lt;sup>9</sup> Encuesta Nacional de Empleo, Desempleo y Subempleo (Employment, Unemployment and Underemployment National Survey)

<sup>&</sup>lt;sup>10</sup> 2013 is the most recent available wave with information on returnees.

	Returnees (all destinations), ENEMDU	Returnees from Spain, ENEMDU	Our sample
Average age	37	29	41
% women	50.64	53.80	52.68
% primary education	27.32	13.69	15.61
% secondary education	47.15	67.86	64.39
% tertiary education	21.02	17.86	20
% self employed	36.54	50.6	52.26
Nb of obs.	865	171	410

Table 1. Samples comparison.

### 2.2. Variables of interest

Integration upon return encompasses multiple dimensions and we do not claim to be exhaustive. We focus on four outcomes which provide complementary information, the first two being related to the labor market and the last two to subjective perceptions:

- i. Self-employed is a dichotomous variable indicating whether the returnee is selfemployed. This is the case of more than half of the sample (see Table 2). As discussed in the introduction, the literature emphasizes the importance of entrepreneurship among return migrants and the impact of migration experience on the propensity to launch a business (McCormick and Wahba, 2001; Mesnard, 2004a; Wahba and Zenou, 2012; Batista et al., 2014). It also shows that self-employment can be associated with successful migration experience in certain contexts, while being the signal of a failure in others (Mezger Kveder and Flahaux, 2013). In the case of Ecuador, 30% of the labor force is self-employed (Serrano, 2013) and various studies such as Alarcón and Ordóñez (2015), Vasco (2011) and Schramm (2011) highlight the preference of returnees for this labor status. The in-depth interviews conducted during the pilot survey as well as the numerous initiatives of return assistance including packages to help returnees to start small businesses also urge us to assume that self-employment is an indicator of inclusion of the returnee in the socioeconomic system of the origin country. The empirical results that follow tend to confirm the validity of this assumption.
- *ii.* **More than three months to find a job** equals zero if the returnee found a job less than three months after coming back. Nearly 40% of the returnees were not in that case. Having difficulties to find a job may reflect, e.g., a lack of adequacy with the local labor market or of preparedness of the return. Given that this indicator focuses on finding a job at arrival, it must be kept in mind that it reflects the easiness of integration at the first stage of return, rather than the degree of long-run reintegration.
- *iii.* **Satisfied with return** takes the value one if the returnee declares being "satisfied" or "very satisfied" with his return, which is the case of nearly 80% of the sample. This variable can encompass various dimensions such as the economic, familial or social reintegration, or the individual contentment with return. This makes it tricky to interpret in particular in terms of public policy perspectives, but allows to reflect the perceived level of sociocultural reintegration and the state of mind of the returnee

with respect to his return experience without imposing rigid categories of (dis)satisfaction.

*iv.* **Considers re-emigrating** is a dichotomous variable indicating whether the returnee plans to re-emigrate in the future (regardless of the considered destination and timing). More than 35% of the returnees do. The last two variables, respectively reflecting satisfaction with return and the project to re-emigrate, provide different information on sociocultural reintegration. As the concept of transnationalism emphasizes, the migration strategy may well encompass multiple migration episodes and returns, and being very satisfied with return and simultaneously considering reemigrating is not inconsistent. On the other hand, migrants who were forced to come back to their origin country could both be unsatisfied and not able to re-emigrate in the future.

