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The Algerian Migrants And The Financial Crisis 2008, Stay in The Host Country Or Returning Home?

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Summary :

The financial crisis which struck the world economy in 2008 had a significant impact on the international migration, especially in the countries which have witnessed a decline in their economies. The Algerian migrants were also affected by this crisis in varying degrees concerning more precisely the economic sectors, knowing that there were sectors which were affected more like construction and industry comparing to other sectors like health and education. This paper looks at return migration to Algeria because of this crisis, based on the analysis of 200 questionnaires gathered from the Algerian migrants. After analyzing the DATA statistically using SPSSV23, we found that the situation in the home country had an impact on their decision to return but most of the respondents who were impacted by this crisis preferred returning home rather than changing the geographical destination.

Key words: Financial crisis 2008, International migration, Economic sectors, Algerian migrants, Return migration.

JEL Classification: F20,F22, G01.

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Introduction:

The financial crisis 2008 has led to a serious slowdown in world economy, there is no question that this crisis was impacting the international migration in both receiving and sending countries, and also the situation of migrants in labour market especially those who work in sectors which were more vulnerable to the economic cycle such as construction, services, hostelries, they are more likely to lose their jobs. Linked to the issue of rising unemployment among both natives and migrants population is the question of the return migration.

The study of the Algerians' migration is in a small number and the main cause is the lack of data base regarding this issue, few studies speak about crisis, most of them deal with the subject of the return migration try to study the link between the return and their reintegration in the home country, So our paper aims at exploring the impact of the financial crisis 2008 on the decision of Algerian migrants to return because of this crisis.

For providing a profile of migrants we use data from online survey. The data base contains a variety of information of Algerian migrants worldwide including individual characteristics of the migrants, region of origin, destination and educational attainment.

Problem research:

The issue of the return migration of Algerian migrants has not been sufficiently addressed, the recent study was achieved among the project of MIREM which aimed to analyze the impact of the return migration on the development in North African sources countries (Algeria, Morocco and Tunisia) (**Flaure Gubert, 2008**) , our contribution to the existing literature is underpinned by the new data generated through the online survey on Algerian migrants that we have conducted between October 2016 to February 2017, in the context of economic crisis. The data base contains a variety of information on Algerian migrants worldwide including their intention to return home. So we will answer the following question:

- Did the financial crisis 2008 increase the likelihood of Algerian migrants returning to their country of origin as a result of unemployment?

- **Research Questions:**

This study aims to examine the impact of the financial crisis on the Algerian migrants in the labour market, by comparing the sectors which were affected more by this crisis, and it aims to analyze the impact of the decision of the geographic mobility in the base that people go where jobs are, based on observations of our questionnaire, so our study seeks to answer the following sub-questions:

1- Did the financial crisis have an impact on Algerian migrants?
2- How did the financial crisis of 2008 affect the Algerian migrants in the labour market?
3- What are the sectors which were more affected by the financial crisis 2008?
4- Was the return migration a force choice of mobility for the Algerian migrants which were affected by this crisis?

Objectives of the Study:

The study aimed to achieve a number of objectives notably:

- To identify the impact of the financial crisis 2008 on the situation of the Algerian migrants in the labour market;

- To study the possibility of return migration by the Algerians who were more affected by the financial crisis.

Methodology:

Considering the nature of the above research questions; a mixed method approach is undertaken, a quantitative approach was used to address the questions by using a descriptive and analytical research method to identify and obtain information on the characteristics of the phenomenon studied. The analytical to test the hypotheses in this study were performed using SPSS v23.

Hypotheses:

To answer the already stated research problem, hypotheses have been set forwards as the following:

- The financial crisis 2008 had an impact on the most of the Algerian migrants in the labour market
- There is a statistically significant difference between the sectors in term of vulnerability to the crisis ;
- There is a statistically significant relationship between the impact of the financial crisis and re-emigration;
- Even the Algerian migrants are impacted by the financial crisis, it remains an unlikely probability to return.

Section One: Previous studies

- (**ArdianaGashi, 2015**) a study entitled ***" the determinants of return migration, evidence from Kosovo"***

This study provides an analysis of the determinants of return migration to Kosovo, the finding of this investigation suggested that there is no-linear relationship between the age of the migrants and their probability of returning , in addition the return may be an important contributor to economic development in Kosovo and policies are outlined that could strengthen this contribution.

