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## WHAT DRIVES EARNINGS OF RETURN MIGRANTS? EVIDENCE FROM LATVIA

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**Abstract.** Since the beginning of the 21st century, Latvia has lost to emigration 12% of its population. Facilitating return migration is one of the ways to minimize negative economic and social consequences of emigration in Latvia and other sending countries. According to survey of return migrants, detailed information on employment possibilities and earnings in Latvia targeted on emigrants has a potential to increase return migration. This paper analyzes determinants of earnings of return migrants using very rich information on jobs and earnings in Latvia, as well as foreign experience of more than 1000 returnees surveyed in 2016. After controlling for personal characteristics and hours worked, we find significant and sizable positive effects on returnees' earnings at the main job for various components of specific human capital accumulated abroad: duration of work abroad in particular sector and occupation; any knowledge acquired abroad which is used at the job in Latvia; foreign experience in occupation related to one's education or qualification; specific skills which make the respondent a difficult-to-replace employee at his workplace. These results hold true also after controlling for a rich set of job characteristics. By contrast, general experience accumulated abroad (proxied by duration of stay abroad) positively affects earnings in Latvia only for those return migrants who have completed abroad (in EU or OECD country) some tertiary education. Higher education obtained abroad (in EU or OECD) is shown to positively affect post-returning earnings also through number of other channels.

**Key words:** *return migrants, earnings, foreign experience, specific experience, general experience*

**JEL codes:** F22, J24, J31

### Introduction

Since the beginning of the 21st century, Latvia has lost to emigration 12% of its population (Hazans, 2016a, 2017). Facilitating return migration is one of the ways to minimize negative economic and social consequences of emigration in Latvia and other sending countries. The positive effect of return migration might materialise through different channels. First, return migration partly compensates decrease of population and demographic potential of the sending country caused by emigration. Second, if returnees are successfully integrated in the labour market, return migration mitigates loss of labour force (and hence the productive potential) caused by emigration. Third, it is well documented in the literature that in many cases foreign experience enhance returnees' human and social capital, which make them, on average, more productive than stayers and/or more likely to become entrepreneurs or innovators. This latter effect is known as *brain gain* or *brain circulation* effect (Hazans 2008, 2013, 2016c, 2017b; Wahba 2015a, 2015b; Wahba & Zenou 2012; Ambrosini et al. 2015; Kureková & Žilinčiková 2016; Masso et al 2016; Bensassi & Jabbour 2017 among others). This latter effect is known as *brain gain* or *brain circulation* effect (Beine et al 2008, Mayr and Peri 2009, Wahba 2015b, Zaiceva & Zimmermann 2016, among others).

One method to identify and measure the brain gain effect is to look at earnings of employed return migrants. If returnees earn, on average, more than otherwise similar employees without foreign experience, this suggests that foreign experience has a positive impact on productivity (see Barrett A. & O'Connell 2001; De Coulon & Piracha 2005; Hazans 2008, 2013, 2016c, 2017b; Ambrosini et al 2015; Wahba 2015a; Kureková & Žilinčiková 2016 for empirical evidence <sup>1</sup>).

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<sup>1</sup> Kureková & Žilinčiková (2016) use reservation wages rather than at actual earnings.

However, an in-depth analysis is needed to disentangle this impact from a possible positive selection of emigrants and to prove that there is indeed a causal relationship (Hazans 2008; Ambrosini et al. 2015; Wahba 2015a). Moreover, the value of foreign experience might vary substantially across demographic or skill groups or across destination countries; it might be even negative for some groups (Barrett A. & O'Connell 2001; Hazans 2008; Masso et al 2014; Wahba 2015a; Kureková & Žilinčíková 2016).

Previous literature has studied the returns to foreign experience either in the context of earnings of immigrants in highly developed countries (Akee & Mutlu 2008; Chiswick & Miller 2005, 2009; Cousineau & Boudarbat 2009, Dean 2010 among others) or in the context of earnings premium (or penalty) commanded by returnees (see references in the previous paragraph), while estimates of the impact of various components of foreign experience on earnings of return migrant have been, to our best knowledge, absent (plausibly, due to data limitations).

