

Return Migration & Socioeconomic Mobility in Egypt

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Motivation

Any amount of inequality is more acceptable if it is accompanied by opportunities for mobility (& people are lifted out of poverty)

- Inequality of outcomes appears to be modest in Egypt
- However, inequality between demographic groups exists, and persists or grows over time.
- Inequality of opportunity is high.
- These inequalities cause intergenerational transmission of inequality, poverty traps for entire social groups, social polarization, and even political instability.
- The role of migration is at the junction of these inequalities, because migration can alleviate them, perpetuate them, or hide them.
- Migration across MENA countries and outside is high, so its contribution to different dimensions of inequality should be better understood.

Our study in a nutshell

- Use a large harmonized panel survey with a migration module to study individuals' migration experiences, their backgrounds and other lifetime events, and their economic outcomes at multiple points in time
- Identify the labor market conditions affecting individuals' decisions to migrate and return.
- Isolate the role of migration in socioeconomic mobility, both over one's lifetime and across generations, accounting for the endogeneity of migration choices

Survey wave	Source & documentation	Hhds	35-55 year-old men	Return migrants, 35-55yo men (%)	Mean pop. sampling weight
1998 LMPS	OAMDI 2017; Assaad & Barsoum (2000)	4,816	2,508	304 (12.60)	2,432.09
2006 LMPS	--; Barsoum (2007)	8,351	3,718	353 (10.57)	1,807.98
2012 LMPS	--; Assaad & Krafft (2013)	12,060	4,665	904 (18.39)	1,606.38
2018 LMPS	--; Krafft et al. (2019)	15,746	6,280	798 (11.52)	1,399.65

- Previous, pre-previous, and 8-year prior location of residence (abroad or not)
- Migration module asking respondents about current migrants among HH members: limited info on background & current status of migrants
- Current wage earnings, HH assets, employment status, residence status
- Employment status in previous/pre-previous/8-yrs prior job, father's employment status when respondent was 15yo
- Across waves, can match respondents (& other HH members) to find previous earnings, and more details on migration and job history

Analytical tasks

- Identify return migrants, (current migrants,) and non-migrants
- Impute economic outcomes in real terms at various points in time, and between generations
- Estimate transitions in economic status over time, and between generations
- Link economic transitions to migration experience
- Quantify degree of socioeconomic & intergenerational mobility

	EG12	EG18
When was your first migration? (Imputed age in years)	25.0	25.9
Why did you migrate (first reason)? Unemployed/seek work	19.6	23.7
Found a better job	68.4	49.3
Higher wages	3.7	12.6
Help family financially	2.4	6.7
Were you planning to stay abroad temporarily? Yes, temp.	79.0	86.2
Did you pay anybody to facilitate your departure abroad? Yes.	24.0	26.2
Who helped you in getting a job abroad? Relatives	23.9	14.3
Friends/acquaintances	33.3	32.7
Employer	5.7	6.2
Employment agency	9.5	11.3
No one	23.3	33.3
Know anyone living in country of first migration? Yes.	46.3	24.6
Why did you return from abroad? Contract ended	18.9	20.1
Poor working conditions	24.3	27.8
To get married	13.4	16.0
To start business	4.9	3.5

Results: Host countries for return migrants, **most recent** migration spell (% of return-migrants)

	Egypt 1998		Egypt 2006		Egypt 2012	
1	Iraq?	36.27	Iraq	38.47	Saudi A.	28.23
2	Saudi A?	32.75	Saudi A.	31.39	Libya	25.43
3	Jordan?	7.95	Jordan	13.06	Iraq	16.07
4	Libya?	7.47	Libya	7.93	Jordan	10.94
5	Kuwait?	7.12	Kuwait	3.95	UAE	5.41
6	?	2.22	Lebanon	1.27	Kuwait	4.72
7	?	2.02	UAE	1.08	Lebanon	1.72
8	?	1.67	Yemen	0.83	Qatar	1.39
9	?	0.83	Italy	0.66	Netherl.	1.11
10	?	0.73	Greece	0.50	Italy	0.62
	99% of 278 migrants		99% of 291 migrants		96% of 903 migrants	

(Return) migration in Egypt is quite concentrated among only 10 countries (compared to, say, Jordan).

Who are the migrants?

Mean earnings in occupation groups from which first migrating HH members came (current migrants abroad)

	EG98	EG06	EG12
All occupation groups	221.82	303.67	331.34
Occupation groups from which first migrants in HH left	--	125.28	323.27

(Return) migrants in Egypt came from lower-earning occupation groups.

Who are the migrants?