- **(Lucie Macková, 2019**) a study entitled" ***the motivation and the reality of return migration to Armenia***":

This paper aimed to study the motivation of the voluntary return migration to Armenia. The study resulted that the returnees who are motivated and prepared to return are often in a better position compared to returnees who may have been assisted by an AVRR* program. When the return is perceived as forces it's difficult for the returnees to reintegrate, on the opposite of the voluntary return, which confirm the link between the motivation to return and the subsequent subjective perception of reintegration.

- (**Monica ROMAN, 2015**) a study entitled "***Return migration in an economic crisis context: a survey on Romania healthcare professional" :***

This study aimed to provide a profile of health professional from Romania and to assess their intention to return home. By using an online survey (2010). The result of this study only 24%of interviewers being willing to return some point in the future to Romania, and the economic factors such as income has not a significant influence on intention to return in the case of health care professionals.

- (**Ricardo Hausman, 2018**) a study entitled "***Welcome Home in a Crisis: Effects of Return Migration on the Non-Migrants' Wages and Employment***":

This paper aimed to study how return migration affected the employment chance and earning of Albanians who never migrated, this study resulted that's there is positive effects on the wages of lows killed non-migrants and overall positive effects on employment and no significant impact on the wages of the skilled non-migrants.

- (**AnzelikaZaiceva, 2013**) a study entitled "***Returning Home at Times of Trouble? Return Migration of EU Enlargement Migrants during the Crisis***":

*__AVRR__:IOM assisted voluntary return and reintegration (AVRR) programmes provide a dignified return and foster the sustainable reintegration of migrants who are unable or unwilling to remain in host countries and wish to return voluntarily to their countries of origin.(https://eea.iom.int/assisted-voluntary-return-and-reintegration-avrr)

This paper aimed to study the return migration in post enlargement Europe. The findings suggest that there is no evidence of "mass return". Instead, while there is a slowdown in overall post-enlargement immigration into the two major destination countries, the UK and especially Ireland, immigration to the UK from the two Baltic countries has increased to unprecedented levels. Regarding returnees' characteristics, the return migrants were overwhelmingly employed while abroad. Furthermore, regression results suggest that males, single, older individuals and those without children are more likely to return, ceteris paribus, relative to respective migrants in the destination countries, the study finds that individuals with work experience abroad are more likely to move abroad again, relative to those without such experience, in the majority of the new EU member states, and most intend to move to another EU country.

Section two: Theoretical framework:

There is no universally accepted definition of return migration. Important challenges are associated with both defining and measuring the term return migration as well as those who are classified as returnees (**Debnath, 2016,p02**). The International Organization for Migration's (IOM's) defines the return migration as "The movement of a person returning to his or her country of origin or habitual residence usually after spending at least one year in another country. This return may or may not be voluntary. Return migration includes voluntary repatriation" (**IOM, 2011**). Similarly, the Organization for Economic Cooperation and Development (OECD) defines returning migrants "as Returning migrants are persons returning to their country of citizenship after having been international migrants (whether short-term or long- term) in another country and who are intending to stay in their own country for at least a year." **(OECD, 1998**). So in general sense the return migration is described as a "situation where the migrants return to their country of origin, by their own will, after a significant period of time abroad" (**Christian Dustmann, 2007**), This definition embraces four dimensions: 1) country of origin, 2) place of residence abroad, 3) length of stay in the host country, and 4) length of stay in the home country after return (**OECD, 2008**)

Returns broadly occur in three different ways regardless of the individual's status in the country of destination. Return may be:

- **voluntary without compulsion**: when migrants decide at any time during their sojourn to return home at their own volition and cost;
- **Voluntary under compulsion** : when persons are at the end of their temporary protected status, rejected for asylum, or are unable to stay and choose to return at their own volition;
- **Involuntary** : as the result of authorities if the host state ordering deportation (**IOM, 2004**)
- **Second-generation "quasi-returnees**": Second (or third)-generation diaspora members who wish to invest in the home country of their parents or grandparents. Some quasi-returnees lack skills such as knowledge of the local business culture or language, while others can achieve relative success in providing specific forms of support and guidance, such as business plan development **(HONERATH, 2016**)

In the literature, there are several explanations for ret

urn migration, (**CASSARINO, 2004**) provides a very systematic and rigorous review regarding the typologies and framework of return migration (**KUNUROGLU, 2016**), and he distinguishes between five different theoretical paradigms in the study of return migration as follow:

⚜ **Neoclassical Economics and the New Economics of Labour Migration:**

The neoclassical approach based on the notion of wage differential between two regions, workers in the low wages find it optimal to migrate to the high wage economy (**KONIG, 2000**) so return migration seems to be viewed as the outcome of a failed migration experience which did not yield the expected benefits.