The aim of this study is to shed light on the relationship between earnings of return migrants and different dimensions of their foreign experience, including total time spent abroad; the last destination country and time spent there; duration of work abroad in particular sector or occupation; quality of job - qualification match in the last job abroad. For this purpose we use a very rich information on jobs and earnings in Latvia, as well as foreign experience of more than 1000 returnees surveyed in 2016. Thus the theoretical contribution of the paper is new evidence on the value of foreign experience. The paper provides also contribution to diaspora policy-making: According to survey of return migrants, detailed information on employment possibilities and earnings of return migrants in Latvia targeted on emigrants has a potential to increase return migration (Hazans 2016c).

## **1. Data: Return Migrant Survey**

The paper employs data of survey of return migrants conducted in Latvia in November-December 2016. In the literature (see Zaiceva and Zimmerman 2016; Hazans 2016c; Kureková & Žilinčíková 2016) it is well-established that traditional quantitative methods of sociology (based on random population or household samples) are not efficient in studying return migrants. This is because in a given country return migrants constitute a relatively small group which nevertheless could be very heterogeneous in terms of socioeconomic status and foreign experience. Such a group requires a sufficiently large sample - at least 1000 return migrants for which detailed information is available. It would be too costly within the framework of traditional methods. Therefore the survey of return migrants in Latvia was organized as online survey supported by social media, several news portals and the most popular job-search portal. Note that Masso et al (2014) and Kureková & Žilinčíková (2016) also rely on web surveys data for studying return migration.

The following channels have been used to attract respondents:

- (i) social media portal Draugiem.lv sent a banner with a request to participate in the survey to users which have for a long time used to login into their profiles from abroad but then switched to logging from Latvia;
- (ii) job-search portal CV-Online has invited its users to take part in the survey;
- (iii) information about the survey and links to the questionnaires (available in Latvian and Russian languages) have been posted by a number of news portals, including the Latvian and Russian versions of the most popular in Latvia news portal DELFI, as well as Baltcom radio, portals mixnews.lv and press.lv, the University of Latvia website, websites of several emigrants' organisations, etc.

According to the literature (see Zaiceva and Zimmerman 2016), most studies of return migration use either ten-year or five-year reference period for identifying foreign experience. The group of primary interest in our study consist of migrants who returned to Latvia during and after the crisis, i.e. in 2008-2016; this nine-year reference period is in line with studies which have used a ten-year period. However, during the data collection stage we adopted a more inclusive

(at no cost) approach, covering all respondents aged 18+ who were born in Latvia and at least once since year 2000 lived or worked abroad for a period of 3 month or more. In fact, 98.4% of the working sample are aged 18-64 and 94% used in this paper appear to have spent at least 12 months in their last destination country.

The Return Migrants Survey (RMS hereafter; see Hazans 2016c for details) was available for 25 days and attracted 3055 respondents aged 18 to 64, of which 1812 have delivered fully or almost fully completed questionnaires. For the analysis in this paper, we exclude about 200 transnationals which "live both in Latvia and abroad" and "have not in fact returned", as well as 93 pre-crisis returnees, reducing the working sample to 1523 return migrants.

Given non-random selection, we assess representativity of the RMS sample by comparing its composition with that of *the reference group* - a representative sample of return migrants identified in the 2009-2015 datasets of the Latvian Labour Force Survey (LFS hereafter). Such a comparison is complicated by changes in the profile of returnees' population between their return and the time when RMS was conducted (information in the LFS refers to the one-year period after return). Two processes which change the profile of returnees' population are repeated emigration of returnees and their participation in formal education after return. Given that young returnees and (recently) non-Latvians are more likely to emigrate (Hazans 2016a, 2016b), and that returnees without completed tertiary (or secondary) education can complete it after return, one can expect that the shares of the youth, non-Latvians and persons without tertiary education in the RMS sample are smaller than in the LFS samples for comparable years, and that the differences tend to increase with the time elapsed since return.

Non-weighted RMS data in Table 1 confirm these expectations; moreover, males seem to be under-represented in the RMS (this is a common problem in self-administered surveys). The weights in the RMS data (used in the shaded columns of the RMS part of Table 1) have been developed to match the gender, age and ethnicity distribution of the migrants which returned to Latvia in 2013-2016 with that of returnees found in 2014-2015 datasets of the LFS (they returned in 2013-2015), while the share of the tertiary-educated have been left by 5 points higher to account for post-return education. Note that 2013-2016 returnees account for 80% of the RMS sample. The same weighting rules have been applied also to returnees of 2008-2012 - given large time lag, no extra effort has been applied to match their profile with the respective profile in found in LFS 2009-2013; comparison of the two light-grey columns in Table 1 reveals, however, almost perfect match in gender distribution and acceptable match in age and ethnic distribution; expectedly, RMS features lower shares of youth and minorities but substantially higher share of tertiary-educated.