		Number of observations	Average	Standard deviation	[Min, Max]			
Outcomes								
	Self-employed (0/1)	354	0.523	0.500	[0, 1]			
	More than three months to find a job $(0/1)$	360	0.378	0.486	[0, 1]			
	Satisfied with return $(0/1)$	408	0.789	0.408	[0, 1]			
	Considers re-emigrating $(0/1)$	410	0.361	0.481	[0, 1]			
Explanatory variables								
D 1.	Female $(0/1)$	410	0.527	0.500	[0, 1]			
Demographics	Age	410	40.695	9.158	[18, 75]			
			1:64 (	(15.61%)				
	Education	410	2: 264	(64.39%)	[1, 3]			
		3: 82 (20%)						
	Working $(0/1)$	410	0.751	0.433	[0, 1]			
Characteristics	Self-employed $(0/1)$	410	0.151	0.359	[0, 1]			
before migration		0: 76 (18.72%)						
			1:24	(5.91%)				
	Satisfaction with previous job	406	2: 52 (	(12.81%)	[0, 4]			
			3: 124 (30.54%)					
			4:130					
	Studied $(0/1)$	410	0.424	0.495	[0, 1]			
Migration	Unemployment time (Years)	393	0.664	1.092	[0, 10]			
experience	Time spent in Spain (Years)	410	9.5	3.720	[1, 22]			
	Invested in Ecuador $(0/1)$	409	0.680	0.467	[0, 1]			
	Wanted to come back $(0/1)$	410	0.749	0.434	[0, 1]			
	Informed on return assistance	409	0.237	0.426	[0, 1]			
Characteristics of	programs (0/1)	102	0.237	0.120	[0, 1]			
the return	Benefited from a return assistance program $(0/1)$	410	0.061	0.240	[0, 1]			
	Time since return (Years)	409	2.807	2.314	[1, 14]			
	Useful experience abroad $(0/1)$	322	0.385	0.487	[0, 1]			

Table 2. Summary statistics.

The variables *Education before migration* and *Satisfaction with previous job before migration* being ordinal, the table displays their distribution by level (in italics) rather than their average and standard deviation (poorly informative for this type of variables).

The data also provide information on migrants' characteristics before, during, and after migration. We study the interactions between returnees' reintegration and four categories of explanatory variables:

- *i.* Demographic characteristics:
  - o Gender,
  - Age at survey time.
- ii. Characteristics before migration:
  - Level of education (the variable takes the value one for primary education, two for secondary education, three for tertiary education),
  - Dummy for whether the returnee used to work the year before migrating,
  - Dummy for whether he was self-employed the year before migrating,
  - Degree of satisfaction with respect to the last job before migrating (four categories, increasing with the level of satisfaction).<sup>11</sup>

### iii. Migration experience:

- o Dummy for whether the respondent studied in Spain,
- o Time spent unemployed in Spain,
- o Duration of the stay,
- Dummy for whether the respondent undertook investments in Ecuador while living in Spain.
- iv. Characteristics of the return:
  - Dummy for whether the respondent declared that he was "really willing to come back",
  - Dummy for whether he looked for information on Ecuadorian programs of assistance to returnees,
  - Dummy for whether he benefited from such a program,
  - Time elapsed since the return,
  - Dummy for whether the returnee declares that his experience abroad was useful.

### 2.3. Empirical method

To question which before-, during- and after-migration characteristics significantly correlate with our four outcomes, we first estimate the following equation through a Probit model:

$$Y_{i} = \alpha + \beta_{0} X_{0,i} + \beta_{1} X_{1,i} + \beta_{2} X_{2,i} + \beta_{3} X_{3,i} + \varepsilon_{i}$$

where Yi is Self-employed, More than three months to find a job, Satisfied with return, or Considers re-emigrating for individual i,  $\alpha$  a constant and  $\varepsilon_i$  an idiosyncratic error term. X0,i is the vector of demographic explanatory variables (gender and age). X1,i, X2,i and X3,i represent

<sup>&</sup>lt;sup>11</sup> Those who did not did not answer to the job satisfaction question because they were not working before migrating are assigned a score of zero, which allows to keep them in the sample while we already control for the working situation. There are less observations of zero than the number of non-working individuals, because a few respondents declared not working and nevertheless answered to the job satisfaction question, referring either to an additional activity that they had but did not consider as a market work or to their latest job. Last, 4 interviewees declared working before migration but did not answer the job satisfaction question.

three vectors of explanatory variables, respectively related to the returnee's situation before, during and after migration. We introduce them successively.

