



Involvement in Self employment among Returnee Migrants in Chitwan

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Abstract

Motivated by emerging issues of migration in Nepal, particular to returnee migrants, this paper examines the situation of returnee migrants and their participation in self employment based on cross-sectional data from 243 returnee migrants in three VDCs of Chitwan. The result shows that age, education, country of returned and re-migration plan are the major determinants of participation in self employment among returnee migrants where adult returnee migrants were more likely to engage in self employed compare to youth. The result also shows that the Gulf and Malaysian returnees who are not eager to migration again are more likely (odd ratio=2.645, $p<0.01$) to participate in self employment activities than those who returned from India. But, returnees from developed countries have no significant relation on participation in self employment. This study sheds light on a very important policy issue for Nepal particular to the economic development and participation in entrepreneurs' activities of returnee migrants depends on country of return and their earning during the migration period. Thus, policies focusing on those returnee migrants are paramount for the development entrepreneur's activities in the study area.

Keywords: Return migration, returnee migrants, self employment, entrepreneurs,

Introduction

Nepal is facing massive out-migration for the purpose of foreign employment. Scholars argue that Nepal is migration bleeding country in term of foreign migration. According to the 2011 census 1,921,494 people were absent during the census [1] while, World Bank estimated about 3 millions Nepalese were migrated for seeking jobs and better future globally [2]. The trends and pattern of Nepalese migrates to new destinations, mainly the Gulf States and Malaysia after 1980s, accelerate in 1990s and continue to amplify in recent decade [3]. The major destinations of Nepalese migrant workers are Gulf States and Malaysia including India [4]. Majority of the Nepalese youth migrated to aboard for the purpose of employment [4]. Migrant workers in these destination countries are offered work permits for a specific duration [5], so migration to these destinations has tends to temporary and time specific. Majority of migrants workers return after the certain duration and stay or re-migrate. Nepal Migration Survey (NMS) data reported that about 735,000 were returnee migrants during the survey period [6]. So, return migration is prevailed in Nepalese context.

Evidences, based on global literature, suggest that migration is not only the relocate of human capital but also reassign of knowledge, skills, information, shared learning as well as capital between sending and destination countries [7, 8]. For destinations, departing migrants who

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previously contributed productive labor, paid taxes, or consumed social services can have a significant fiscal impact. For sending regions, returnees can replenish human capital lost through initial out-migration of skilled migrants, or can bring back financial capital needed to start a family business [9,10]. Evidences show that return migration is a key stimulating factors for the economic development particular to the self employment activities in the place of origin [11,12, 13, 14].

In the context of massive foreign migration and significant numbers of returnee migrants in Nepal, study about the situation of returnee migrants and their involvement in economic development is a key issue. By absorbing the theoretical agreement of migration and development relationship corresponding to the optimistic as well as New Economic of Labor Migration (NELM), to some extent, the returnee migrants and their saving income would be the beneficial to the long run period in the context of Nepal. In Nepal, several studies show the positive connection between migration and remittance to the national and household level but little concern about the returnee migrants. They earn and learn skills, knowledge and capital from aboard during their return which will be beneficial to the development of Nepal particular employment generation and self employment. Due to the significant number of returnee migrants in Nepal it is need to understand situation of returnee migrants. To this regard there are several question related to the returnee migrants such as: What is the occupational status of returnees? How they use their remittance and skills in their local communities? Whether they are engage in self employment or not? How does migration affect the occupational choice of returnees?

In this perspective, Chitwan district, where this research is focused, both internal and international migration phenomenon is highly prevailed [4]. There are several migration study were conducted in Chitwan but no specific study on return migration. Due to dearth of data on return migration as well as occupational status of returnees, researcher conduct a pilot study based on 19 respondents, selecting by convenience snow ball sampling, concerning to the returnee migrants and their occupational situations. The initial study shows that returnee migrants are engaged commercial farming like fish, poultry, cow and some of others are established grocery store. Similarly some of them were bought passenger bus for their business purpose and others were intended to re-migrate. This initial study suggests the some issues that need to investigate the employment situation of returnee migrants in Chitwan.

So, this paper explore the occupational situation of returnees and their self employment and entrepreneurial activity in Chitwan contrasting their situation with that prior to migration, and exploring the characteristics and overseas experience of returnees that engage in self employment activities.