Table 1

**Demographic profile of return migrants: Return Migrant Survey vs LFS**

		Return Migrants Survey 2016, by time of returning					
		Labour Force Survey		2008-2012		2013-2016	
		2009-2013	2014-2015	Non-weighted	Weighted	Non-weighted	Weighted
Gender	Men	63.0	51.6	50.7	61.8	41.4	51.1
	Women	37.0	48.4	49.3	38.2	58.6	48.9
Age of return	18-24	19.7	23.1	24.0	24.7	20.4	23.6
	25-34	44.7	40.7	47.7	43.6	44.1	42.8
	35-44	19.7	18.7	14.0	17.7	18.1	17.9
	45-64	15.9	17.6	14.3	14.0	17.4	15.7
Ethnicity	Latvian	61.2	68.0	79.2	65.7	82.2	69.3
	Other	38.8	32.0	20.8	34.3	17.8	30.7
Education	Tertiary	20.1	25.1	67.9	47.9	49.7	30.6
	Other	79.9	74.9	32.1	52.1	50.3	69.4
N obs		569	282	308	308	1215	1215

Notes: Unlike Table 1 in Hazans (2016c), RMS data here exclude transnationals. Source: Calculations with LFS and RMS microdata.

Overall, we conclude that weighted RMS data can be considered representative of the returnees' population.

## 2. Methodology

We apply the traditional method of estimating the Mincerian earnings equations with dependent variable being monthly earnings at the main job (in the home country, i.e. Latvia) during the survey. However, we amend the commonly used determinants of earnings with characteristics of foreign experience and some factors closely related to both returnees' foreign experience and their current jobs in Latvia (Table 2).

Table 2

**Control variables used as determinants of (log) monthly earnings at the main job**

<i>General foreign experience</i>	<i>Specific foreign experience</i>	<i>Other factors related to foreign experience</i>
<i>Host</i> : Last destination country (5 categories)	<i>Exp_spec_ab</i> : Duration of work abroad in particular sector and occupation, years	<i>Dur_home</i> : Time spent in the home country after returning, years
<i>N_hosts</i> : Number of foreign countries where lived for 3+ months (4 categories)	<i>Match_ab</i> : Job - qualification match in the last job abroad	<i>Reas_job</i> : Return triggered by a job offer or business plans in Latvia
<i>Dur_host</i> : Time spent in the last destination country, years <i>Dur_ab</i> : Total time spent abroad, years	<i>Uniq_ab</i> : Unique or scarce job-related skills obtained abroad	<i>Use</i> : To what extent knowledge acquired abroad is used at the workplace
	<i>Edu_ab</i> : Tertiary education at least partly completed abroad	In <b>Specification 2</b> only: <i>Foreign_own</i> : Current employer is a foreign-owned (at least in part) firm <i>HQ_entry</i> : The country of headquarters of the current employer or its mother firm (3 categories) <i>Match_home</i> : Job - qualification match in the current job
<b>Other controls</b>		
<b>Specification 1</b> : Education (5 categories); Gender (in pooled models); Age and its square; Latvian, Russian and English language skills (3 categories each); # Hours usually worked per week (main job); Tenure; Type of settlement of the main job (4 categories); Self-employed; Working student.		
<b>Specification 2 (in addition to Specification 1)</b> : Industry (13 categories); Firm size (7categories); Supervisory responsibilities; Type of contract or employment relationship (4 categories).		

