

## **Period Without a Job After Returning from the Middle East: A Survival Analysis**

GHULAM M. ARIF

Since the mid-1980s Pakistan has faced return flows of its workers from the Middle East on a large scale. The re-employment experience of returning workers has usually been examined by focusing on the unemployment rate. This paper concentrates on 'duration of unemployment' and examines the influences of socio-demographic characteristics of returnees and their households on the transition from being 'not employed' to being employed by estimating the proportional hazards model. The 1986 ILO survey of return migrant households is the data source used in this study. The majority of returnees who were 'not employed' (unemployed and inactive) had been without a job for more than one year. Nearly one-quarter of them had not been working for more than two years. The analysis shows that variables indicating the human capital of return migrants, such as age, education, occupation and work experience, appear to have greater influence on their re-employment probabilities than variables related to economic position, such as savings.

### **1. INTRODUCTION**

Since the mid-1980s Pakistan, one of the major labour suppliers to the Middle East, has faced return flows of its workers on a large scale. One of the concerns of returning workers is their re-entry (re-employment) into the domestic labour market. The re-employment experience of returnees is usually examined by focusing on the unemployment rate, a measure of the stock of unemployment. This measure, however, ignores the duration of unemployment, which is the dynamic aspect of unemployment and provides greater insight into the experience of the unemployed than do measures of the stock of unemployment [Brooks and Volker (1984)]. In the literature on return migration, duration of unemployment has not been studied rigorously, although it is not uncommon to report data on length of unemployment [ESCAP (1986); Arcinas (1991)]. Within limitations imposed by the data available, this paper fills this gap by examining the influences of socio-demographic characteristics of Pakistani migrants returned from the Middle East and their households on the transition from being not employed (i.e. either unemployed or not in the labour force) to being employed by estimating the proportional hazards model.

Ghulam M. Arif is Research Economist at the Pakistan Institute of Development Economics, Islamabad.

A brief theoretical discussion concerning the duration of unemployment among return migrants is given in the next section. This is followed in Section 3 by a discussion of the data set employed and methods of analysis. Factors related to re-employment of return migrants and their duration of unemployment are reported in Section 4. Hazard functions of factors influencing the probability of being not employed are compared in Section 5. Results of the proportional hazards model are then outlined in Section 6, followed in Section 7 by a discussion.

## 2. THEORETICAL PERSPECTIVE

According to job search theory, the process by which an unemployed person obtains employment is the result of two events: the offering of employment to the unemployed person, and the accepting of this offer [Brooks (1986)]. Two different forces are thus at work; the probability of receiving a job offer and the probability of accepting a job offer. In each time period, the individual will compare any wage offer with a predetermined reservation wage—the level of income that would induce a job seeker to accept the job. If the wage offer is greater than the reservation wage, the unemployed person will take the job; if not, he or she prolongs the search for a suitable job [Salant (1977); Lancaster (1979)]. Several variables can influence the job search behaviour of the unemployed. For example, the accumulation of human capital through education and work experience is likely to raise a person's reservation wage. Similarly, high levels of overseas earnings and accumulated savings are likely to raise return migrants' reservation wages. However, it is unlikely that upon their return, migrants would be offered wages higher than those offered to non-migrants. Returnees are therefore likely to lower their reservation wage to adjust in the local labour market.

It is difficult because of data constraint to examine all possible relationships between migrants' post-return employment and socio-economic factors. For the present analysis, three hypotheses are proposed. First, because of high reservation wage, migrants who stayed abroad longer are likely to face difficulty in finding jobs upon their return. Therefore, the longer the stay of migrants in the Middle East, the longer the period without a job after return. Second, migrants who worked abroad in high-status occupations, such as professionals, may not be willing after return to accept low status jobs. It is thus hypothesised that the higher the occupational status of migrants in the Middle East, the lower the possibility of their quick readjustment in the local labour market. Third, pre-migration work experience of migrants is likely to be helpful in finding job upon return. It is hypothesised that the pre-migration work experience has a negative effect on the period without a job after return.

### 3. DATA SOURCE AND METHODS OF ANALYSIS

The 1986 ILO/ARTEP survey of 1251 return migrant households, described hereafter as the ILO survey/sample, is the data source used in this study. About 64 percent of the ILO sample were selected from rural areas and about 36 percent from urban areas. For the present analysis, rural and urban areas have been divided each into two categories: irrigated and non-irrigated within rural sector, and SRCs (self representing cities) and OUCs (other urban centres) within the urban sector. The ILO survey provides a great deal of retrospective information from which probabilities of employment can be estimated, although it was not designed to gather information on the labour market histories of returning workers. The survey covered migrants who had returned from the Middle East between June 1980 and June 1985. Interviews took place between January and May 1986 [ILO/ARTEP (1987)]. At the time of the survey, return migrants fell into one of three labour force states: employed, unemployed and not in the labour force (described hereafter as inactive). In the survey return migrants in each labour force state were asked to report their durations of unemployment since return. The main assumption in these questions was that migrants returned from abroad in the unemployed state, not in the inactive state, since there was no reference to the possibility of time having been spent not in the labour force upon return.