Although the first two outcomes of interest are purely related to the labor market, while the last two are subjective, it is reasonable to believe that the four are jointly determined. Indeed, satisfaction with return is significantly and negatively correlated with the time needed before finding a job upon return and willingness to re-emigrate, while returnees who needed more than three months to find a job upon return are also more likely to consider re-emigrating, and significantly less likely to be self-employed (see Table 3).

	Self-employed	More than three months to find a job	Satisfied with return
Mount the second second second second	-0.0913*		
More than three months to find a job	0.0869		
	0.0510	-0.2697***	
Satisfied with return	0.3400	0.0000	
	-0.0378	0.1783***	-0.4917***
Considers re-emigrating	0.4784	0.0007	0.0000

Table 3. Outcomes of interest - Correlation matrix

To account for the fact that the four outcomes are likely to be jointly determined, we run a multivariate Probit. This method estimates jointly several correlated binary outcomes. It allows checking whether the results of the Probit estimations are robust to accounting for the correlation between the outcomes over the sample of individuals for who the four outcomes are informed. Indeed, the variables which are related to the labor market only concern returnees who are active on this market, while more interviewees did answer the questions about satisfaction and willingness to re-emigrate. As it estimates the four equations jointly, the multivariate Probit provides information on the determinants of the four indicators of reintegration only for returnees who are active on the labor market. These results will complement the simple Probit estimations run over the whole sample.

### III. Results

The results of the Probit estimations are displayed in Tables 4 and 5 and the results of the multivariate Probit in Table 6. For sake of brevity, we only display the multivariate Probit with the most comprehensive set of control variables. The results of the two more parsimonious specifications (*first* controlling only for  $X_{0,i}$  and  $X_{1,i}$ , and *second* controlling for  $X_{0,i}$ ,  $X_{1,i}$  and  $X_{2,i}$ ) are broadly consistent with Table 6.

Most of the results prove to be robust to the multivariate Probit specification which accounts for the correlation between the outcomes over the sample of returnees who are active on the labor market. For sake of brevity, we thus comment the results of the two specifications together, successively considering the different vectors of explanatory variables. The demographic characteristics appear to be more related to objective than to subjective outcomes. In particular, older returnees, as well as women, are less likely to join quickly the labor market upon return (Tables 4 & 6). The fact that women and the elderly are in a more difficult situation with respect to labor market integration is not specific to returnees, but it thus appears that the vulnerability of these categories of workers is transversal across non-migrants and return migrants. Notice that since a short window of three months is taken as reference period here, this result does not allow drawing conclusion about long-run structural reintegration, but still suggests a deeper vulnerability of these categories of returnees. On the other hand, satisfaction with return and willingness to re-emigrate are not robustly correlated to age or gender.