*Notes: Only one of the variables Dur\_host, Dur\_ab, Exp\_spec is used in any specification. Source: Author's compilation*

We estimate two specifications of the earnings equations. Specification 1 does not control for the characteristics of the post-return job (industry, firm size, contract type, supervisory responsibilities, as well as variables *Match\_home*, *For\_cap* and *HQ\_entry* described in Table 2). This way, the effects of foreign experience variables in Specification 1 reflect not only the productivity gains but also better access to "good jobs". Specification 2 controls for the above-mentioned characteristics of the post-return job; hence, it measures only within-job returns to foreign experience. The difference between effects of the same experience variable between Specifications 1 and 2 can be attributed to the access effects. Combining each of these specifications with three measures (one at a time) of foreign experience (*Dur\_host*, *Dur\_ab*, and *Exp\_spec\_ab*, see Table 2) gives 6 models for the pooled men/women sample. We report below only 4 of those models because the results with *Dur\_ab* are very similar to those with *Dur\_host*. Out of 1523 respondents in the working sample 1052 (or 69%) were employed. Due to missing data for some of the variables, number of observations for the earnings equations is 1000 or 1002 for specifications with general foreign experience and 839 for specifications with specific foreign experience.

### 3. Results

According to estimation results reported in Table 3 (col. [1], [2]), *the "amount" of general foreign experience, expressed as total time spent in the last destination country (variable  $Dur\_host$  in Table 2), does not have a significant effect on returnees' earnings* - disregarding which of the two specifications (without or with current job attributes) is used. This conclusion does not change if the earnings equation is quadratic (rather than linear) in  $Dur\_host$  or includes  $Dur\_host$  in non-parametric way (as categorical variable); these results are not reported to save space. Moreover, *total time spent abroad also does not have a significant effect on returnees' earnings* (Table 3, col. [3]). However, *among return migrants who have completed some tertiary education abroad (in EU or OECD country), total duration of stay abroad positively affects earnings*: an extra year of overseas duration raises earnings by 2.6%, all else equal (Table 3, col. [6]).

*Returnees whose last destination was Ireland (respectively, some non-English speaking EU/EFTA country) earn, on average, by about 15% (respectively, 8%) more than those who returned from the UK, other things equal* (the differential varies by model specification, see Table 3, col. [1]-[5]<sup>2</sup>).

By contrast with the general experience, *the "amount" of specific foreign experience, measured as duration of work abroad in particular sector or occupation, has in most cases a strong positive effect on returnees' earnings* (Table 3, col. [4], [5]). The estimated relationship is in fact inverse U-shaped, with earnings maximum at about 8 years. However, for 93% or respondents specific foreign experience does not exceed 8 years, so they are in the upward-sloping part of the inverse U. In fact, the average marginal effect of the specific foreign experience is 0.0235 (s.e. 0.0105), implying that *on average an extra year of such experience raises earnings by 2.4%, other things equal*.

However, not any specific foreign experience is good for earnings: other things equal, *those who were overqualified for their last job abroad* (which was the case for 38% of respondents) *earn in their current main job, on average, by about 13% less than those whose last job abroad matched well their qualification and/or experience at that time*.

One in four employed returnees reported *unique or scarce job-related skills acquired (completely or in part) abroad*. Other things equal, they earn by about 14% more than returnees without such skills (Table 3, col. [1] -[5]). Among graduates of foreign universities the earnings premium for unique or scarce skills acquired abroad reaches 24% (Table 3, col. [6]). Note that the premium for unique or scarce skills is even larger for those returnees who acquired such skills only in Latvia, but this is a much smaller group (just 6% in our sample).

Next we turn to the effects of factors related to both returnees' foreign experience and their current jobs in Latvia. First, the time spent in Latvia after returning (2.2 years on average, varying from 0 to 8 years) has positive but only weakly significant effect on current earnings in specifications without current job attributes and with general (rather than specific) foreign experience (Table 3, col. [1], [3] and [6]). This effect, however, becomes significant (with p-value 0.012) and sizeable (2.4% per year) when tenure at the current employer is dropped from the model (this specification is not shown in Table 3). One can conclude that there are two (more or less obvious) channels through which time spent in Latvia after returning affects earnings: longer time helps to find better jobs but also is associated with longer tenures.

About one-third of employed returnees report that they "to a very large extent" or "to a large extent" *use knowledge acquired abroad at the current job*. However, only half of them (the former group of course) enjoy earnings premium (13% to 17% depending on specification) compared to returnees which do not use knowledge acquired abroad (Table 3, col. [1] -[5]). This earnings premium is larger (26%) among returnees who have completed some tertiary education in a foreign EU or OECD country (Table 3, col. [6]).