Urban status & mean earnings in occupation groups from which first migrating HH members came (current migrants abroad)

	Return migrant	EG98	EG06	EG12
Urban residence at birth	N	47.2	45.5	44.7
	Y	48.0	32.6	34.0
Preparatory-school educated	N	7.9	11.3	18.0
	Y	4.7	11.9	15.2
High-school educated	N	33.7	41.8	38.8
	Y	47.3	47.8	45.3
University educated	N	18.6	29.6	19.5
	Y	22.9	37.0	14.5
Post-graduate educated	N	1.2	0.5	1.3
	Y	1.2	0.0	0.9
Mean age (age age≥25)	N	38.2	37.4	36.7
	Y	40.5	43.1	42.3

Current migrants from Egypt are more likely rural & less educated than non-migrants.

Results: Economic outcomes, non-migrant vs. return-migrant workers

	Return migrant	EG98	EG06	EG12
Ind. wage earnings	N	348.29	353.22	362.22
	Y	264.45	444.03	351.16
Hhd. wage earnings per capita	N	70.93	104.75	108.60
	Y	72.76	104.44	100.59
Hhd. wage earnings	N	360.97	480.93	452.65
	Y	367.53	507.80	446.50
Hhd. wealth index per capita	N	12.30	9.67	7.57
	Y	13.81	9.54	7.34
Hhd. wealth index	N	53.32	41.60	29.77
	Y	56.57	43.75	29.64
Contract job	N	46.44%	44.56%	45.59%
	Y	55.08%	52.18%	46.84%
Formal job	N	--	--	45.33%
	Y	--	--	44.11%

Return migrants from Egypt earn the same or less in individual and HH wage earnings as non-migrants. For other outcome indicators, the results are less clear.

Results: Mean earnings in all occupation-groups (current, previous, before previous, & fathers’): Non-migrant and return-migrant workers

	Return migrant	EG98	EG06	EG12
Occupation-group mean earnings, current	N	218.29	303.50	328.39
	Y	237.42	312.20	337.85
Occupation-group mean earnings, previous	N	210.48	301.48	301.67
	Y	230.84	321.22	354.14
Occupation-group mean earnings, before previous	N	195.23	292.02	--
	Y	224.17	307.08	--
Occupation-group mean earnings, 8 years prior	N	211.40	317.53	317.36
	Y	232.62	336.64	316.89
Occupation-group mean earnings, father’s occupation	N	176.42	292.60	313.32
	Y	180.73	288.83	296.92

Return migrants appear to be doing better than non-migrants.