Methods and materials

Study area

This paper is based on the research conduct in three VDC of Chitwan namely Fulbari, Gitanagr and Mangalpur which is now ward number 6 and 15- 22 of Bharatpur Metropolitan City

of Chitwan district. Bharatpur municipality is declared a Sub Metropolitan city in 2014 by reclassification of area included five adjacent VDCs [15] and metropolitan city in 2016 with merged Narayani Municipality, Chitrawan Municipality and Kabilas VDC. After the reclassification of area, Fulbari VDC is now ward number 19, Mangalpur VDC is relocate to ward number 15, 16, 17 and 18 ward of Bharatpur Metropolitan City. Similarly, Gitanagar VDC is now in ward number 6, 20, 21 and 22 of Bharatpur Metropolitan City. However the study area is now in the part of Bharatpur Metropolitan city, in this study, data were collected based on VDCs. The study area is linked to established road network to the major urban center of Bharatpur as well as in the rapid urbanizing process.

Sampling

This study has included two stage mix method of sampling design for the selection of the targeted respondents from Mangalpur, Fulbari and Gitanagar VDC. There were 8,847 HHs in the three VDCs [4]. In the first stage, three VDCs were selected purposively because these VDCs mostly prevalence the migration phenomenon among Chitwan district [4].

In the second stage one ward from each VDC (ward number 8, 5 and 7 from Fulbari, Gitanagar and Mangalpur respectively) were selected by simple random sampling. There were 1,652 HHs in selected wards. After the selection of wards, complete HHs screening procedures was applied to list out the information of returnee migrants. The following criterions were applied to select the required samples. HHs that had at least one family member returns from aboard, stay aboard more than one year, returned during the six months to five years preceding the survey period from their last destination countries where they returned.

Table 1 Sampling frame for selection of sample

Cluster	Wards	No of HHs listed in survey*	Number of HHs had at least one Returnee Migrant	Number of Re-turnee Migrant in HHs	Number of Re-pondents from Selected HHs
Fulbari	8	178	31	35	28
Mangalpur	5	802	152	161	123
Geetanagar	7	672	107	114	92
Total		1,652	290	310	243

*HHs listed by researcher

After these criterions, 310 people were found returnee migrants among 1,652 HHs. Among of those returnee migrants, 243 respondents were successfully interviewed in the survey whereas 67 respondents were not accessible due to their temporary absence from the HHs. So, 243 respondents were selected as sample in the study.

Research instruments

A structured questionnaire was prepared to collect the data from the survey. There were two set of structural questionnaire used in the survey that includes the HHs screening form and main questionnaire form. First form screened the targeted HHs that had at least one returnee

migrant by complete enumeration by asking these questions to the HH member. Have any family members ever returned from aboard in your HH? Is s/he is in living in the HH? If yes, who are they? When s/he returned from aboard? How many year s/he stay in the aboard? After screening the HHs, second form was used to collect the required information of returnee migrants. Field works for data collection were conducted during the 3 weeks period from May 26 to June 17, 2015.

Variables

Self employment is dependent variable in this research. There are various measures to identify the employment status of the respondents. In the questionnaire, four major questions are asked to the respondent to identify the employment status and occupations. At first, self employment status of the selected respondents are identified whether they were employed or not. The employment status is made binary, if they are employed denoted by 1 and otherwise 0. Among of the employed respondents, employment statuses are categorized (based on the operational definitions) as: employers, employees self employed, and unemployed. Finally, employment status were made binary as 1=self employment (employers and self employed) otherwise 0. The explanatory variables includes age, sex, and marital status, education, last destination country, current occupational satisfaction, occupation prior to migration, pre-migration occupation, plan to remigration.

Data Analysis

Collected data were process by edited and coded of questionnaire for the purpose of computer entry. Clean data were entered to the EpiData 3.1 software and converted to the SPSS/PC (V20) system file to analyze the data. Descriptive statistic such as frequency distribution, mean, cross tabulation, chi-square test were used and binary logistic regression model examined the prevalence of self employment of returnees and its relation to exploratory variables.

Results

The result section presented as three parts with initially describe the prevalence of returnee migration in the study area and occupational status whether self employed or not, the second section describe the relationship between independent variables and involvement of self employment of returnee migrants. The final parts examine the determinants of self employment activates of returnee migrants with logistic regression models.