<sup>2</sup> Coefficients reported in Table 3 can be interpreted as earnings differentials (premiums or penalties) in log points. The text refers to differentials in per cent, which are obtained from coefficients  $b$  as  $e^b - 1$ , e.g.  $e^{0.129} - 1 = 0.138 = 13.8\%$ .

Table 3

Estimated effects of foreign experience on (log) earnings of return migrants in Latvia

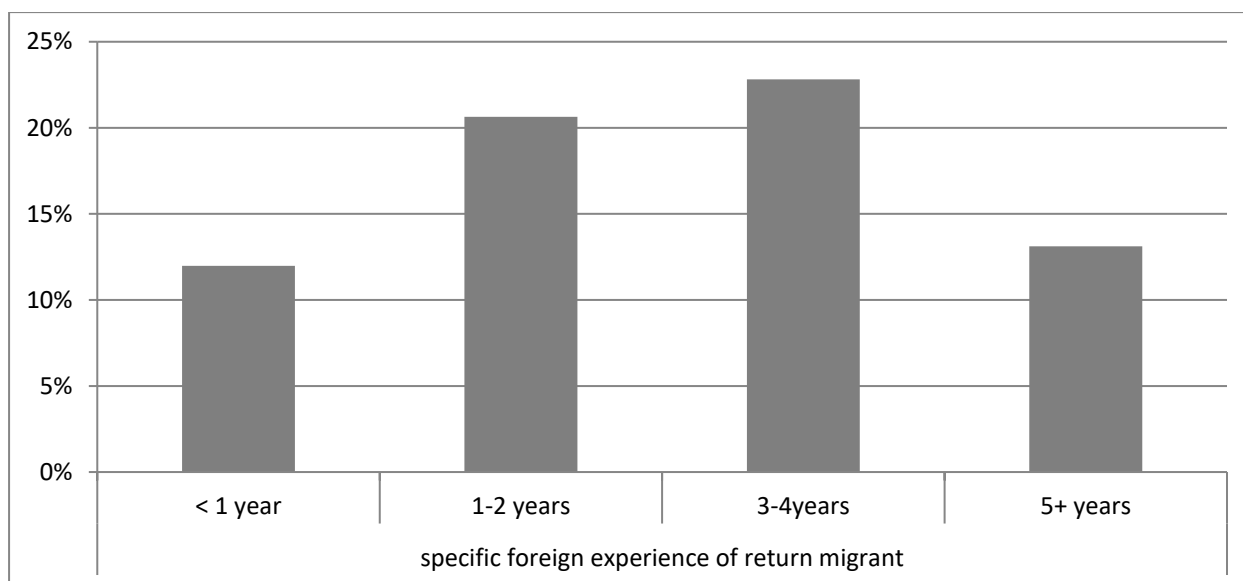
	Means	[1]	[2]	[3]	[4]	[5]	[6]
Variables		M1	M2	M1	M1	M2	M1
<b>General foreign experience</b>							
<i>Last host country (vs. UK)</i>							
Ireland	0.111	0.119*	0.129**	0.118*	0.161**	0.162***	0.187
EU/EFTA other	0.296	0.075*	0.050	0.077*	0.084*	0.069*	0.056
OECD other	0.032	0.060	-0.010	0.059	0.004	-0.082	-0.078
Rest of the World	0.033	0.006	-0.023	0.009	0.039	0.027	X
<i># of host countries (vs. 1)</i>							
2	0.422	-0.012	-0.005	-0.012	-0.046	-0.034	
3	0.128	0.123**	0.135***	0.122**	0.150**	0.147***	
4+	0.076	-0.146*	-0.102	-0.133	-0.085	-0.066	
<i>Dur_host</i>	4.397	-0.005	-0.003				
<i>Dur_ab</i>	4.727			-0.003			0.026*
<b>Specific foreign experience</b>							
<i>Exp_spec_ab</i>	3.843				0.041*	0.043**	
<i>Exp_spec_ab squared</i>	23.90				-0.003	-0.003(*)	
<i>Was overqualified for the last job abroad</i>							
Yes	0.382	-0.137***	-0.117***	-0.136***	-0.146***	-0.113***	-0.045
Not sure	0.202	-0.101**	-0.086*	-0.100**	-0.095	-0.074	-0.116
<i>Unique or scarce job-related skills (vs. No)</i>							
Yes, acquired (only or partly) abroad	0.248	0.137***	0.135***	0.139***	0.133***	0.124***	0.217**
Yes, acquired only in Latvia	0.060	0.231**	0.188**	0.236***	0.262***	0.214**	0.248
<i>Tertiary edu. abroad</i>	0.122	0.069	0.031	0.068	0.059	0.003	X
<b>Other effects related to foreign experience</b>							
<i>Dur_home</i>	2.196	0.017(*)	0.003	0.017*	0.015	0.003	0.041*
<i>Use of knowledge acquired abroad at the current job (vs. No)</i>							
To a very large extent	0.167	0.159***	0.136**	0.159***	0.123*	0.117*	0.235**
To a large extent	0.173	0.056	-0.015	0.058	0.011	-0.032	0.170
<i>Return due to a job offer or business plan in Latvia</i>							
Yes	0.155	0.192***	0.136**	0.190***	0.171***	0.122**	0.154*
<i>Current employer foreign-owned</i>	0.293		0.103**			0.110**	
<i>Current employer - headquarters' country (vs. Baltic countries)</i>							
other EU or OECD	0.133		0.164***			0.168***	
<i>Overqualified for the current job in Latvia</i>							
Yes	0.252		-0.153***			-0.174***	
Not sure	0.067		-0.171*			-0.192**	
N		1000	1000	1002	839	839	162
R-squared		0.407	0.504	0.406	0.407	0.506	0.582

