

Return migrants in the Hungarian labor market

(Extended abstract)

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Return migration is not a new phenomenon, however, it started to expand significantly in Central and Eastern European countries only in the last decades (Smoliner et al. 2011, Fassmann et al. 2014), and in Hungary – after the increase of emigration – in the last years. Due to free movements across borders after the transitions, the enlargement of the European Union, and the gradual opening of the older member states' labor market, not only the intensity of East-West migration increased, but also forms of migration has been pluralized, the range of the target countries, the bigger complexity of motivations and reasons of migration have expanded (Okólski 2010). The expansion of migration opportunities, the easier movements led to a change in traditional migration patterns. Instead of the one-way and permanent movements, shorter, repetitive movements appeared, called 'incomplete migration' (Okólski 2001), or mobility (Wallace 2002) by the literature. Due to the free labor flows within the EU temporary, shorter or longer circular, and commuting movements became more frequent (Castro-Martín – Cortina 2015, Galgóczi et al. 2012). The so called 'liquid migration' (Engbersen – Snel 2013, Moreh 2014) led to the increase of the number of returns to the sending country, however, the 'return' often means only a temporary break between the periods spent abroad (Kaczmarczyk 2013). The economic crisis at the end of the 2000s – that affected the receiving countries in a different way – also contributed to the expansion of return migration (especially in the case of Poland and Romania), accelerating the decision of return (according to the earlier plans) in many cases (Zaiceva – Zimmermann 2012, Bastia 2011). Nowadays, return migration became a significant component of the Central and Eastern-European migration flows (OECD 2008, Nadler et al. 2016).

The expansion of return migration, and the promotion of the returns increased academic and political interests. Besides the development of the phenomenon's thorough theoretical and conceptual framework (Cassarino 2004), other empirical research have been conducted that intended to reveal the background of the decisions, the content of the returnees, their motivations, their success in the labor market after returning, coping strategies, the profit of the experience abroad, and the individual and social effects of the return migration (Co et al. 2000, Iara 2008, Martin – Radu 2012, Zaiceva – Zimmermann 2012, Anacka – Fihel 2012, Karolak 2016). Most of the research has concluded that experience abroad meant economic advantage for return migrants, and their households, since higher salaries were observed among returnees. At the same time, Martin and Radu (2012) found (by using EU Labor Force Survey data between 2002 and 2007) that return migrants are present in the labor market in a smaller rate, and are more likely to be self-employed. The higher rate of unemployment among return migrants and economic inactivity have also been confirmed by the data of the Re-Turn Project (Lang et al 2012).

Working abroad and emigration from Hungary started to considerably increase in the second part of the 2000s (according to the mirror statistics of the receiving countries, and the Hungarian labor force survey), and the process accelerated from 2011, after opening the German and Austrian labor

market (Hárs 2012, Gödri et al. 2014). Considering the different sources of the mirror statistics, between 2012 and 2015, at least a hundred-thousand people left Hungary annually, only to the European target countries (Gödri 2015). The Hungarian Labor Force Survey registered 49,5 thousand people working abroad (and part of a household in Hungary) in 2010 annually, which number in 2016 was already 116.4 thousand.

The spread of the outflow resulted an increasing number of return migrants. It is hard to estimate the real scale of the phenomenon, as precise data are not available on the number and content of returning migrants. Just as in the case of emigration, we can rely on different data sources when studying return migration.

Hungarian citizens ‘emigrated’ from the receiving country appear in the mirror statistics, but many times only census reveals their absence due to the lack of registration of their departure. We do not know either the exact scale of the return of ‘emigrated’, or ‘absent’ Hungarian citizens left from the receiving country, or if they left to a third country. Despite these uncertainties, according to the data of the main target countries, we can conclude that significant return migration occurs (Gödri 2015).