Prevalence of returnee migrants and occupational status of returnee

Out of the 1,652 HHs, 290 HHs has at least one returnee migrants in the study area. The prevalence of return migration was 17.5 per cent. Among the 290 HHs, there were 310 returnee migrants reported by the HHs members in the survey. Among 310 total returnees, 243 respondents were available and interviewed in the survey, which is about 78 per cent of total returnee migrants. Out of total respondents about 36 per cent of the returnee migrants were engaged in self employment activities. Among of the self employed, they engaged in the verities of work like own account business, commercial farming, operates family business etc.

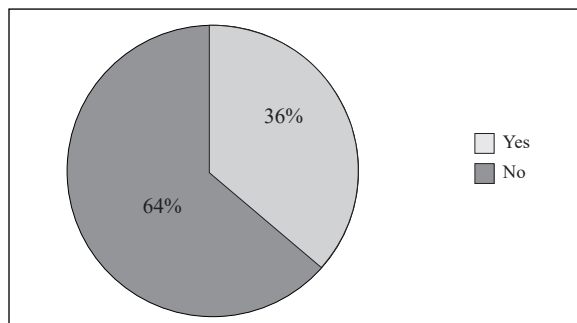


Figure 1 Percentage distribution of self employment of returnee migrants in study area

Individual characteristics and self employment of returnee migrants

The bivariate analysis of individual characteristics (age, sex, marital status and education) and engaged in self employment presented in table 2. The results indicate that returnee migrants that involved in self employment were different by age group of returnees. The results indicate that majority of youth returnees (87.8 %) were not involved in self employment activities. About 42 per cent adult returnee migrants involved in self employment activities. Participation on self employment activities of returnee migrants was statistically significance difference by age group among youths and adults. Participate in self employment of returnee migrants by sex, marital status and family structure was not statistically significance difference. Whereas returnee migrant's educational attainment was statistically significance difference to participation in self employment.

Similarly chi-square test examined the significance difference between participation in self employment and migration characteristics including country of returned, pre-migration occupation, satisfaction of current occupation and plan to re-migration. About half of the returnees were engaged in self employment those who returned from Gulf, Malaysia and developed countries.

Table 2 Association between self employment and individual variables of returnees, 2015

Variables	Categories	Self employment		Pvalue
		No	Yes	
		Number (%)	Number (%)	
Individual characteristics				
Age	<25	43 (87.8)	6 (12.2)	<0.001
	25 and above	112 (57.7)	82 (42.3)	
Sex	Male	118 (62.1)	72 (37.9)	0.302
	Female	37 (69.8)	16 (30.2)	
Marital status	Never married	70 (76.1)	22 (23.9)	0.002
	Ever married	85 (56.3)	66 (43.7)	
Education	Primary and below	43 (81.1)	10 (18.9)	0.009
	Secondary and SLC	60 (56.6)	46 (43.4)	
	+2 and higher	52 (61.3)	32 (38.1)	

Family Structure	Joint	87 (63.0)	48 (37.0)	0.811
	Nuclear	68 (64.6)	40 (35.4)	
Migration characteristics				
Country of returned	India	43 (78.2)	12 (21.8)	0.002
	Gulf & Malaysia	59 (54.6)	49 (45.4)	
	Developed Countries	15 (50.0)	15 (50.0)	
	Other Countries	38 (76.0)	12 (24.0)	
Pre-migration occupation	No	145 (73.6)	52 (26.3)	<0.001
	Yes	10 (21.7)	36 (78.3)	
Satisfaction of current occupation	No	104 (87.5)	14 (12.5)	<0.001
	Yes	51 (42.1)	74 (57.9)	
Plan to re-migrate	No	79 (53.7)	72 (46.3)	<0.001
	Yes	76 (81.4)	16 (18.6)	

p-value are of chi-square test

The results indicate that self employment of returnee migrants was statistically significance difference from their country of returned. Similarly, pre-migration occupation and satisfaction of current occupation were statistically significant to the categories of self employments. About 58 per cent of respondent those who were satisfied with their occupation engaged in self employment. Only 18.6 per cent returnees who have plan to remigration were self employed where as 46.3 per cent returnee those who have no plan to remigration were self employed. The chi-square p-value shows the statistically significance difference in self employed and plan to remigration.