		(1)	(2)	(3)	(4)	(5)	(6)
		S	elf-employe	ed	More than	three mont a job	hs to find
	F 1	-0.0397	-0.0523	-0.0190	0.415***	0.447***	0.580***
Demonstration	Female	(0.141)	(0.145)	(0.155)	(0.143)	(0.150)	(0.167)
Demographics	Δ	0.0194**	0.0179*	0.0181*	0.0172**	0.0265***	0.0221**
	Age	(0.00886)	(0.00945)	(0.0107)	(0.00828)	(0.00941)	(0.0106)
	Education	-0.106	-0.100	-0.0568	-0.125	-0.0671	-0.113
	Education	(0.119)	(0.125)	(0.132)	(0.120)	(0.127)	(0.141)
Chamatanistica	Working	0.347	0.218	0.150	0.208	0.350	0.293
Characteristics before	Working	(0.250)	(0.256)	(0.271)	(0.250)	(0.264)	(0.294)
migration	Self-employed	0.651***	0.648***	0.761***	0.0113	-0.0893	-0.00792
ingration	Sen-employed	(0.209)	(0.222)	(0.247)	(0.198)	(0.209)	(0.227)
	Satisfaction with job	-0.107	-0.128*	-0.117	-0.135**	-0.0985	-0.0925
	Satisfaction with job	(0.0698)	(0.0724)	(0.0777)	(0.0687)	(0.0718)	(0.0804)
	Studied		-0.221	-0.0965		0.304**	0.144
	Studied		(0.153)	(0.169)		(0.149)	(0.177)
	Unamplayment times		-0.0619	-0.0833		0.102	0.142*
Migration	Unemployment time		(0.0782)	(0.0831)		(0.0745)	(0.0810)
experience	Time coest in Spain		0.0223	0.0333		0.0151	0.0171
	Time spent in Spain		(0.0205)	(0.0248)		(0.0211)	(0.0251)
	Invested in Ecuador		0.459***	0.532***		-0.198	-0.191
	Invested in Ecuador		(0.160)	(0.171)		(0.166)	(0.184)
	Wanted to come back			0.206			-0.190
	wanted to come back			(0.183)			(0.185)
	Informed – assistance			-0.564**			0.804***
	programs			(0.222)			(0.220)
Characteristics	Benefited – assistance			0.877**			-0.264
of the return	program			(0.375)			(0.363)
	Time since return			-0.0190			0.0333
	Time since return			(0.0369)			(0.0366)
	Useful experience			0.0103			-0.412**
	abroad			(0.164)			(0.172)
R <sup>2</sup>		0.059	0.091	0.123	0.037	0.066	0.123
Constant		-0.487	-0.667	-0.970	-0.650	-1.671***	-1.413**
		(0.508)	(0.590)	(0.655)	(0.520)	(0.615)	(0.685)
Observations	Robust standard err	350	339	308	356	344	308

Table 4. Returnees' characteristics and labor market outcomes upon return.

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Regarding the situation on the labor market before migrating, returnees who used to be selfemployed appear to be more likely to be entrepreneurs upon return, while job satisfaction and working situation before migration are not robustly correlated with self-employment upon return. Moreover, having been satisfied with the job before migrating is slightly negatively correlated with the likelihood to need more than three months to find a job upon return in Column (4) of Table 4. This could indicate that migrants who were in a better labor situation before migrating are also those whose migration strategy and, subsequently, return strategy, are more elaborate and better prepared, which eventually makes their reintegration more rapid. Such an interpretation is in line with the theoretical view according to which return should be considered as a step in the migration cycle, rather than as a failure of the migration project as assumed by the neoclassical framework. The coefficient turns out to be non-significant once we introduce the characteristics of the migration and return, which is consistent with the idea that the statistical significance observed in Column (4) is driven by the omission of the characteristics of the migration experience. None of these three variables related to the situation on the labor market before migrating is statistically significantly related to the two subjective indicators studied in Table 5.

		(1)	(2)	(3)	(4)	(5)	(6)
			sfied with re			ders re-emi	, <u> </u>
Demographics	Female	0.112	0.102	0.390*	-0.0239	-0.00619	-0.174
		(0.145)	(0.153)	(0.218)	(0.131)	(0.138)	(0.166)
Demographics	Age	-0.00434	-0.00164	-0.0190	-0.00376	-0.00744	-0.00314
	nge	(0.00781)	(0.00948)	(0.0130)	(0.00733)	(0.00867)	(0.0112)
	Education	-0.0161	0.0293	0.0604	-0.0238	-0.0770	-0.0188
	Education	(0.123)	(0.130)	(0.179)	(0.109)	(0.115)	(0.138)
Characteristics	Working	-0.222	-0.192	-0.130	0.265	0.242	0.349
before	WORKING	(0.203)	(0.218)	(0.283)	(0.187)	(0.197)	(0.233)
migration	Self-employed	-0.0465	-0.110	-0.162	-0.0894	-0.0368	0.334
mgradon	Sen-employee	(0.249)	(0.250)	(0.380)	(0.212)	(0.218)	(0.277)
	Satisfaction with	0.0612	0.0600	0.0214	-0.0397	-0.0191	-0.0149
	job	(0.0723)	(0.0742)	(0.104)	(0.0615)	(0.0637)	(0.0792)
	Studied		-0.384**	-0.222		0.468***	0.411**
			(0.157)	(0.230)		(0.143)	(0.180)
	Unemployment		0.0169	-0.0706		0.000851	0.0501
Migration	time		(0.0724)	(0.107)		(0.0635)	(0.0766)
experience	Time spent in		-0.0542**	0.00935		0.0668***	0.0508*
	Spain		(0.0218)	(0.0304)		(0.0205)	(0.0267)
	Invested in		-0.0304	-0.0867		-0.0829	-0.0907
	Ecuador		(0.174)	(0.236)		(0.159)	(0.191)
	Wanted to come			0.984***			-0.919***
	back			(0.223)			(0.188)
	Informed – assist.			-1.008***			0.190
	programs			(0.262)			(0.214)
Characteristics	Benefited – assist.			1.170***			-0.521
of the return	program			(0.403)			(0.430)
	Time since return			0.327***			-0.0758
	This since return			(0.0878)			(0.0514)
	Useful experience			0.552**			-0.157
	abroad			(0.239)			(0.175)