Conversely, while the neoclassical approach to return migration argues that migrants did not successfully maximize their expected earnings, NELM views return migration as the logical outcome of a "calculated strategy", defined at the level of the migrant's household, and resulting from the successful achievement of goals or target. So both of neoclassical

economics and NELM approaches differ in so far as they posit contrasting sets of interpretations regarding return migration.

- **The Structural Approach to Return Migration:**

The structural approach argues that return is not solely analyzed with reference to the individual experience of the migrant, but also with reference to social and institutional factors in countries of origin. In fact, return is also a question of context.

Just like NELM, the structural approach to return migration shows how crucial to the return decision and the reintegration of the migrant are the financial and economic resources brought back to origin countries. Returnees' success or failure is analyzed by correlating the "reality" of the home economy and society with the expectations of the returnee.

- **Transnationalism and Return Migration:**

Transnationalism constitutes an attempt to formulate a theoretical and conceptual framework aimed at a better understanding of the strong social and economic links between migrants' host and origin countries.

Unlike the structuralisms and the advocates of NELM, return does not constitute the end of a migration cycle. In the view of trans nationalists, the migration story continues. Return migration is part and parcel of a circular system of social and economic relationships and exchanges facilitating the reintegration of migrants while conveying knowledge, information and membership. One of the main contrasts between transnationalism and structuralism lies in the fact that, according to trans- nationalists, returnees prepare their reintegration at home through periodical and regular visits to their home countries.

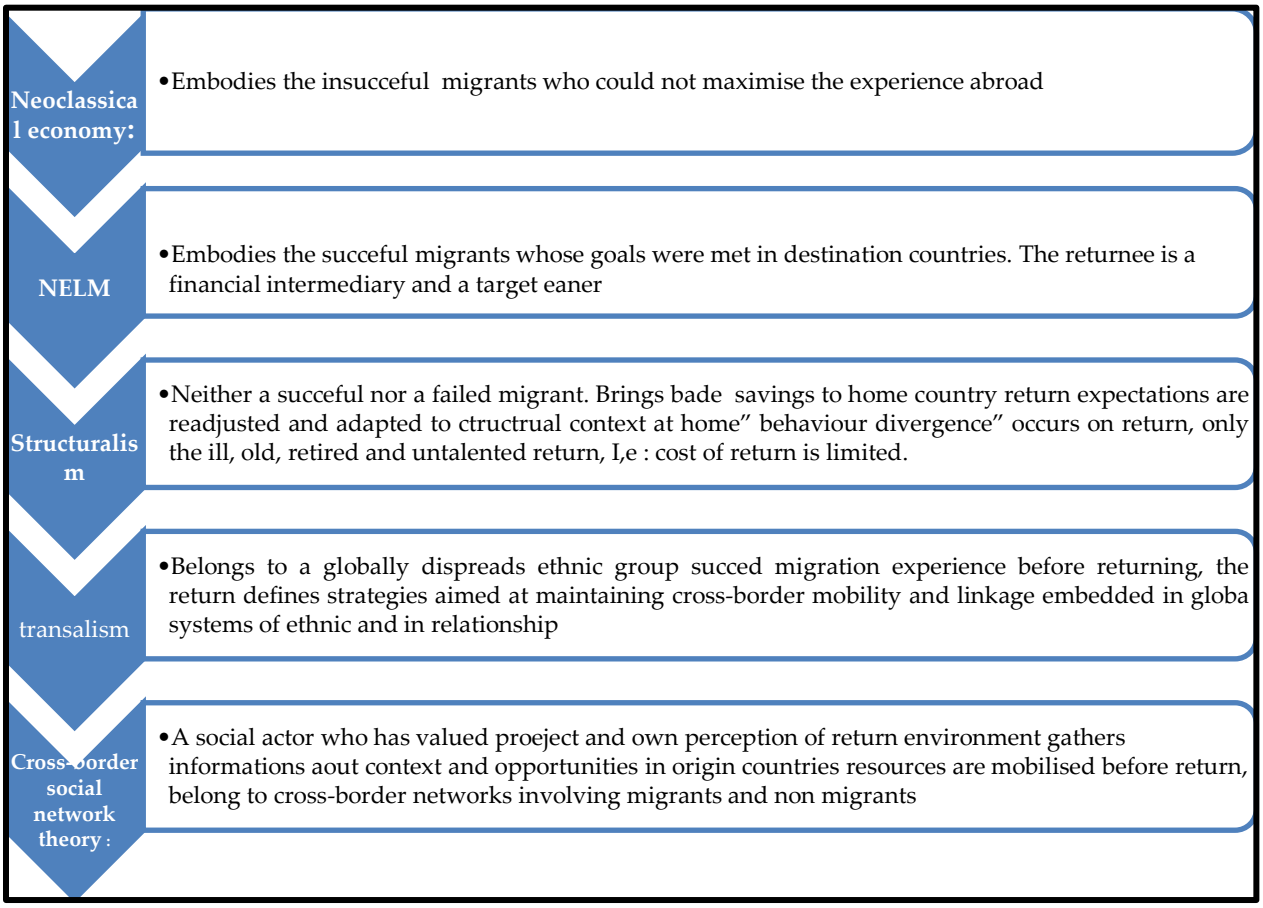
- **Social Network Theory and Return Migration:**