Determinants of self employment of returnee migrants

This section attempted to determine the role of each selected independent variables in explaining the dependent variable. For reaching the conclusion, hypotheses are tested through logistic regression analysis. Thus an attempt is made in this section to determine the role of each selected independent variables (significant variables in bivariate analysis) in explaining the dependent variable, that is, participation on self employment of returnee migrants in the study area.

For this purpose, three different models were set in the study. Model 1 predicting the participation of self employment of returnee migrants based on individual characteristics, while the results in model 2 predicting the probability of engaged in self employment of returnee migrants based on migration characteristics. Finally, model 3 shows the aggregate effects of selected variables on the outcome variables of the research. For the model specification, current occupational satisfaction and pre-migration occupation are diagnosed as confounder variables in the model, so these variables are excluded in the model. The increasing value of chi square and -2LL in models suggest the goodness of model fit. The results are presented as β -coefficients and odds ratios (in parentheses) from multiple logistic regressions depicting the probability of various factors on participation on self employment. On the basis of multivariate logistic regression model, analysis of the result and hypotheses testing were discussed as follows. .

Involvement in self employment returnee migrant by age and education

Age categories based on youth (below 25) and adult has the significant effects on self employment of returnee migrants [16]. In the context of Nepal, majority of migrants are age 20-24 and among of them spend their youthful age in the aboard [4]. The average age of returnee is just under 30 and most likely to be married [19]. Youth, especially young returnee migrants, face unique constraints in starting new businesses due to limited resources, and limited life-work experiences [2]. Similarly level of education also positively associated to the involvement of self employment activities among the returnee migrants [4, 16]. In this situation youth intended to migrate again and they are unwilling to involve in self employment. Hence it is hypnotized that:

Hypothesis I: Adult returnee migrants are more likely to become self employment than youth returnee migrants.

Hypothesis II: Level of Education is positively associated to the participation on self employment of returnee migrants.

Table 3 Multiple logistic regression model predicting the likelihood of participation on self Employment of returnee migrants based on individual and migration characteristics, 2015 (n=243)

Variables	Models		
	1	2	3
Intercept	-3.576***	-2.196***	-4.477***
Individual Characteristics			
Age Group (Ref=age <25)			
Age (1=>25)	1.433(4.192)***	-	1.500(4.483)***
Education (Ref=<Sec.)			
Secondary +SLC	1.447(4.250)***	-	1.111(3.038)**
+2 and Higher	1.719(5.582)***	-	1.560(4.758)***
Migration Characteristics			
Destination (Ref=India)			
Gulf and Malaysia	-	1.058(2.881)***	0.937(2.645)**
Developed Countries	-	1.107(3.024)**	0.280(1.324)
Others Countries	-	0.191(1.211)	-0.175(0.840)
Plan to Re-migrate (1=No)	-	1.393(4.028)***	1.134(3.107)***
Chi Square	36.8	35.40	59.8
-2 Log Likelihood	281.316	282.754	298.276
Degree of Freedom	4	4	8
Nagelkerkel R Square	0.193	0.186	0.299

***=p<0.001, **=P<0.01, *=p<0.05. Figure in parenthesis are odd ratios

Based on the result of logistic regression model in table 3 in model 1 show that the returnee migrants age above 25 were about 4 times more likely (odd ratio= 4.192, $p < 0.001$) to engaged in self employment compare to age below 25. Correspondingly, model 1 (table 3) suggests that higher level education (both categories secondary to SLC and above SLC) was statistically significant on the process of being self employment than lower level education (below secondary).

The full model 3 in table 3 also revealed the same characteristic of model 1 although the magnitudes of the effect slightly decreased and statistically significant. The results were consistent when migration characteristics were controlled. The final model suggest that adults were four times (odd ratio= 4.483, $p < 0.001$, model 3) more likely to involved in self employment than those who are youth age below 25. Similarly, Returnee migrants those educational attainment between secondary to SLC were three times (odd ratio= 3.038, $p < 0.01$) and above SLC (+2 and higher) were about 4 times (odd ratio = 4.758, $p < 0.001$) more likely to engaged in self employment compare to educational attainment below secondary. On the basis of these findings (based on hypotheses I and II) it is concluded that adult returnee migrants are more likely to become self employment than youth returnee migrants. Similarly, the level of education was also positively associated to the participation on self employment of returnee migrants. Returnee migrants those educational attainments above secondary and higher level were more likely to engaged in self employment compare to educational attainment below secondary level.