The implication of this omission is that respondents may have regarded time out of the labour force as time spent unemployed. After several years of hard work abroad, there is a strong possibility that upon returning some migrants were inactive for a while. It is thus impossible to distinguish whether respondents were unemployed or inactive at the time of their return, and if inactive, when they began looking for work and thus became unemployed. Because of this data limitation, modelling the transition from unemployment to employment or inactivity was not possible. Because the ILO survey data do not discriminate between unemployment and inactivity in the period between arriving home and the survey date, the only option in the present study is to lump these two states together and then examine the transition from being not employed (either unemployed or inactive) to being employed. In view of the possibility that return migrants might have regarded time spent not in the labour force as time spent 'unemployed', reported duration of unemployment is interpreted as the 'period without a job'.

At the time of the ILO survey, periods without a job were incomplete for those who had been continuously without a job (censored cases) since returning from the Middle East. In the presence of censored data, the appropriate model for examining the probability of being employed is the survival model (or hazard function model), which is applied to data that specify the time elapsed until an event occurs [Retherford and Choe (1993)]. The concept of "time elapsed" implies a starting event and a terminating event. Examples are time elapsed between birth and

death, time elapsed between divorce and remarriage, or time elapsed between 15th birthday and first job.

The hazard function models have been used extensively in studies of unemployment duration [Lancaster (1979); Brooks and Volker (1984)]. A hazard function shows the conditional probability that a person who has been unemployed (not employed) for a particular period of time will leave unemployment (the state of not having a job) within a short time interval. The hazard function may be compared to a series of age-specific death rates for a population. At each age (duration without a job), the death rate yields the probability of being eliminated from the population (leaving the pool of people without a job) at or soon after reaching that age. This hazard function determines how the probability of leaving unemployment varies as the period in that state progresses. In the case of return migrants, it facilitates modelling the transition from being not employed (whether unemployed or inactive) to being employed. The formal presentation of the hazard function is:

$$h(t) = f(t)/[1-F(t)] \quad \dots \quad \dots \quad \dots \quad \dots \quad \dots \quad (1)$$

where  $f(t)$  is the probability density function of completed spells of unemployment (not having a job), and  $F(t)$  is the cumulative density function.

Equation (1) indicates that the only factor which influences the probability of leaving unemployment is the duration of unemployment (or period without a job for the present analysis), and this is referred to in the literature as duration dependence or dependence on time [Lancaster (1979); Brooks (1986)]. However, other factors are also likely to influence the probability of obtaining employment. There are several ways in which explanatory variables can be included in the specification of the hazard function. The approach used in this study is the proportional hazards model. The general form of the model is:

$$h_x(t) = h_0(t) C_x(t) \quad \dots \quad \dots \quad \dots \quad \dots \quad \dots \quad (2)$$

Where  $h_0(t)$  denotes a baseline hazard function,  $x$  denotes a set of characteristics, and  $C_x(t)$  is a multiplier specific to persons with the set of  $x$  characteristics.  $C_x(t)$  is, however, usually considered constant over time. The model thus can be written as

$$h_x(t) = h_0(t) C_x \quad \dots \quad \dots \quad \dots \quad \dots \quad \dots \quad (3)$$

The model presented in Equation (3) is called a proportional hazards model, with  $h_x(t)$  proportional to  $h_0(t)$  and  $C_x$  the constant of proportionality [Retherford and Choe (1993)]. This means that the time path of re-employment probability is the same for all individuals, along the whole time axis, apart from a vertical shift due to variations in  $x$  [Lancaster (1979)]. In view of the non-negativity of  $h_x$ , the functional form used commonly is the exponential.

$$h_x(t) = h_0(t) \exp(B_1x_1 + B_2x_2 + \dots + B_nx_n) \quad \dots \quad \dots \quad \dots \quad (4)$$

The model presented in Equation (4) has been used in this paper, and nine predictors are included: migrant's age at the time of return, education, geographical location, pre-migration work status, pre-migration household economic status, occupation while abroad, duration of stay abroad, amount of total savings and desire to re-emigrate. Total period without a job (in months) experienced by migrants after their return from the Middle East has been divided into 10 intervals: 0-1, 2-5, 6-11, 12-17, 18-23, 24-29, 30-35, 36-41, 42-47 and 48+.

