

## RETURN MIGRATION AND INSTITUTIONAL CHANGE: THE CASE OF BULGARIA<sup>2</sup>

*The article discusses the relation between the return migration flow and the effects for the sending country, especially for the socio-economic change. An institutional approach has been adopted to analyze the possible changes that returning migrants would bring to their homeland. The main goal is to reveal the possible positive effect of international migration on the Bulgarian society and especially on the social institutions. The assumption that returnees may be agents of change is analyzed within the broad framework of institutionalism and data from a sociological survey of returned migrants. The micro and macro level of the “return-socio-economic change” relation is discussed through the broader view of the human capital and social capital transfer. The article presents the migration experience as helpful for the returnee’s integration at home and as a possible influence on the institutional environment in the country.*

*JEL: O15; F22; Z1*

International migrations are such a complex phenomenon that can be seen and analyzed from multiple perspectives, scientific areas, and research fields. One of the most important issues about migrations is how they influence the societies, both sending and receiving ones. The large emigration flow from Bulgaria since the 1990, combined with a negative birth rate, caused an indisputably troublesome effect on numerous aspects of the social life from the labour market to the educational, political and health system. Governmental strategy documents admit that Bulgaria has fallen into a serious demographic crisis.<sup>3</sup> Population decline as a result of external migration, measured by the coefficient of net migration (the ratio of net migration to the average annual population during 2018 (per 1000 people), is - 0.5%. According to a report of the Ministry of labour and Social Policy in Bulgaria, entitled “Medium-term and long-term forecasts for the development of the labour market in Bulgaria. Employment and labour market imbalances” (Simeonova-Ganeva, Vassilev, Ganev, Dimitrov, 2019), in 2024, the working-age population (15-64) is expected to be 163 200

<sup>1</sup> Mihaela Misheva is assistant professor at the Department of Economic Sociology of University of National and World Economy, Sofia, Bulgaria, phone: 00359-886-540023, e-mail: mmisheva@unwe.bg.

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<sup>3</sup> Actual national strategy for demographic development of the Republic Bulgaria Population (2012-2030).

people less than in 2020. It means it will shrink down by 3.7%. The report claims that the shrinking population and labour supply will have a negative impact on the labour market over the next few years. The most popular view to international migration for a sending country as Bulgaria is the “brain drain” discourse and the negative demographic effect it has on the country’s depopulation and ageing. However, recent studies show that international migrations can be productive for the sending countries in several ways and this is the main focus of this article: to reveal the possible positive effect of the international migration on the Bulgarian society and especially on the social institutions. The analysis is based theoretically on the work of de Haas (2007), Cassarino (2014), and Piore (1979), and empirically on data from National Statistical Institute and from project “Returning Migrants: Segmentation and Stratification of Economic Mobility” (a national representative survey conducted in October 28 – November 20, 2017 in Bulgaria and in-depth interviews with returnees conducted in 2018). The project is financed by Bulgarian Science Fund. The Survey covered adult Bulgarian citizens (18+) who had worked abroad for more than three months during the last 10 years (2008-2017).<sup>4</sup>

## **Main Definitions and Methodology**

### *Return migration*

United Nations Statistical Division clarifies a definition of return migrant, commonly used in studies as “*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*” (UN, 1998). Return is seen as part of the migration process consistent of multiple departures, several and differenced in time duration returns followed by possible new departures. Cassarino (2004) defines returnees as *persons returning to their country of origin after being international migrants (whether short or long term) to another country. Returns may be temporary or permanent.*

### *Return migration and institutional change*

In sociology, the term institution is core and vital for any social analysis. The institutional structure of society is that all socially significant activities are structured in a system of rules, positions and roles, according to the idea of the way in which certain goods (goods and services) will be produced and distributed. Through the institutions are realized some of the most important social connections between people in the society (Stoilova, 2017 in Stoyanov, Nonchev, Stoyanova, Petrunov, Misheva).