Social network theory views returnees as being the bearers of tangible and intangible resources. Although the respective impact of tangible and intangible resources on return migrants' initiatives is difficult to evaluate a priori, it seems essential to examine return migration with constant reference to these elements. Just like the transnational approach to return migration, social network theory views returnees as migrants who maintain strong linkages with their former places of settlement in other countries.

Social structures increase the availability of resources and information, while securing the effective initiatives of return migrants.

The following figure describes the evolution of the concept of the returnees through different theories

Figure 1: Theoretical Evolution of the Concept of Returnee



Source: own design based on: (CASSARINO, 2004)

Section three: Case study of Algerian migrants

1- **Tool reliability:**

The value of reliability was reached through coefficient (Cranach's Alpha) as follow:

Table N1: Test reliability (Coefficient of Cronbach's Alpha)

Variable name	Reliability coefficient (alpha cronbach)
Professional situation of the migrant before migration	0.762
Causes of migration	0.698
Migration and crisis	0.715
Overall stability questionnaire	0.777

Illustrated by the table, reliability coefficient for all the variables of the study is suitable for the purposes of the study.

2- **Research sample:**

The research participants are Algerian migrants in different countries in the world, online questionnaire has been distributed, 200 recalled. The following table describes the demographic characteristics in our sample :

Table 2: The demographic characteristics of the study sample

Characteristics		Frequencies	(%)
Gender	**Male**	132	66,0
	Female	68	34,0
Age	**<20 years**	4	2,0
	21-30 years	93	46,5
	31-40 years	73	36,5
	41-40 years	26	13,0
	51-60 years	4	2,0
The country of birth	**Algeria**	191	95,5
	French	8	4,0
	Germany	1	,50
The status of the migrants	**Legal**	187	93,5
	Not legal	13	6,5
Level of education	**Without instruction**	2	1,0
	Primary	1	,5
	Average	10	5,0
	Secondary	12	6,0
	University	121	60,5
	Postgraduate	54	27,0
Activity	**Health**	26	13,0
	Education	29	14,5
	Tourism	3	1,5
	Constructions	24	12,0
	Hotels and restaurants	3	1,5
	Agriculture	4	2,0
	Industry	26	13,0
	Trading	42	21,0
	Another answers	15	7,5
	Without answer	28	14,0
The period of migration	**Before 2008**	49	24,5
	Since 2008	151	75,5
The country of migration	**France**	80	40,0
	Spain	11	5,5
	Germany	7	3,5
	Italy	3	1,5
	Belgium	4	2,0
	Canada	18	9,0
	USA	39	19,5
	Japan	4	2,0
	United kingdom	6	3,0
	United Arab Emirates	28	14,0

Source: Data research

3- **Results and discussion:**

We will try to test the validity of the following hypotheses:

1- **Hypothesis N°=01:** The financial crisis 2008 had an impact on the most of the Algerian migrants in the labour market.