#### 4. FACTORS RELATED TO RE-EMPLOYMENT OF RETURN MIGRANTS

Age is one of those variables which can affect the productivity of different individuals within a given labour market area [Nickell (1979)], and it, therefore, is considered one of the major personal characteristics likely to cause variation between individuals in the number of job offers they receive [Lancaster (1979)]. According to the ILO survey, at the time of their return from the Middle East, more than three-quarters of migrants were below 40 years of age (Table 1). Compared to national

Table 1

*Percentage Distribution of Return Migrants by Socio-demographic  
Characteristics Related to their Re-employment*

Characteristics	%	Characteristics	%
Age at the Time of Return		Occupation while Abroad	
< 30 Years	44.1	Professional/Clerical Workers	7.6
30-39 Years	34.3	Production Workers	70.4
≥ 40 Years	21.6	other Workers	22.0
Level of Educational Attainment		Duration of Stay Abroad	
Illiterate	35.3	Short Stayers	33.2
1-9 Years	41.5	Medium Stayers	46.0
10 + Years	23.2	Long Stayers	20.8
Pre-migration Work Status		Pre-migration Household Economic Status	
Working	92.0	Very Low	23.1
Not Working	8.0	Low	27.5
Geographical Locations		Middle	32.4
Irrigated Areas	29.1	High	17.0
Non-irrigated Areas	35.3	Average Savings at the Time	
SRCs	24.1	of Return (Rupees)	60,000
OUCs	11.5	% Having Desire to Re-emigrate	50.0

Source: 1986 ILO survey.

level, return migrants covered in the ILO survey had a fairly high level of literacy. About two-thirds of them were literate (Table 1), while according to the 1981 census approximately 36 percent of the male population aged 15 years or older in the country were literate. The majority of return migrants was employed before going to the Middle East. Table 1 shows that more than 40 percent of the ILO sample were drawn from low or very low economic background households [for detail, see Arif (1995)].

The ILO sample was widely spread through the four geographical locations—irrigated, non-irrigated, SRCs and OUCs (Table 1). Seventy percent of them were production workers while abroad, and the share of highly qualified workers such as professionals/clericals was very low, only 8 percent. Table 1 shows that 33 percent of returnees in the ILO sample were short stayers, who stayed abroad for less than two years. Medium stayers, who stayed abroad for more than two years but less than six years, constituted 46 percent, and long stayers, who stayed abroad for more than six years, were 21 percent. At the time of return, migrants had on average 60,000 rupees of savings, consisting of money they carried back and household savings, probably saved from the amount they transferred while they were abroad. Half of the respondents of the ILO sample had a desire to re-emigrate (Table 1), which could be a hindrance to an active search for employment in the local labour market.

Table 2 reveals that about 6 percent of the ILO sample was inactive, and 14

Table 2

*Percentage Distribution of Return Migrants by Period without a Job (Months) and Labour Force Status at the Time of Survey*

Period without a Job	Employed	All	Not employed		Total
			Unemployed	Inactive	
0–1	57.7	6.0	6.1	5.7	47.4
2–5	13.1	6.9	6.1	5.7	11.7
5–11	14.3	28.7	27.6	31.4	17.2
12–17	8.7	22.7	21.0	27.2	11.5
18–23	1.7	10.7	11.0	10.0	2.7
24–29	2.6	11.1	13.2	5.7	4.3
30–35	0.7	3.6	2.8	5.7	1.3
36–41	0.7	6.0	6.1	5.7	1.8
42–47	0.0	2.8	2.8	2.9	0.6
48+	0.3	2.4	3.3	0.0	0.9
Total	100.0	100.0	100.0	100.0	100.0
(N)	(1000)	(251)	(181)	(70)	(1251)
(%)	(79.9)	(20.1)	(14.5)	(5.6)	(100.0)

Source: the 1986 ILO survey.

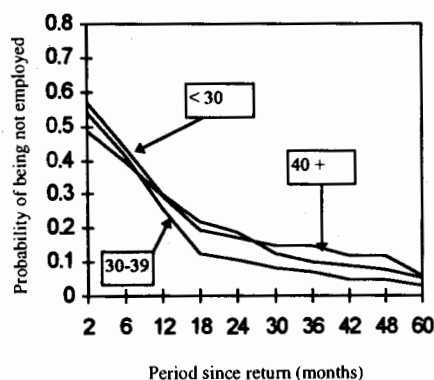
percent of them were unemployed and looking for a job actively. The majority of returnees who were 'not employed' (unemployed and inactive) at the time of the survey, 60 percent, had been without a job for more than one year. Nearly one-quarter of them had not been working for more than two years. The period without a job experienced by those who were inactive or unemployed at the time of the survey was similar to the experience of the total 'not employed' returnees. Table 2, however, shows that 85 percent of migrants who were employed at the time of the survey had been without a job for less than one year. About 58 percent of them found employment within two months of their return from abroad, most of them probably by rejoining existing family farms or businesses.