The institutional approach to development is developed first by Theodore Schultz. In his famous book *Investing in Human Capital: The Role of Education and Research* (1972), Schultz argued that institutions are the first to change to drive the whole society on the path of development. Institutions in Schultz understanding are various behaviour and conduct models including monetary relations, organizational structures, contractual relations,

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<sup>4</sup> Project site: <http://remigrants.tys-software.com/>.

cooperatives, property rights, but also rights over property, labour laws, human capital, material, and technical infrastructure. In his research on the agricultural sector, Schultz found that one of the obstacles to higher yields for farmers is the lack of information among farmers themselves. This is the original idea of human capital, to which Schultz refers not only direct costs such as education, training in secondary and higher education, but also self-education, work experience, investment in health, education and science (Schultz, 1972). It is the investments in human capital, the increasing importance of human labour, that are the main development factors of the economy and the transformation of social and economic institutions (Schultz, 1961).

The institutional approach is important for the problems of socio-economic change because it includes the economic subsystem as well as a wide range of non-economic aspects: formal and informal institutions, culture, value system (Sabotina, 2013). The focus of the institutional approach does not limit its approach to economic indicators of development as GDP, but also reflects on the measures against declining growth, inequality, increasing employment, and the quality of the workforce and human capital in general. Schultz sees investments in human capital as qualification and university degrees but also as skills development, self-education and investments in education, health care and science. Precisely these “investments” and the increasing value of the human labour, according to Schultz (1972), will become the motors of economic development and institutional change.

The effect of international migration on sending country institutions has been studied by several scientists in different fields. The main question they pose is whether or not international migration results in the depletion of active voice that promotes better institutions in the home country (Ivus, Naghavi, 2014). Recent studies argue that institutional norms, such as democratic values, may in fact be transferred to the home country and the change of institutional norms can be linked with the mobility of knowledge and technology through migration networks build from migrants, returnees and diaspora members. The most significant way of transfer is the return migration of *skilled and educated migrants*. Studies are focused on two components: *political ideas and social norms*. Returning migrants could pass on political ideas at home concerning the quality of political institutions, practices and policies, thus raising awareness and demand for political accountability and increasing direct participation in the political system. In an interesting article, Spillimbergo (2009), using a comprehensive set of data on international students over 50 years, found that individuals educated abroad lead to democratic change in their home, if they have finished their high education in democracies. Spilimbergo’s study concerns the relation between the quality of institutions in students’ countries of origin and those in which they have completed higher education. There are two variables that are interesting for his research: the share of students abroad in the total percentage of students in the country and levels of democracy in the host student countries (because of the types of institutions with which students interact). The data from these studies show that individuals who have completed higher education in a country with democratic institutions spread democratic values at home too. He calls this phenomenon “transfer of norms”.

Concerning the effects of the transfer of ideas in South-North migration to Europe, also optimistic is the statement that returning migrants “open” the communities, or more precisely – increase the pressure on traditional communities to liberal, democratic ideas, modern

knowledge and education (De Haas, 2007). Especially highly skilled migrants increase the speed of *knowledge dissemination* between sending and receiving countries. Examples are the Polish diasporas around the world. In 1989 alone, 19.3 million Polish citizens went abroad, making up half of the country's population (Łukaszewicz, 2019). Returnees in the early 1990s were among the first entrepreneurs in the country and had a major influence on the country's market reforms (Kaczmarczyk, 2013). Polish return migration phenomena are an example for another aspect of the effect return migration renders on institutions at countries of origin. In an ethnographic study, Budyta-Budzynska (2017) revealed that acquisition of new skills, improvement of qualification, and acquisition of new models of work and life abroad, is not a prerequisite for returning migration. More Polish researchers share their observations about the latest wave of returning migrants to Poland, some of whom admit that they have not learned either the language of the host country or any new skills. Such a migratory "conservatism" is typical of several Polish migration communities. A small municipality in the Masurian Lakes, called Yusk, where Polish sociologists conduct ethnographic studies, sends about half of its inhabitants to two towns in Iceland and, more precisely, to fish factories there. The migration to Iceland has been going on for 20 years, and two interesting things have been observed among the already returning Polish citizens. First, they have become more traditionalists than before (Budyta-Budzyńska, 2017). In addition, Bukraba-Rilska writes, emigration preserves traditional lifestyles: "Returnees perceive Western life with disapproval, with a certain sense of superiority, although they enjoy and appreciate the practical facilitations of Western life and culture, therefore intensive contact with foreign cultural models does not cause erosion of their conservative attitudes, on the contrary, migration arises an unplanned re-traditionalization" (Bukbara-Rylska, 2010).