In order to test this hypothesis we will analyse the answer of the following question: " ***did the financial crisis impact you***?!", and for that we use the test of chi-square at the significance level of 0,05 and so in order to proceed from two basic options of the hypotheses :

- ✓ ***Null hypothesis*** (H_0) : there is no statistically significance impact of the financial crisis on Algerian migrants
- ✓ ***Alternative hypothesis***(H_1): there is statistically significance impact of the financial crisis on Algerian migrants

The following table shows the answers of the individuals in our sample

Table 3: The answers of respondents about the impact of the crisis in the labour market :

Answers		Frequencies			%		Chi-square		Sig	Freedom Degree
		Expected	Observed				tabled	Calculated		
Yes	Decrease of wage	100	83	40	41,5	20	**5,780**	**3.841**	**0,016**	1
	Rising of the working hours			9		4,5				
	Layoff			18		9				
	Others			16		8				
No		100	117		58,5					
Total		200			100					

Source: survey data, SPSSV23 output

Based on the previous table, we found that the answers of the most respondents (58%) on the question:" ***did the financial crisis 2008 impact you?***" were ***No*** with the highest observations value, while the rest of the respondents (41,5%) answered by ***Yes***, and they precised that they were affected by the decrease of wage(20%), (18%) were getting fired , rising of the working hours (4,5%), others suffered from the difficulties to find a new job or the decrease in their turnover.

⇒ **Testing hypothesis:** we found that the calculated chi-square was 5,780 and it is bigger than the tabled chi-square at the significance level of 0.05, and the degree of freedom (1), the sig value 0,016 is less than the significance level 0,05 which means that there is statistical significance for the most frequent level (answer by No, which represents 58,8%)

2- **Hypothesis N°=2:** there is a statistically significant difference between the sectors in term of vulnerability to the crisis, and for that we used the chi-square of independence at a significant level (sig=0,05) and so in order to proceed from two basic options of the hypotheses :

- ✓ ***Null hypothesis*** (H_0): there is no statistically significant difference between the sectors in term of vulnerability to the crisis.(sig >0,05)
- ✓ ***Alternative hypothesis*** (H_1)**:** there is a statistically significant difference between the sector in term of vulnerability to the crisis (sig <0,05)

Table 4=The impact of the crisis on the migrants in terms of sectors:

		Did the crisis impact you?				Total		Results
		Yes		No		Freq	%	
		Freq	%	Freq	%			
Sectors	Health	12	6,2	19	9,8	31	16,1	Chi-square= 16,467
	Education	8	4,1	16	8,3	24	12,4	
	Tourism	3	1,6	1	5	4	2,1	
	Construction	11	5,7	4	2,1	15	7,8	
	Restaurants and Hostelries	6	3,1	4	2,1	10	5,2	
	Agriculture	2	1	1	5	3	1,6	
	Industry	13	6,7	21	10,9	34	17,6	Sig=0,036
	business	13	6,7	15	7,8	28	14,5	
	others	11	5,7	33	17,1	44	22	
Total		79	40,9	114	59,1	193	100	

Source :survey data, SPSSV23 output

Through the table above, We noted that the crisis has affected the sectors proportionately, the chi-square estimated at 16,467 at the significant level 0,036 which is less than (0,05), therefore we accept the alternative hypothesis.

3- **Hypothesis N°=03:** there is a statistically significant relationship between the impact of the financial crisis and re-emigration and for that we use the coefficient of contingency at the significance level of 0,05 and so in order to proceed from two basic options of the hypothesis.

- ✓ ***Null hypothesis*** (H_0): there is no statistically relationship between the impact of the financial crisis and the re-emigration at the significance level >0,05
- ✓ ***Alternative hypothesis*** (H_1): there is statistically relationship between the impact of the financial crisis and the re-emigration at the significance level <0,05

⇒ First, we will analyse the answers of our respondents on the question: "did ***the financial crisis impact you***?" with the answers of the question:" ***did you change the host country because of the crisis?***", we find the answers in the following table:

Table5: The study of the impact of the crisis on migrants and re-migration

			Did the crisis impact you?		Total
			Yes	No	
Did you re-emgrate because of the crisis	Yes	Freq	40	1	41
		%	66,7%	1,7%	68,3%
	No	Freq	12	7	19
		%	20,0%	11,7%	31,7%
Total		Freq	52	8	60
		%	86,7%	13,3%	100,0%
Result of statistical test		Coefficient of correlation= 0,426		Sig =0,000	

Source :survey data, SPSSV23 output

Based on the previous table we found that 40% from the individuals in the sample who were impacted by the financial crisis have re-emigrated to another destination, we noted that the coefficient of contingency estimated at 0,426 at a significant level of 0,000 less than 0,05 therefore we accept the alternative hypothesis.