Notes: See Table 2 for definitions of variables *Dur\_host*, *Dur\_ab*, *Exp\_spec\_ab*, *Dur\_home*. Other controls - see Table 2 (Specifications 1 and 2 for models marked M1 and M2 in Table 3). Means refer to the sample with 1000 obs., except for *Exp\_spec\_ab* (N= 839). Empty cells refer to omitted variables. "X" in col. [6] indicates variables which are constant (and hence dropped) in the respective subsample: all respondents have *Edu\_ab*=1 and host countries in EU/EFTA or OECD. Legend: (\*) -  $p < 0.13$ ; \* -  $p < 0.10$ ; \*\* -  $p < 0.05$ ; \*\*\* -  $p < 0.01$ , based on robust standard errors. Source: Calculation with RMS data.

Returnees whose return was triggered by a job offer or business plans in Latvia earn, on average, by about 14% more than other returnees, all else equal (Table 3, col. [2] and [5]); this differential increases to about 20% in specifications without detailed job characteristics (Table 3, col. [1], [3], [4]). This difference between Specifications 1 and 2 (though not statistically significant) signals an access-related effect: it is highly plausible that a good job offer improves one's chances to end up with a decent job.

Returnees whose current employer is a foreign-owned firm earn, on average, by about 11% more than other returnees, all else equal. On top of this, returnees whose employer is a firm with headquarters (or mother enterprise) in another (non-Baltic) EU or OECD country earn by 18% more (other things equal) than those with headquarters in one of the Baltic countries. Together these two effects give a 32% earnings advantage to returnees working for a firm of non-Baltic EU or OECD origin.

The "foreign employer" effects are related to foreign experience via two channels. First, there is an access effect: the largest incidence of a foreign employer in general, as well as the largest incidence of an employer with headquarter in a non-Baltic EU or OECD country is found among those with 1 to 4 years of specific foreign experience (Fig.1); the difference with other returnees is statistically significant at 5% level (this holds true also after controlling for gender, education, age and language skills). Furthermore, one can expect a positive interaction effect between specific foreign experience and working for a firm of non-Baltic EU or OECD origin (indeed such effect is found in a model with interaction, which is not reported here to save space).



Source: Calculation with RMS data. Base: post-crisis return migrants, excl. those who have not answered this question (N=692).

**Fig. 1. Proportion of return migrants employed in Latvia by a firm with headquarters in a non-Baltic EU or OECD country vs. specific foreign experience**

Those return migrants who are overqualified for their current job in Latvia, as well as those who are not sure whether their job matches their qualification, earn by 16% to 18% less than other returnees, all else equal (Table 3). This category accounts for almost one-third of employed returnees. Half of this group were overqualified also for their last job abroad, and almost a quarter found it difficult to answer whether their last job abroad matched their qualification. Thus, for three out of four overqualified returnees poor job match in Latvia is likely to be related to (if not caused by) professional downshifting (a.k.a. *downskilling*) experienced abroad.