Between 2001 and 2006, approximately 15,000 individuals – not German, and so presumably returning migrants – ‘emigrated’ from Germany to Hungary. Their number began to increase from 2007, to reach 40,000 in 2014 and almost the same figure a year later. The number of Hungarians emigrating from Austria also began to rise after 2007, although the figure is considerably lower (6,000–7,000 annually in recent years). Although Austria takes in a significant number of Hungarian employees, most reside in the country only temporarily or else commute, and so do not appear in immigration and emigration statistics. In the United Kingdom, only half of all the Hungarians who had received a National Insurance number since Hungary’s accession to the EU were recorded in the 2011 British population census; the majority of those (63%) had arrived at the beginning of the period – between 2004 and 2006 (Moreh 2014). This indicates that a significant number of Hungarians returned from the UK – especially of those who arrived after 2007 (presumably influenced by the economic crisis).

The increasing number of returnees is also indicated by Hungarian administrative data too. From 2010 returning migrants¹ appear in the Register of Social Insurance (TAJ) of the National Health Insurance Fund of Hungary, and their number has been rapidly increased in the last years. Based on these data, the number of Hungarian immigrants born in Hungary was around 1500 in 2010, it already exceeded 9000 in 2013, and was over 24,000 in 2018. Based on the 2016 micro-census the share of returnees was 2.6% in the total population, with 3.2% among the 16-64-year-old age group.

In spite of the increasing number of the return migrants, the study of this phenomenon received little attention in Hungary so far, although Hungary was involved in some cross-country studies (Iara 2008, Martin – Radu 2012, Eurofound 2012, Re-Turn 2012). Some of these surveys focus on the first part/mid of the 2000s, when the level of return migration was not significant (in Martin and Radu’s sample of Hungarian emigrants, return migrants consisted only the 2,6% of the sample). A unique group of labor migrant returnees is presented by Hárs (2011) through the data of the Hungarian labor force survey (MEF) between the period of 2007 and 2010, who worked abroad before their current unemployed status. Hárs finds that the ratio of returnees from the United Kingdom is much higher than their ratio from other countries. Furthermore, unqualified, unskilled workers returned home in bigger amount in the time of crisis. Co et al. (2000) used the Hungarian Household Panel Survey (1993/94) to study the labor market position, and profit of experiences abroad of returnees (167 people) after working abroad, focusing on gender differences. The authors demonstrate that women who returned from abroad earn 67% more than women who didn’t work out of their country, however, difference was not found among men.

¹ This group contains people who reactivated their Hungarian health insurance (after having a health insurance abroad). The real number of returning migrants after staying abroad is presumably higher.

For judging the possible social and economic effects of return migration, it is important to get to know the returnees' labor market positions and experiences abroad, and after returning home. Is returning really higher among those who did unskilled work in the receiving country, or not corresponding to their education? Skilled workers' return cannot live up to expectations, if those are selected during returning who could not benefit from their human capital abroad, or develop (gaining experience, expertise in the field of their qualification) despite their high education. Selection process during the return also determines the employment and income level of returning migrants in the country of origin (Martin – Radu 2012).

The labor market position and experiences of the returnees in the home country (after return) is also important from the aspect of the expected social, economic, and demographic effects. Considering the abovementioned aspects, and the literature, we have the following *hypotheses*:

- Work experience obtained abroad – while in itself depends on the migrants' individual characteristics (age, education, etc.), the destination country and duration of being abroad – has an effect on their labor force situation after returning.
- The success of labor market (re)integration after return is also determined by the duration of the stay abroad, the human resources gained there, the time of return and time since the return, and the motivations of the return.

The paper investigates the labour market situation of returnees in Hungary, by using the 2016 micro-census data. We compare the economic activity, form of employment and occupational groups of returnees with long-term (at least one year) and short term (less than one year) migration experience with the total population. Besides the individual socio-demographic characteristics (sex, age, educational attainment etc.), we take into account the differences according to age at the time of emigration, the length of time spent abroad, labour market experiences abroad, the destination country, time of return, time since the return and motivations of return. Based on multivariable analysis, we present the determinants of returnees' labour market (re)integration.

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