### 5. A COMPARISON OF ESTIMATED HAZARD FUNCTIONS

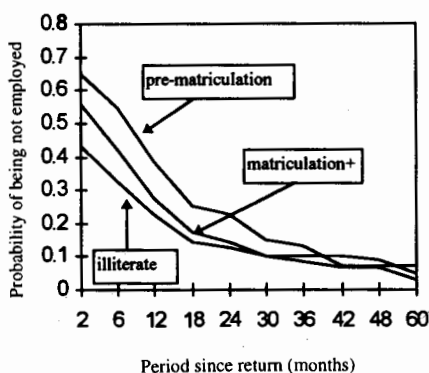
Hazard functions computed from the ILO data for the main subgroups of return migrants are presented and compared in this section. Comparisons were undertaken by means of graphs of the survival functions for subgroups: the probabilities of not being employed by duration since return. Figure 1A shows that there was not a consistent difference across age groups of return migrants in probabilities of finding employment, although returnees aged 30–39 years had consistently higher probabilities after six months. However, consistent difference was observed across levels of educational attainments (Figure 1B). The probability

**Fig. 1. Probabilities of being not Employed by Migrant's Age at the Time of Return from the Middle East and Level of Educational Attainment.**

**A: Age at the time of return**



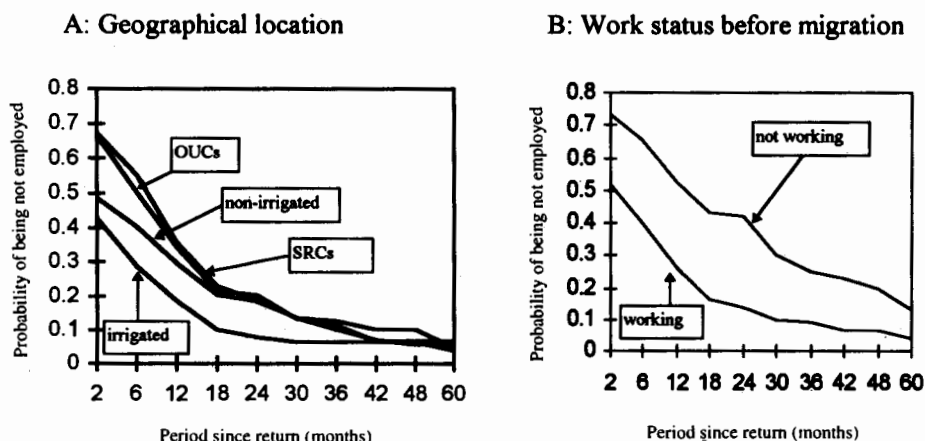
**B: Level of educational attainment**



of being employed was consistently lower for better educated migrants than for illiterate or less educated workers. The probability of being not employed was in particular higher for migrants who had a matriculation or better level of education over the first 24 months. This difference narrowed markedly after two years. A possible reason for this behaviour is that soon after their return from the Middle East reservation wages of educated returnees were high. As their periods of unemployment lengthened they lowered their reservation wages to be reabsorbed into the domestic labour market.

There were marked differences in probabilities of being not employed across geographical locations (Figure 2A). The large difference, initially, is obviously a basic rural-urban one. Return migrants located in rural areas (irrigated and non-irrigated) had lower probabilities of being not employed than urban (SRCs and OUCs) migrants. Returnees located in irrigated areas had the lowest probability of being not employed for three and a half years, whereas those in the SRCs recorded the highest probability for the first two years after returning. This indicates a relatively rapid readjustment of migrants in irrigated areas, suggesting the labour absorption capacity of the agriculture sector in irrigated part of the country. Migrants from non-irrigated areas initially had a lower probability of being not employed than those in both the SRCs and the OUCs. But, this relative advantage disappeared 18 months after return. It suggests that employment opportunities for return migrants were limited not only in urban areas but also in the non-irrigated areas. Figure 2B

**Fig. 2. Probabilities of being not Employed by Migrant's Geographical Location and Work Status before Migration.**



Source: The 1986 ILO Survey.



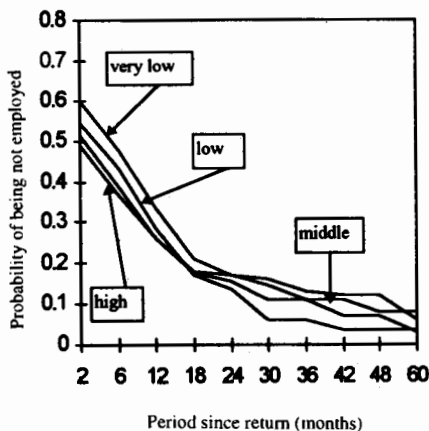
shows that return migrants who were working before migration had consistently lower probabilities of being not employed than those who were either unemployed or out of the labour force before migrating (hypothesis 3). The gap between the two curves does not narrow for a long period of time, showing the importance of local labour market experience before migration in finding employment after a migrant's return (Figure 2B).

Figure 3A shows that the probability of being not employed was higher for those return migrants who had very low pre-migration household economic positions, although no consistent difference in the probabilities of being not employed emerged among the other three categories of economic status. A considerable proportion of migrants drawn from rural areas were not engaged before migration in the agricultural sector [Arif (1995)]. It is likely that return migrants with low or very low pre-migration household economic status did not have access to family farms to rejoin after their return. It is also possible that return migrants who had low economic status before migration were less successful in directing remittances to investment (businesses), which might have enabled them to readjust after they returned.