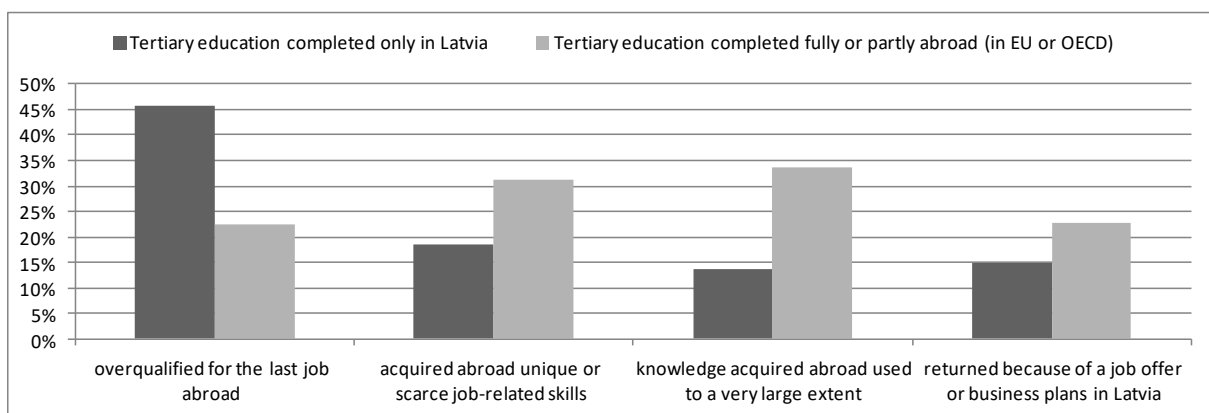
Tertiary education completed abroad (*Edu\_ab*) does not appear in our models as having a significant positive effect on post-returning earnings (Table 3, col. [1]-[5]), but such a conclusion would be misleading. One reason is that *Edu\_ab*



enters models in addition to detailed control for education level (distinguishing between two-year college, Bachelors and Masters degrees). Furthermore, as documented above, returnees with tertiary education completed abroad enjoy larger earnings premium for use of knowledge acquired abroad at the current job. Finally, as shown in Fig. 2, graduates of foreign universities (in EU or OECD countries), compared to return migrants who completed tertiary education only in Latvia,

- are less likely to be overqualified for their last job abroad
- are more likely to acquire abroad unique or scarce job-related skills
- are more likely to a very large extent use knowledge acquired abroad at the current job
- are more likely to return because of a job offer or business plans in Latvia

In other words, tertiary education completed abroad has a positive effect on post-returning earnings through above mentioned (and, plausibly, other) channels .



Source: Calculation with RMS data. Base: post-crisis return migrants with tertiary education (N=815).

**Fig. 2. Mean values of selected determinants of post-returning earnings among high-educated returnees, by country of completing higher education**

## Conclusions

This paper employs a recent survey of return migrants to study the impact of various components of foreign experience on earnings of return migrant in Latvia. After controlling for personal characteristics and hours worked, we find significant and sizable positive effects on returnees' earnings at the main job for various components of specific human capital accumulated abroad: duration of work abroad in particular sector and occupation; any knowledge acquired abroad which is used at the job in Latvia; foreign experience in occupation related to one's education or qualification; specific skills which make the respondent a difficult-to-replace employee at his workplace. These results hold true also after controlling for a rich set of job characteristics.

Unlike specific experience, amount of general experience accumulated abroad (proxied by duration of stay abroad or in the last host country) is not found to have a significant effect on earnings as long as the whole population of returnees is considered. However, among return migrants who have completed some tertiary education abroad (in EU or OECD country), total duration of stay abroad positively affects earnings, mainly via better access to well-paid jobs.

Previous literature has studied the returns to foreign experience either in the context of earnings of immigrants in highly developed countries or in the context of earnings premium (or penalty) commanded by returnees, while estimates of the impact of various components of foreign experience on earnings of return migrant have been, to our best knowledge, absent. Our paper fills this gap in the literature. The paper has also policy relevant implications because, according to

survey of return migrants, detailed information on employment possibilities and earnings in the home country has a potential to increase return migration.

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