Table 5. Returnees' characteristics, satisfaction with return and perspectives of re-emigration.

R <sup>2</sup>	0.008	0.043	0.257	0.007	0.057	0.140
Constant	0.899*	1.435**	0.239	0.00405	-0.583	-0.258
	(0.506)	(0.622)	(0.910)	(0.457)	(0.559)	(0.658)
Observations	404	386	306	406	388	308

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

The two education-related variables (studies before and during migration) are not significantly related to the likelihood of being self-employed or to the probability to find a job in more than three months upon return. This result is surprising in light of the theories presented above. When the characteristics of the return are omitted (Column (5) of Table 4), the correlation between studies in Spain and the probability to find a job in more than three months is even significantly positive. The fact that more educated returnees and returnees who studied in Spain are not more likely to find a job quickly upon return could reveal an inadequacy between higher studies and the local labor market. For instance, one of the respondents declared that "[his] titles did not help him, they were not recognized" and talks about "labor unconformity". It could also reflect the fact that the sectors which are targeted by more educated migrants are more affected by (longterm or frictional) unemployment. Finally, this result may also be driven by other characteristics simultaneously correlated with the likelihood to have studied (in Ecuador or abroad) and the time needed to find a job, for instance aspirations, which we are not able to control for. Column (2) of Table 5 reveals a negative (though non robust to the inclusion of the characteristics of the return) correlation between studies in Spain and satisfaction upon return, which could also be driven by an inadequacy with the local labor market or by higher aspirations of foreign-educated returnees. Since it is reasonable to believe that migrants who studied in Spain experienced significant cultural interactions with their host society, this result is consistent with the 'additive' identity shift as defined by Sussman (2000), in which returnees who embraced many aspects of the host culture subsequently experience difficulties to reintegrate in their origin country and to interact with the home culture. Having studied in Spain is also significantly and positively correlated with the probability to consider re-emigrating. This may additionally reflect the fact that migrants who studied in Spain are those who can expect the best positions in foreign labor markets, and thus the highest value-added from re-emigration.

Turning to the characteristics of the migration episode, the results reveal a robust positive association between having invested in Ecuador while being in Spain and the probability to launch a business upon return. This suggests that self-employment upon return is associated with more preparedness of the return, notably through investments in the home country. This result is very much in line with the NELM literature viewing return as a possible goal of the migration experience, and with the literature on transnationalism which underlines the interactions between economic activities abroad and in the home country. It also confirms results observed in other contexts about self-employment as a preferred outcome for returnees, who make the most of their experience abroad to reach a sufficient level of savings in order to invest in their origin country and launch a business once back home (e.g. Batista et al., 2014, among others). The significant association between entrepreneurship upon return and investments from abroad is also in line with Cassarino (2004) who emphasizes the importance of the preparedness of the return for reintegration upon return. Note that this result is not inconsistent with the fact that a lot of the returnees of our sample left Spain during the crisis. Indeed, even though their return

may have been precipitated by this important "push" factor, those returnees might still have had started to prepare their return in advance (in particular, before the crisis). In other words, the fact that the crisis made them come back earlier does not involve that they would not have returned at all had the crisis not occurred. On the contrary, observing this significant relationship between entrepreneurship and investments from abroad in the case of migrants who, for a lot of them, left Spain in an unexpected timing, lends further credence to the theory of transnationalism according to which the links between migrants and their country of origin remain salient during the different phases of the migration experience.