Involvement in Self Employment of returnee migrant by returned country and re-migration plan

Empirical Study by Démurger and Xu [17] in China and Macroic and Waba [18] study in Egypt founds that saving and duration of stay in aboard increased the likelihood for returnee migrant to become self employed. In Nepal, based on World Bank [2] study, out of 2.5 billion in remittance from abroad, about half (US\$1.2 billion) comes from the Gulf countries. Similarly the amount of remittance a household receives depends on the destination of its migrant members. On average, households with a migrant in Gulf (NPR 163,000) and Malaysia (NPR 113,000) receive higher amount of annual remittance than India (NPR 62,000) [2]. So, earning of returnee migrants is differ from their destination countries. Hence it is hypnotized that:

Hypothesis III Returnee migrants who returned from Gulf and Malaysia are more likely to become self employed than those who return from India.

Literatures show the association between remigration plan and participation in self employment of returnee migrants. Those who intended to return again are less likely to participate in self employment activities in the place of origin [17, 18]. World Bank [19] descriptive study of Nepalese returnee migrants also revealed the same relation to the intention of migration again among the returnee migrants and participation in self employment. Nepalese returnee migrants those who switch occupations after migration are less likely to migrate again [19]. In the same

way, returnee migrants willing to migrate again are less likely to involve in self employment activities because they think they will migrate again in the near future. Hence it is hypnotized that:

Hypothesis IV Returnee migrants who have no plan migrate again are more likely to become self employed than those who willing to migrate again.

Among the migration characteristics, country of returned and making plan to remigration significantly contributed to the participation of self employment. Returnee migrants those who were come back from Gulf and Malaysia are about three times (odd ratio=2.881; $p<0.001$; model 2) more likely to being self employed than those returned from India. Similarly this relation is true for those returned from developed countries.

By controlling the effects of individual variables in the model 3, the result being self employment slightly change but significant ($p<0.001$ in model 2 and $p<0.05$ in model 3) for Gulf and Malaysian returnees and statistically insignificant for developed countries' returnees. The logistic regression model suggest that Gulf and Malaysian returnees were about 3 times (odd ratio=2.645, $p<0.01$) more likely to self employed than Indian returnees. Such relation is equally true in full model but decreased the probability being self employed. Similarly, returned from other countries is not statistically significant in models.

The odd of being self employed in model 2 was 4 times higher for those who were not willing compare with willing for remigration. From model 3, it was shown that returnee migrant those who are not eager to migration again are about three (odd ratio=3.107, $p<0.001$) times more likely to settle their own business for livelihood than those wants to go abroad once more. Hence we have to accept hypotheses IV. and concluded that returnees those who have no plan to return again are more likely to become self employed than those willing to migrate again. On the basis of these findings, as expected, the amount of receive remittance and earning of returnee migrants were higher from Gulf and Malaysia than India, so, those who returned from Gulf and Malaysian returnee are more likely to engaged in self employment activities than Indian returnees.

Conclusion

In conclusion adults are more likely to have self employment those who were returned from Gulf and Malaysia and have no plan to return again are more likely to participate in self employment activities. Results also suggest that that earning and savings affect the likelihood for returnees becoming self employed because Gulf and Malaysian returnees earn more than Indian returnees. The results of this paper support the theoretical argument of NELM in the context of study area.

On the basis of literature as well as the evidence of migration in Nepal, majority of the absent population were youth, so they return to the specific duration after their stay in aboard and they either engaged in self employment activities or re-migrated or involved in other activities

for their livelihood. So migrants spent their youthful time in aboard and returned after some years stay in aboard. World Bank [2] analysis of Nepal Institute of Development Studies [NIDS] 2009, migration data shows young returnees is more likely to migrate again. Similarly, education is the major determinant for the participation on professional activities. Level of education of individual is positively associated to switching better jobs in Nepal [2]. The findings of this research support the findings of World Bank study.

This study sheds light on a very important policy issue for Nepal particular to the economic development and participation in self employment or entrepreneurs activities of returnee migrants depends on country of return and their earning during the migration period. Thus, policies focusing on those returnee migrants are paramount for the development entrepreneur's activities in the study area.

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