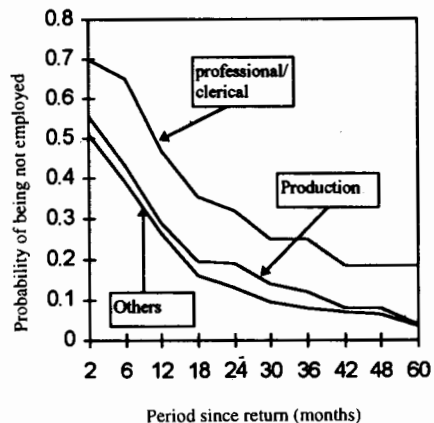
Figure 3B shows the probability of being not employed was higher for professional-clerical workers while abroad at each duration since return than for production and other workers (hypothesis 2). Since professional-clerical workers had

**Fig. 3. Probabilities of being not Employed by Pre-migration Household Economic Position and Occupation while in the Middle East.**

**A: Pre-migration economic position**



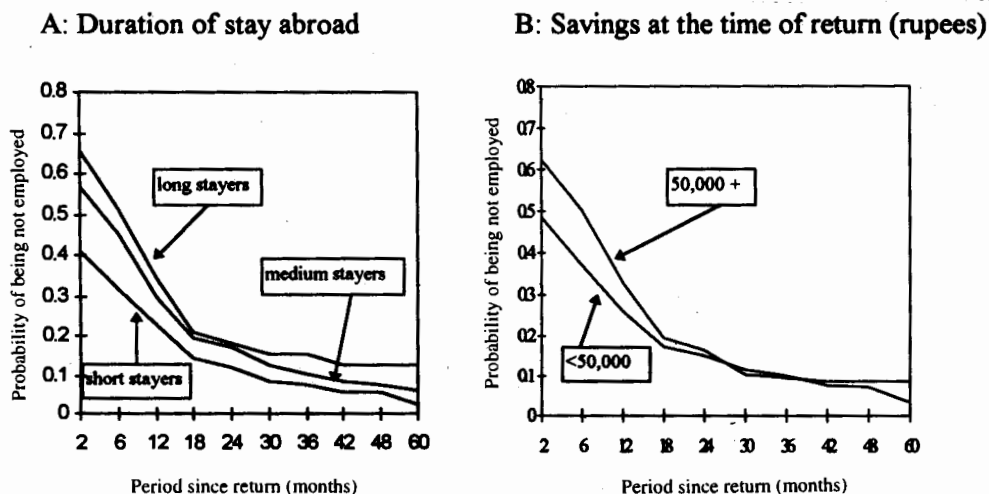
**B: Occupation while abroad**



experienced working for higher wages in the Middle East, at the time of their return their reservation wages were quite high and it was difficult for them to accept low wages. Although lengthening of their periods without a job might have resulted in a lowering of their reservation wages, as job search theory predicts, employers may have been reluctant to offer long-term unemployed persons jobs. It is also highly likely that professional-clerical workers were inactive (i.e. taking a break) for a period after returning from the Middle East.

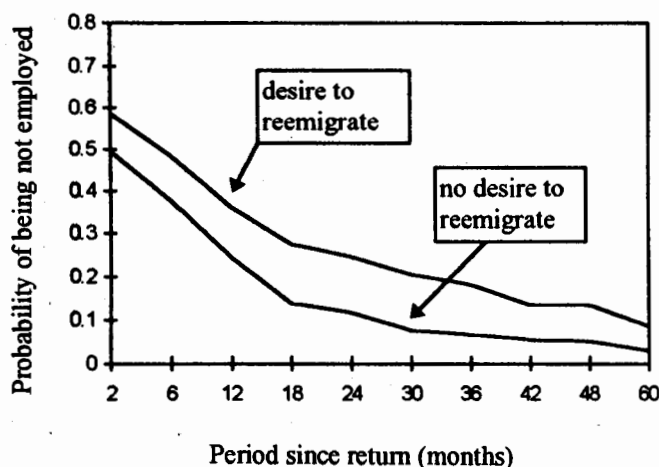
Figure 4A shows the probabilities of being not employed by duration of stay in the Middle East. Long stayers had the highest probability of being not employed at each duration since return, while short stayers had the lowest probability. It is worthy of note that the gap between the three curves narrowed substantially after 18 months. A possible reason for this is that long stayers perhaps had accumulated more in the way of savings and could afford to live off their savings. However, the effect of savings at the time of return on the probability of being not employed was somewhat different from the effect of duration of stay abroad (Figure 4B). During the first two years, the probability of being not employed was lower for those who had a low level of savings than for those who had a high level of savings. The two curves cross over each other at about 30 months, suggesting that the effect of savings on the probability of being not employed disappeared after a certain period of time. It also suggests that those who had accumulated more savings while abroad perhaps did not try too hard to find jobs for some time after they returned from the Middle East.