It also appears that returnees who spent more time unemployed in Spain are more likely to have needed more than three months to find a job upon return. Returnees with an experience of unemployment abroad are thus particularly vulnerable upon return. Such a transnational unemployment trap could reveal that migrants who spent more time unemployed abroad have fewer tools to prepare their return and reintegration on the Ecuadorian labor market. This result seems consistent with the neoclassical interpretation of the return. Combined with our previous results, it goes in the same direction as de Haas et al. (2015) in observing simultaneously neoclassical-type and NELM-type mechanisms in the process of return migration, and is again very consistent with the transnationalism view. Finally, considering the subjective outcomes, Column (2) of Table 5 suggests the existence of a negative correlation between the time spent in Spain and satisfaction, and thus of a more difficult psychological re-adaptation for migrants who settled down more deeply in Spain, which is again consistent with the model of 'additive' identity shift as documented by Sussman (2000) and Tannenbaum (2007). The correlation turns out to be non-significant when we account for the variables related to the characteristics of the return (Column (3)). Having spent more time in Spain is also robustly positively correlated with the probability to consider re-emigrating. Those who had the longest migration spells probably integrated better in the destination country, and may thus both have more difficulty to interact with their origin culture and expect higher returns from re-emigration thanks to their better knowledge of the foreign country and/or networks abroad, for instance. Re-emigration thus seems to particularly attract those who interacted more with the host country and are likely to do better on the foreign job market, because they spent more time in Spain or because they studied there.

Which characteristics of the return experience itself are correlated with reintegration upon return? *First*, returnees who declare that they really wanted to come back are significantly less likely to consider re-emigrating and more satisfied with their return. This is not surprising, but whether it attests to an *ex-post* rationalization remains an open question. *Second*, consistently with the transnationalism theory and the idea that a return perceived as successful is compatible with a migration experience perceived itself as successful, believing that the experience acquired abroad was useful is significantly and positively correlated with the probability to feel satisfied upon return. Moreover, returnees considering that the labor experience they acquired in Spain was useful are significantly less likely to have spent more than three months unemployed upon return. Said differently, there is a significant association between the perception of utility of the experience abroad and the rapidity of reintegration in the local labor market, which confirms that return can be a step of a successful migration experience. *Third*, the time elapsed since return is

also positively correlated with satisfaction, which could attest to an effect of adaptation and/or to the fact that the first years which follow the return are particularly difficult.

Last, having looked for information about and benefited from a return assistance program appear to be significantly linked to the different dimensions of reintegration under study. Having looked for information is robustly negatively correlated with the likelihood of being self-employed and satisfaction upon return, and positively with the probability to have needed more than three months to find a job upon return. These results are consistent with the idea that those who make efforts to get informed are those who expect to face more difficulties to return and reintegrate (and who eventually do). In addition to this adverse selection phenomenon, the negative correlation with satisfaction could capture the deception of those who tried to, but failed at, benefiting from assistance programs. Finally, the negative correlation with entrepreneurship is consistent with a more independent preparedness of the returnees who plan to launch their business upon return. On the other hand, having benefited from a return assistance program is robustly and positively associated with entrepreneurship and satisfaction, but not significantly associated with the probability to have needed more than three months to find a job. Assistance programs thus seem to help beneficiaries to launch their own business, and beneficiaries end up more satisfied, but we do not find any evidence that they allow to reintegrate faster in the labor market. The difference between these results might be explained by the fact that programs target the most vulnerable returnees and compensate (but do not offset) their initial relative disadvantage on the labor market. It could also be due to the heterogeneity of existing programs which we cannot properly capture in the data. Finally, the likelihood to consider re-emigrating is not significantly correlated with the two variables related to return assistance programs. Rather surprisingly, there is thus no evidence that these programs are particularly relied on by return migrants who plan to settle down once for all in Ecuador. This set of results on assistance programs thus suggests that they do interest relatively vulnerable return migrants, and eventually help those who benefit from them in their reintegration in the labor market. Whether they are efficient in providing support to those who necessitate it the most remains an open question.