Although there are different motives driving the migration, finding a better job is still one of the most important reasons to migrate. Acquired knowledge and newly acquired skills from working and living abroad of the returnees can be a source of positive change for migrants to make at home. The concept that supports this thesis is popularly called "*brain gain*", as opposed to the "brain drain" used for emigration. A number of studies, such as Dewan and Tewari (2001), Saxenian (1999), show how returning migrants and the processes they drive can have an expansionary effect on the developing economy by disseminating knowledge, which in turn narrows the technological gap between the host and source economies, which could lead to fewer people emigrating and more emigrants returning. According to Saxenian, 82% of Chinese and Indian engineers working in Silicon Valley in the United States share information about the technology with colleagues at home. On an everyday basis, information are sharing 28% of immigrant engineers in the Silicon Valley. According to Dewan and Tewari (2001), countries with negative net migration should mobilize the "mental resources" of the diaspora abroad, use the talents of emigrants, and encourage emigrants to play a more active role in the economic development of their home countries. These tips are supported by empirical material in their publications on the success of India and China in using the so-called "Brain Banks" abroad (Dewan, Tewari, 2001).

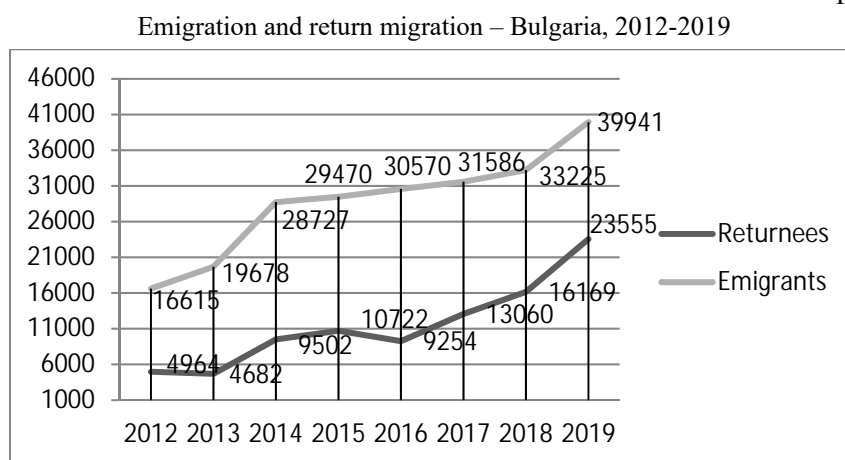
In many parts of the world, the "brain drain" gives way to the "*brain circulation*" process, as talented immigrants who have studied and worked abroad increasingly return to their home countries to look for promising opportunities there (Saxenian, 1999). When engineers or other professionals return home – temporarily or permanently – they transfer not only technology and social capital, but also management, leadership and governance knowledge

to regions that are peripheral to development centres. Migrants also connect local producers directly to the market opportunities and the networks of more developed economies. According to the same author, the brain drain provides a huge advantage for developing regions to accumulate not only knowledge but also capital through returnees' network abroad. Over time, transnational communities can accelerate the technological advancement of the regional economy by providing the necessary skills and managerial knowledge to help local producers move to higher value-added activities. Due to returnees' experience and professional networks, these migrants can quickly identify promising new market opportunities, raise capital, set up management teams and establish partnerships with other specialized manufacturers, even those far away.

### Contemporary Return Migration in Bulgaria

For the last nearly 30 years, Bulgaria is an emigration country with a stable tendency of increasing net migration flow. The most reliable source of information is the National Statistical Institute. Figure 1 shows the public accessible data on migration flows. Here the definition of returnee is everyone who has changed the official address of the place of residence for the last year. Return migration flow includes people with Bulgarian citizenship and third-country nationals. Third-country nationals, however, are a very small part of the flow.