**Fig. 4. Probabilities of being not Employed by Migrant's duration of Stay in the Middle East and Savings at the Time of Return.**



Finally, Figure 5 shows a consistent difference in the probability of being not employed between the two categories of return migrants, those having a desire to re-emigrate and those not having a desire to re-emigrate. The former had consistently higher probabilities of being not employed than the latter. The gap between the two curves did not narrow for a long period of time. Although desire to re-emigrate could be a response to lack of success in the domestic job market, in view of the vast wage differentials between the local and Middle East labour markets, desire to re-emigrate seems to be an obstacle to actively searching for a job. Moreover, a desire to re-emigrate may well be a product of dissatisfaction with the rewards for employment available in Pakistan, and this could exist from the day a migrant returns.

**Fig. 5. Probabilities of being not Employed by Migrant's having a Desire or not having a Desire to Re-emigrate.**



## 6. ESTIMATING PROPORTIONAL HAZARDS MODEL

The following proportional hazards model for making the transition back into employment after return from the Middle East was specified in Section 3:

$$h_x(t) = h_0(t) \exp(B_1X_1 + B_2X_2 + \dots + B_nX_n).$$

Nine covariates (explanatory variables) were included in this model: migrant's age at the time of return, education, geographical location, pre-migration work status, pre-migration household economic status, occupation while abroad, duration of stay abroad, amount of total savings and desire to re-emigrate. The model was estimated

using the Cox regression procedure. Two-category variables, such as pre-migration work status, amount of savings and desire to re-emigrate, were entered as dummy variables. A set of new dummy variables was created for each variable having more than two categories, the number of new variables required to represent a categorical variable being one less than the number of categories [Retherford and Choe (1993)]. The results of the proportional hazards model are presented in Table 3, including values of  $\exp(B)$ , which represent the risks of making the transition from being not employed to being employed associated with each covariate, relative to the risk for the reference category, holding constant the effects of all other variables. The relative risk for the reference category of each covariate is unity. Values greater than unity indicate that the effect of an attribute is to increase the risk of transition, while values smaller than unity indicate a decline in this risk. A  $B$  positive coefficient implies that the particular attribute raises the probability of being employed compared to the reference attribute, while a negative coefficient implies a lower probability.

As noted above, nine variables were entered into the model. At least one category of all variables except savings turned out to be statistically significant (Table 3). Signs for categories of all significant variables were as expected. For example, the probability of making the transition from being not employed to being employed was associated with geographical location. SRCs had a significant negative coefficient and a relative risk of 0.76 (Table 3). This means that the estimated risk of making the transition from being not employed to being employed for migrants returning to the SRCs was only three-quarters of that for those who returned to irrigated areas, holding constant the effects of all other variables. Probably many migrants who returned to irrigated areas rejoined existing family farms, but those returning to the SRCs had to search for jobs in the local labour market, a process which takes time. Table 3 shows that the risk of making the transition from being not employed to being employed for migrants between 30 and 39 years of age at the time of return was 1.14 times the risk for migrants who were less than 30 years of age. As the level of education rose, the probability of quickly finding employment fell. The relative risk of migrants educated to matriculation level or above making the transition from being not employed to being employed was 19 percent below the risk associated with illiterate workers. On the one hand, this suggests that educated returnees may have been reluctant to accept jobs with low remuneration. On the other hand, there is a possibility that job opportunities for educated persons were limited.

Table 3 shows that the likelihood of having obtained employment was 72 percent higher for returnees who had been working in Pakistan before migration than for those who had not been working, adjusting for other factors in the model. The former were likely to have more information about job opportunities and probably also contacts through whom they might receive job offers. Employers may also have preferred those returnees who had some work experience in the local labour market.

Table 3

*Coefficients for the Proportional Hazards Model for Making Transition from not being Employed to being Employed after Returning from the Middle East*

Variables	B	EXP(B)
<b>Age at the Time of Return</b>		
< 30 Years	0.0000	1.000
30–39 Years	0.1323**	1.142
≥ 40 Years	–0.0049	0.995
<b>Level of Educational Attainment</b>		
Illiterate	0.0000	1.000
Pre-matriculation	–0.0737	0.929
Matriculation +	–0.2153*	0.806
<b>Geographical Location</b>		
Irrigated	0.0000	1.000
Non-irrigated	–0.1112	0.895
SRCs	–0.2772*	0.758
OUCs	–0.1733	0.841
<b>Work Status before Migration</b>		
Not working	0.0000	1.000
Working	0.5421*	1.719
<b>Pre-migration Household Economic Position</b>		
Very low	0.0000	1.000
Low	0.1986*	1.220
Middle	0.2469*	1.280
High	0.3258*	1.385
<b>Occupation while Abroad</b>		
Professional/Clerical	0.0000	1.000
Production Workers	0.3211*	1.379
Other Workers	0.3912*	1.479
<b>Duration of Stay Abroad</b>		
Short Stayers	0.0000	1.000
Medium Stayers	–0.1211	0.886
Long Stayers	–0.2128*	0.808
<b>Total Savings at the Time of Return</b>		
< 50,000 RS	0.0000	1.000
≥ 50,000 RS	–0.0872	0.916
<b>Desire to Re-emigrate</b>		
No	0.0000	1.000
Yes	–0.2918*	0.747
Log Likelihood		13167
N		1251

Source: Computed from the 1986 ILO survey data.