Results: Transition matrices: current vs. 8-year prior earnings

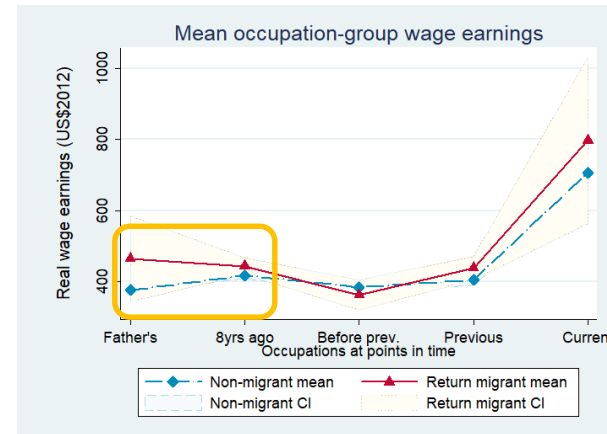
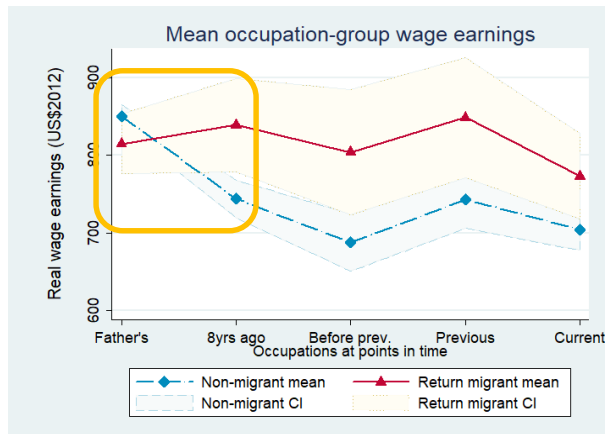
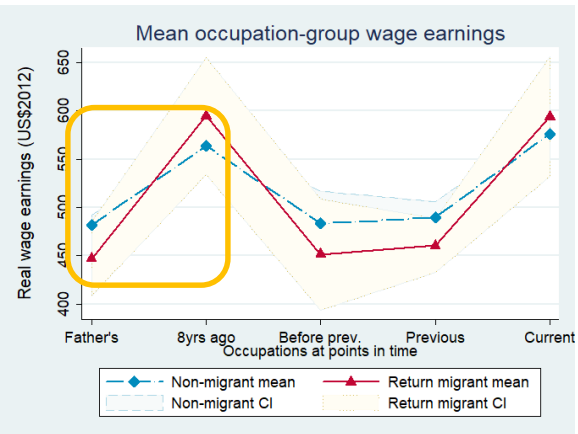
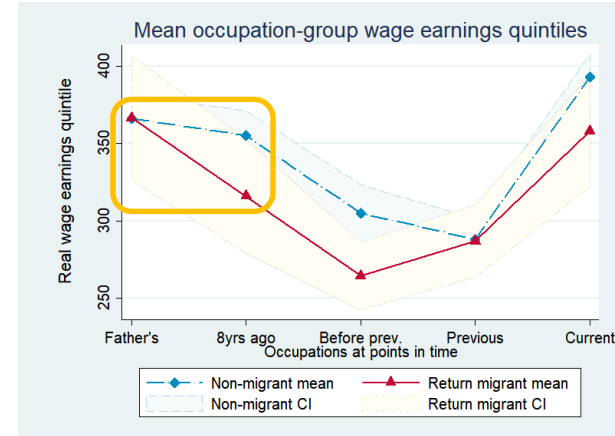
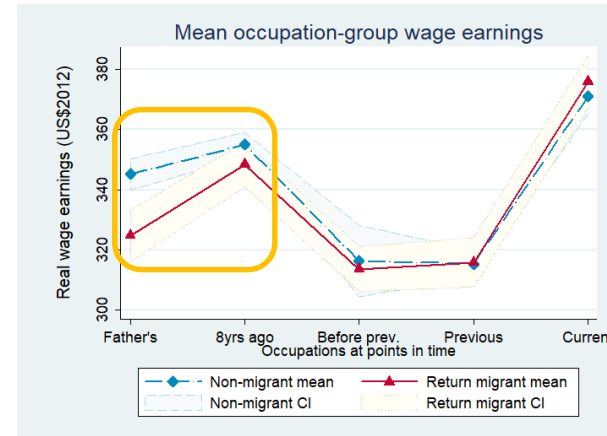
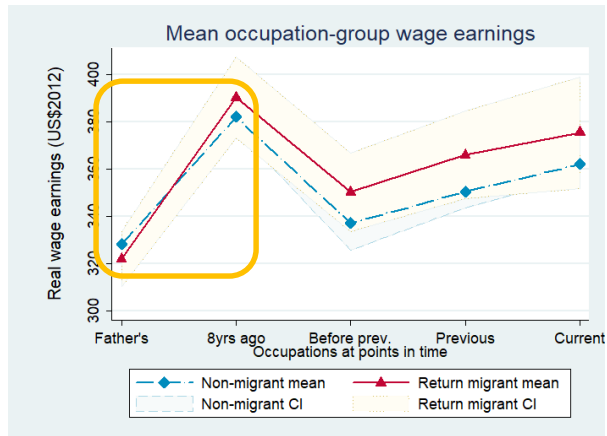
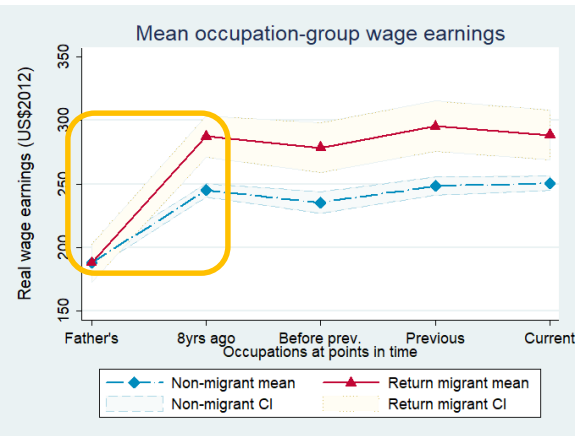
		Non-migrants (Shorrocks=0.16)					Return migrants (Shorrocks=0.30)				
Egypt 98	8-yr prior:	1	2	3	4	5	1	2	3	4	5
Current:	95.94	1.72	1.73	0.00	0.60	82.42	0.00	15.89	1.04	0.64	
1	83.48	1.97	1.49	0.00	0.58	79.12	0.00	8.86	0.69	0.31	
2	9.67	84.05	4.30	1.47	0.50	14.16	69.66	1.63	9.73	4.83	
	7.56	86.47	3.33	1.63	0.43	8.71	52.62	0.58	4.14	1.50	
3	3.38	2.18	89.97	1.08	3.40	5.97	2.72	82.21	9.10	0.00	
	3.23	2.74	85.21	1.46	3.58	9.91	5.55	79.29	10.45	0.00	
4	4.95	5.06	4.51	82.45	3.03	1.57	8.39	11.70	74.11	4.23	
	3.82	5.13	3.44	89.66	2.57	2.25	14.76	9.73	73.44	3.06	
5	1.89	2.77	6.54	5.11	83.68	0.00	9.60	1.15	7.11	82.14	
	1.91	3.68	6.52	7.26	92.84	0.00	27.07	1.54	11.29	95.14	