To complement the results on self-employment, we ran the same estimations as those displayed in Columns (1) to (3) of Table 4 using a dummy variable indicating whether the returnee is a salaried worker (instead of whether he is self-employed) upon return. The results turn out to be very consistent with (and symmetric to) Table 4.<sup>12</sup> In particular, older returnees, returnees who were self-employed before migrating as well as returnees who invested in Ecuador while living in Spain are less likely to be salaried upon return. On the other hand, while the two variables related to return assistance programs are significantly related to the propensity to be self-employed, they are not correlated with the propensity to be salaried. This is consistent with the fact that the majority of these programs are designed to help returnees to launch a business, as also highlighted by Alarcón and Ordóñez (2015). Moreover, the fact that the propensity to be salaried is not negatively correlated with return assistance programs additionally suggests that those returnees who benefit from the programs would have been unemployed, rather than salaried, had they not been beneficiaries.

<sup>&</sup>lt;sup>12</sup> Not shown for sake of brevity, available upon request.

		(1)	(2)	(3)	(4)
			More than three	Satisfied with	Considers re-
		Self-employed	months to find a job	return	emigrating
	Female	-0.0130	0.575***	0.328	-0.155
Demographic		(0.155)	(0.167)	(0.202)	(0.165)
s	Age	0.0175	0.0216**	-0.0159	-0.00413
0	1180	(0.0106)	(0.0107)	(0.0126)	(0.0113)
	Education	-0.0426	-0.131	0.149	-0.0680
		(0.134)	(0.139)	(0.173)	(0.138)
<u> </u>	Working	0.174	0.265	-0.153	0.297
Characteristic	0	(0.272)	(0.285)	(0.341)	(0.287)
s before	Self-employed	0.756***	0.0149	-0.309	0.370
migration	1 2	(0.245)	(0.224)	(0.259)	(0.233)
	Satisfaction with	-0.124	-0.0856	0.0183	-0.00488
	job	(0.0777)	(0.0776)	(0.0948)	(0.0820)
	Studies	-0.101	0.118	-0.209	0.345*
		(0.169)	(0.179)	(0.220)	(0.190)
	Unemployment	-0.0845	0.147*	-0.0403	0.0465
Migration	time	(0.0830)	(0.0832)	(0.108)	(0.0820)
experience	Time spent in	0.0368	0.0142	0.0123	0.0396
	Spain	(0.0251)	(0.0251)	(0.0297)	(0.0287)
	Invested in	0.507***	-0.154	-0.182	-0.0782
	Ecuador	(0.171)	(0.186)	(0.223)	(0.197)
	Wanted to come	0.233	-0.199	0.947***	-0.920***
	back	(0.185)	(0.184)	(0.214)	(0.195)
	Informed – assist.	-0.556**	0.830***	-0.932***	0.183
Characteristic	Programs	(0.222)	(0.224)	(0.256)	(0.223)
s of the	Benefited - assist.	0.875**	-0.277	0.914**	-0.375
return	Program	(0.372)	(0.353)	(0.413)	(0.471)
ICIUIII	Time since return	-0.0155	0.0310	0.286***	-0.0668
		(0.0370)	(0.0368)	(0.0774)	(0.0524)
	Useful experience	-0.0139	-0.396**	0.515**	-0.105
	abroad	(0.165)	(0.172)	(0.227)	(0.181)
	Constant	-1.028	-1.320*	0.0303	0.0381
		(0.661)	(0.677)	(0.858)	(0.667)
	Observations	306	306 eses *** p<0.01 ** p	306	306

Table 6. Multivariate probit.