Hypothesis N°4: Even the Algerian migrants are impacted by the financial crisis; it remains an unlikely probability to return.

To test this hypothesis, we will analyse the answers of the individual in our sample about the geographical destinations chosen as mentioned in the following table.

Table6: The impact of the crisis on changing the geographical destination of migration

	Answers	Frequencies	%
The geographical destination chosen	The same country(intern migration)	6	3,0
	Algeria (return migration)	14	7,0
	France	4	2,0
	Germany	2	1,0
	Italy	2	1,0
	USA	5	2,5
	Canada	8	4,0
Total		41	20,5

Source: survey data, SPSSV23 output

Based on the table above we found that the most of our respondents who were affected by the financial crisis return to Algeria, as a result we reject our hypothesis because the return migration was a main choice for them, ***but what are the reasons that led them to think about the return?;*** we find the answers in the following table:

Table7 = the reasons of return migration

	Answers	Freq	%
What are the reasons of return?	Loss of work	5	2,5
	Inability to renew the residence permit	1	0,5
	End of contract	1	0,5
	The desire to invest in the home country	5	2,5
	Other to precise	2	1
Total		14	7

Source : survey data, SPSSV23 output

From the table above, we found that the main reasons that led the Algerian migrants to come back home were the loss of work or the desire to achieve an investment project in their country, in addition to other reasons like retirement.

On the other hand, ***what about the reasons that led the Algerian migrants affected by the crisis to prefer staying in the host country rather than other destinations or returning home?,*** we found the answers of the individuals in our sample in the following table:

Table 8=reasons that prevent leaving the host country

	Answers	Frequencies	%
Answers	Lack of materiel resources	4	2
	Already integrate	12	6
	Other reasons	3	1,5
Total		19	9,5

Source: survey data, SPSSV23 output

The Algerians migrants who were affected by the financial crisis said that they are already integrated in the host country which is the main reason that prevented them to think to re-emigrate because of the crisis. In addition, some of them said that they are in an illegal situation that's why they couldn't leave the country of migration.

Conclusion:

in the case of international migrants, the financial crisis has also affected Algerian migrants in the labour market, as it caused the loss of their jobs, the increase of the volume of work and the reduce of their salaries, beside preventing the renewal of their residence permits, But the impact was on different proportion according to the sectors which they belong to and the extent of their stability. This is what we observed from our survey. We also noticed that there was no significant impact on their desire to change the country of immigration. Which is due to how much they are integrated, Even some of them changed the destination looking for a better opportunities and some others returned to their country after losing their jobs because of the crisis or their desire to achieve a project in the country of origin which is according to the observations of our survey that we have done.

From our paper we conclude the following results:

- There is a diversity of geographical destinations for the Algerians, but France stays the first destination for the most of them, which was clarified by our survey with a sample of migrants. In addition to other destinations which become attractive for the Algerians such as Canada, Spain and the UAE.

- Improving the living conditions was the main reason to migrate for the sample of our survey.

- The crisis affected the Algerian immigrants in the labour market, which was related with the sectors they were working in.

- In common with previous studies, the economic factors had not a significant influence on the intention to return in the case of health care and education professionals.

- Most of the migrants affected by the crisis did not want to change the country of migration, due to their integration and the lack of resources to do so.

- The return migration was the main option for some of the respondents, and they really did it.

- Most of the Algerians prefer staying in the migration country rather than returning to their origin country because of the stability provided by these countries that enabled them to achieve their projects, so the situation in the home country has a significant impact on the decision to return confirming the proposition of the structural approach.

Recommendations:

- According to the economists, and from the fact of the previous crises experiences, migrants are victims of the rule " Last-In-First-Out" (LIFO) which means that migrants are the last to be employed and the first to be lay off in the time of crisis (**MORTET**, 2019), so the governments of host countries should protect their rights in the labour market because they play an important role in their development.
- The governments of home countries should help the returning migrants to re-integrate in their countries.
- The Algerian government should make serious policies boosting the migrants' contribution to the development by encouraging and facilitating their investments in different sectors such as tourism and agriculture.

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