In the majority of the transition matrices, return-migrants have a higher Shorrocks index, suggesting higher mobility.

Results: Transition matrices: sons' vs. fathers' earnings

		Non-migrants (Shorrocks=0.81)					Return migrants (Shorrocks=0.82)				
Egypt 98	Father:	1	2	3	4	5	1	2	3	4	5
Son:	1	84.52	3.30	4.54	4.87	2.77	83.91	5.45	3.32	0.00	7.31
	2	39.76	3.89	6.63	5.75	4.07	27.26	5.56	3.36	0.00	6.31
	3	38.10	27.44	12.28	13.90	8.29	40.62	12.37	11.13	7.48	28.41
	4	15.45	27.91	15.46	14.17	10.49	8.98	8.59	7.66	3.46	16.68
	5	37.14	17.91	18.78	13.02	13.16	42.38	12.85	21.05	13.08	10.64
	1	20.00	24.18	31.41	17.62	22.11	25.39	24.17	39.26	16.40	16.92
	2	21.73	19.85	13.52	29.80	15.10	16.15	17.82	6.72	48.66	10.65
	3	9.61	22.03	18.57	33.14	20.84	8.17	28.32	10.59	51.51	14.31
	4	26.06	15.06	15.44	20.04	23.39	35.82	12.60	14.90	16.22	20.46
	5	15.17	21.99	27.92	29.33	42.49	30.20	33.36	39.13	28.63	45.78

Results: Wage-earnings of return migrants vs. non-migrants: fathers' job, before previous job, prior job & current job.



Return migrants did better than non-migrants in all periods, except for fathers' occupation-group earnings. Return migration does not increase wage earnings, because return-migrants earned more at all points in time. Return-migrants exhibit higher intergenerational mobility.

2SLS regressions of current earnings on return-migration binary

	EG98	EG06	EG12
Return migrant (instrumented)	-1.079**	0.143	-0.240
	(0.534)	(0.220)	(0.280)
Log occ-group wage earnings, father	0.065	0.462	0.828***
	(0.087)	(0.319)	(0.258)
Post-primary, preparatory edu.	0.215***	0.149**	0.170***
	(0.075)	(0.068)	(0.046)
Secondary edu.	0.307***	0.218***	0.340***
	(0.056)	(0.042)	(0.047)
University edu.	0.598***	0.510***	0.570***
	(0.062)	(0.047)	(0.047)
Post-graduate edu.	0.981***	0.783***	0.608***
	(0.110)	(0.174)	(0.124)
Age	0.014***	0.018***	0.014***
	(0.004)	(0.003)	(0.004)
Urban birthplace	0.027	0.118**	0.084*
	(0.064)	(0.054)	(0.045)
Privileged birthplace governorate	0.171*	-0.021	-0.107
	(0.088)	(0.070)	(0.065)
Governorate indicators	γ^{***a}	γ^{***}	γ^{***}
Constant	4.834***	4.003***	3.556***
	(0.307)	(0.576)	(0.475)

Conclusions

- Return migrants exhibit greater intergenerational mobility than non-migrants, across all survey waves.
- Minor transitions (from one quintile to the next) are more prevalent than major transitions (across 2-4 quintiles), particularly within one's lifetime.
- Interestingly, within one's lifetime, upward mobility is more gradual (by 1 quintile), while downward mobility can be major (by 2-4 quintiles). Overall, more people experience upward social mobility than downward mobility.
- Intergenerational mobility is typically more substantial (by 2-4 quintiles), particularly for upward mobility. Upward mobility is much more common than downward mobility, especially among return migrants.
- Return migrants exhibit as much lifetime mobility as non-migrants, but higher intergenerational mobility than non-migrants. In Egypt 2006, non-migrants show little upward intergenerational mobility, while return migrants show substantial upward mobility.
- Whether we evaluate mobility between 2 successive occupations, or occupations 8 years apart, return migrants and non-migrants exhibit a similar degree of mobility. This puts in question whether migration experience has a causal impact, rather pointing to individual-level predispositions (but not predispositions associated with household traits).