\*Shows significant difference from zero at 5 percent level of confidence.

\*\*Shows significant difference from zero at 10 percent level of confidence.

A major factor here may also be that migrants who left family enterprises when migrating rejoined those enterprises after their return. Occupation while abroad and length of stay abroad were also associated with making the transition from being not employed to being employed after return. The relative risk of being re-employed for long stayers was 19 percent below the risk for short stayers, holding other factors constant. This negative relationship between the length of stay abroad and post-return resumption of employment indicates that long absences from the local labour market could themselves be a hindrance to finding employment. It is also possible that the overseas work experience of those who stayed abroad longer was not related to the needs of local employers. In addition, their high expectations, in terms of income and status, could be an obstacle to their accepting local employment. The relative risk of leaving the state of being not employed increased according to the pre-migration household economic position of return migrants. In other words, migrants from very low economic status backgrounds found employment less readily after they returned from the Middle East, controlling for other covariates. It appears that migration experience was not very beneficial for migrants with low initial economic status. As expected, Table 3 shows that having a desire to re-emigrate had a negative influence on making the transition from being not employed to being employed. The relative risk for having such a desire was 0.75, meaning that the risk of being re-employed for those who had a desire to re-emigrate was 25 percent below the risk for those who had no desire to re-emigrate, holding other factors constant.

## **7. DISCUSSION**

The present analysis differs from the previous studies in two ways: it utilised the data on period without a job after return from the Middle East to examine the transition from being not employed to being employed by using the proportional hazard model, and a wide range of covariates were used in the hazard model. The previous studies have associated the high levels of unemployment among return migrants mainly with their better economic position, skill classification and level of education [Gilani (1986); Kazi (1989); Arif (1991)]. The present analysis supports these findings only partially and shows that variables indicating the human capital of return migrants, such as age, education, occupation and work experience, appear to have greater influence their on re-employment probabilities than variables related to economic position, such as savings. The analysis also shows that migrants from very low economic status backgrounds found employment less readily after they returned from the Middle East.

The issue of re-absorption of unemployed return migrants into the local labour market, particularly with 'low pre-migration economic status', should not be ignored simply assuming their advantaged financial position. Re-absorption of unemployed returnees, in the context of their previous job experiences and the

nature of work they were looking for, does not seem to be very difficult. The jobs unemployed migrants were looking for were basically the same types of jobs that most of them held either before migration or during their employment in the Middle East. For example, the ILO survey shows that 32 percent of the unemployed sample was looking jobs in skilled occupations such as mechanics, electricians and welders, and 30 and 35 percent of them respectively held these occupations before migration and during their employment in the Middle East. Government of Pakistan has introduced some credit schemes to promote self-employment among educated unemployed [Government of Pakistan (1988)]. The unemployed returnees should be included in these schemes, and the agencies concerning overseas migration, such as Overseas Pakistanis Foundation, should take the responsibility to provide unemployed returnees necessary information and assistance, so they can be reabsorbed.

### REFERENCES

- Arcinas, F. R. (1991) Asian Migration to the Gulf Region: The Philippines Case. In G. Gunatilleke (ed) *Migration to the Arab World: Experience of Returning Migrants*, Tokyo: United Nations University Press, pp. 103–149.
- Arif, G. M. (1991) Emigration, Skill Acquisition and Employment Choices of Return Migrants: The Experience of Pakistan, M. A. Research paper, Graduate Studies in Demography. Canberra: The Australian National University.
- Arif, G. M. (1995) International Contract Labour Migration and Reintegration of Return Migrants: The Experience of Pakistan. Ph.D. thesis submitted to the Australian National University, Canberra.
- Brooks, C. (1986) An Analysis of Factors influencing the Probability of Transition from Unemployment to Employment for Australian Youth. Canberra: Bureau of Labour Market Research. (Working Paper No. 63.)
- Brooks, C., and P. Volker (1984) The Probability of Leaving Unemployment: The Evidence from Australian Gross Flows Data. Canberra: Bureau of Labour Market Research. (Conference Paper No. 47.)
- ESCAP (1986) Recent Trends in International Labour Migration in Asia and Measures to Reintegrate Returning Workers. Round Table on International Labour Migration in the Philippines and South East Asia Manila, 8–11 December.
- Gilani, I. (1986) Pakistan. In I. M. Abella and Y. Atal (eds) *Middle East Interlude: Asian Workers Abroad*. Bangkok: UNESCO Regional Office, pp. 109–174.
- ILO/ARTEP (1987) *Impact of Out and Return Migration on Domestic Employment in Pakistan. Volume IV: Survey of Return Migrants Sample Design and Field Work*, New Delhi.
- Kazi, S. (1989) Domestic Impact of Overseas Migration: Pakistan. In R. Amjad (ed) *To the Gulf and Back: Studies on the Economic Impact of Asian Labour Migration*. New Delhi: ILO/ARTEP, pp. 167–196.