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### IV. Conclusion

In the aftermath of the economic crisis, return migration was seen by both Spain and Ecuador as an opportunity to limit the crisis impact on migrants' wellbeing, reduce the pressure on the Spanish labor market, and retrieve human and financial capital to Ecuador. In addition to the "push" factors triggered by the adverse economic conditions in Spain, public policies trying to assist return migrants in Ecuador were fostered. Important flows of migrants subsequently moved back to Ecuador which provides an interesting setting to study reintegration upon return, while understanding the mechanisms that facilitate migrants' reintegration is crucial for designing better return assistance programs, responding to the returnees' needs, and optimizing their contribution to the development of the home country.

We rely on a novel dataset from a survey on Ecuadorian returnees from Spain to investigate the determinants of their reintegration. We focus our analysis on four outcomes, two related to labor market reintegration (the probability to be an entrepreneur and the time needed to find the first job upon return), and two subjective indicators (the degree of satisfaction with return and the willingness to re-emigrate). Although we acknowledge empirical limitations notably related to (i) the non-randomness of the sample and potential selection bias, and (ii) the partial measure of reintegration, which multiple and diverse dimensions cannot be fully captured by these four indicators; we provide original evidence on a phenomenon which, while being very timely, has been scarcely studied in a quantitative perspective. Our results bring quantitative evidence which complements existing qualitative results, and additionally confirm the existence of some mechanisms already highlighted in other contexts in the Ecuadorian case. The quantitative approach also allows us to emphasize original results, notably about studies abroad and return assistance programs. These results pave the way for further research in order to enlighten policy making related to the reintegration of return migrants.

This paper suggests (at least) two main perspectives of policy recommendation. First, it brings quantitative evidence which confirms the importance of the preparedness of the return for subsequent reintegration on the labor market, in particular among self-employed returnees, and reveals the existence of a transnational unemployment trap as well as more difficulties for women and older returnees to quickly find a job upon return. While women and older people already face more difficulties in finding employment, the later result does not seem specific to return migrants but rather in line with the general tensions of the labor market in Ecuador. Still, these points suggest that ex-post public policies aiming at facilitating returnees' reintegration on the labor market should contain specific tools targeting women, older returnees, and migrants who experienced unemployment abroad, while ex-ante programs have a special role to play toward returnees who plan to launch their own business once back home. Second, having studied in Spain tends to make returnees less satisfied and more willing to re-emigrate, which could attest to an inadequacy between foreign studies and the local labor market needs, and to the fact that foreign studies increase expectations which cannot be fulfilled once the migrant returns to Ecuador, while foreign studies also increase the expected returns of re-emigration. Here again, space for public policy emerges notably through the facilitation of the search and matching process between returnees with specific human capital and positions in the local job market.

The results finally suggest that returnees who look for information about assistance programs are those who expect that their return will be difficult, while returnees who benefit from them are more likely to be entrepreneurs and to be satisfied with their return. We thus provide evidence of the efficiency of these programs in helping returnees who eventually benefit from them, while it seems that returnees who look for information are adversely selected. Moreover, the number of beneficiaries is eventually very low whilst a much larger proportion of the sample looked for information about the programs. This discrepancy between getting information and actually benefiting from assistance calls for further research and evaluation of these programs. In particular, although our results argue in favor of their development, in particular in the directions identified above, they do not allow to document their efficiency in targeting those returnees who are the most in need, nor the wide heterogeneity of the tools that they mobilize. Return assistance programs are costly, and although they have been attracting growing interest from policy makers over the recent years, both in the origin and destination countries, they are rarely evaluated. Very little is known about what drives returnees' reintegration upon return and how such programs can shape these individual outcomes. The findings emphasized here, mostly descriptive, clearly call for further investigation of this issue.

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