- Lancaster, T. (1979) Econometric Methods for the Duration of Unemployment. *Econometrica* 47:4 939–956.
- Nickell, S. (1979) Estimating the Probability of Leaving Unemployment. *Econometrica* 47:5 1249–1266.
- Pakistan, Government of (1988) *Seventh Five-Year Plan, 1988–1993 and Perspective Plan 1988-2003*. Islamabad: Planning Commission.
- Retherford, R. D., and M. K. Choe (1993) *Statistical Models for Causal Analysis*. New York: John Wiley and Sons, Inc.
- Salant, S. (1977) Search Theory and Duration Data: A Theory of Sorts. *Quarterly Journal of Economics* 91:1 39–57.



## *Comments*

The paper by G. M. Arif on Pakistani return migrants from the Middle East is a valuable addition to the existing body of literature on the re-integration experiences and reabsorption process of return workers from the Gulf. Given that migration is perceived as a form of investment in human capital and that migrants are self selected on the basis of having special characteristics, the labour market adjustment patterns of return migrants are indeed a very important area of concern for policy-makers.

The paper under discussion differs from earlier studies on return migrants not because it arrives at significantly different conclusions about the labour market adjustment process of return migrants but mainly because it uses a different methodological framework to analyse the problem. In fact if the author had made an attempt to reconcile his findings with those of earlier studies, the results would appear more robust.

Arif has used a proportional hazards model to estimate the conditional probability of leaving unemployment, a technique used to study duration of unemployment in econometric testing of job search theories. However, the methodology is based on very strong assumptions as admitted by Lancaster (1979) whose work is an important source of inspiration for Arif's paper. Lancaster states that in his view the study of duration of unemployment data is probably not going to be a very helpful way of testing those predictions of search theory which concern themselves with the way in which individuals vary their reservation wage as time passes. My objective in bringing up this concern is not to undermine the efforts undertaken by Arif but to motivate him to make a stronger case for using the proportional hazards model for return migrants since all the search literature that he has cited does not employ this methodology to either migrants or return migrants but specifically to unemployed individuals searching for jobs in a given labour market. A related question is that all three of the proposed hypotheses are based on testing for the effects of either pre-return migration characteristics like length of stay and occupational status or pre-migration characteristics like work experience. It is not clear as to how the stated model in the paper relates to these hypotheses. If it is through the effect of these factors on reservation wage variability, then it should be more clearly spelled out.

The second set of my comments deals with reconciling Arif's results with those of earlier studies. Studies on return migration using the 1987 ILO-ARTEP data base as well as other airport survey data sources for Pakistan and some country studies conducted for major labour exporting countries in Asia reveal similar types of results. His assertion that previous studies have associated the high degree of unemployment among return migrants only with their relatively comfortable

financial position is not altogether justified. It is not possible to list all the previous results but just to support my point I would like to state that these studies like the ones by Kazi (1989 and 1991) do look at the human capital characteristics like age and education distributions, socioeconomic characteristics, skill composition, job preferences, region of residence, skill acquisition and upgradation in the host country, besides looking at the pattern of utilisation of accumulated savings and remittances. They also come to the conclusion that re-entry is often not in the same type of jobs as they held before migration but there is evidence of a marked preference amongst return migrants to move away from wage employment into self-employment. In this context the process of re-entry into the labour market becomes important for policy-makers. In addition, Kemal (1991) identifies potential sectors and areas of gainful absorption for the returning migrants and Addleton (1992) studies the employment patterns of returnees. Arif should also look into the policy implications of his results more carefully since they are suggestive of the fact that the labour market absorption of return migrants is not a process that can be achieved without a specific policy designed to maximise the private and social returns from their labour market skills, experience and investible resources. The findings on duration of job search will become especially worthwhile if they can be linked to the evolution of a viable employment strategy for return migrants.

**Aliya H. Khan**

Quaid-i-Azam University,  
Islamabad.

#### REFERENCES

- Addleton, Jonathan S. (1992) *Undermining the Centre: The Gulf Migration and Pakistan*. Oxford University Press.
- Kazi, Shehnaz (1989) Domestic Impact of Overseas Migration: Pakistan. In Rashid Amjad (ed) *To the Gulf and Back: Studies on the Economic Impact of Asian Labour Migration*. New Delhi: ILO-ARTEP 167–196.
- Kazi, Shehnaz (1991) Returning Migrants and their Re-integration Experiences of other Countries. Paper presented at two-day workshop on Returning Migrants and their Re-integration in the Economy held by PMI/FES in Islamabad from 29–30 April.
- Kemal, A. R. (1991) Identification of the Potential Sectors and Areas of Gainful Absorption of the Returning Migrants.
- Lancaster, Tony (1979) Econometric Methods for the duration of Unemployment. *Econometrics* 47:4 939–956.