Figure 1



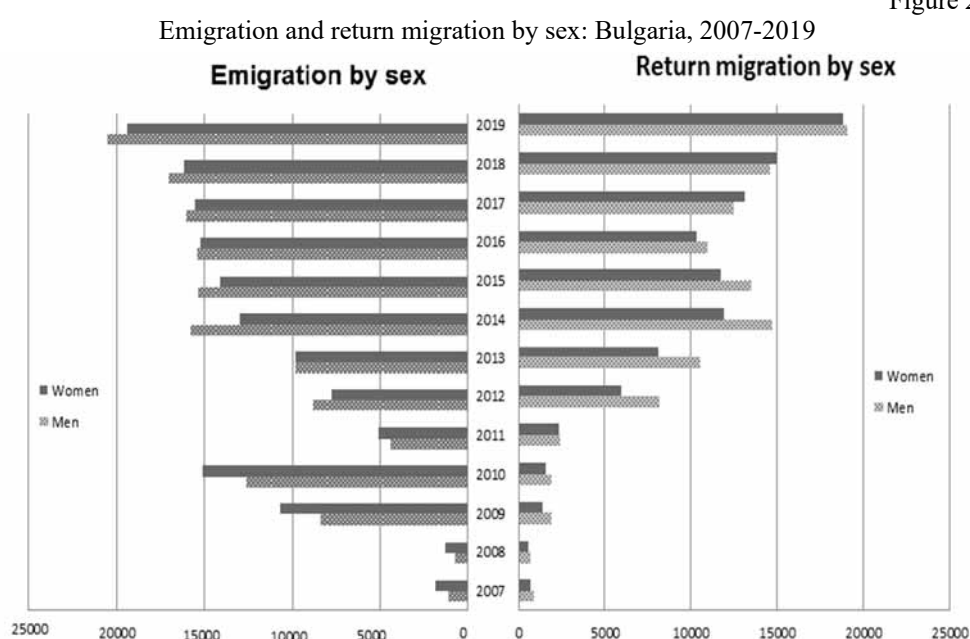
Source: National Statistical Institute.

After an emigration peak in 2009-2010, caused by the country's accession to the EU and the migration shrinkage through the economic crisis in 2011, the emigration flow from Bulgaria has a stable increasing trend. In 2018 and 2019, it even surpasses the peak in 2010 by 1/3. The data of the National Statistical Institute include only those migrants, Bulgarian citizens, who have declared to the administrative authorities a change of their current address to the country abroad. According to the National Statistical Institute, the most preferred destinations

by the emigrants are Germany (24.4%), the United Kingdom (17.8%), and Italy (7.5%). It is well-known that emigrational waves are always accompanied by immigration, one in a different degree and strength. Since 2012 (public data are for 2012-2018), we can notice the same increasing tendency but on a smaller scale.

There is a clear evidence of migration selectivity by gender – in the pre-accession period until 2011 emigration is a female priority (Figure 2). After 2011, men prevail in the numbers of emigrants, but still, almost half of the migrants are women. Selectivity for migration by gender can show different migration patterns and repercussions in respective analyses and migration policy design.

Figure 2



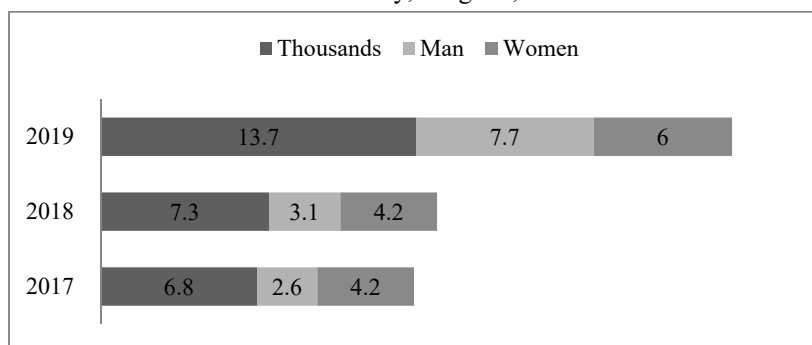
Source: National Statistical Institute.

The return migration data provided by NSI is based on those, who have changed their place of residence from abroad to Bulgaria: includes Bulgarian citizens who have returned to the country and immigrants – citizens of other countries (from EU and third-country nationals) who have received a residence permit or status in the country. The data are mixed with immigration and return migration, but according to the Census there, 7% to 9% are the number of immigrants in overall data of the return flow, called “settled” or “populated”. Nevertheless, gender selectivity in return migration is also registered. Regardless of the period (whether it is before EU accession or after, before or after the financial crisis) since 2007, every year, more men than women return and settle in the country.

Another source of information for return migration flow, more detailed and useful for statistical and sociological analysis, are the data from the labour Force Survey (LFS). The

return migration can be distinguished by the question available in the questionnaire: “Country of residence (different from Bulgaria) one year before survey” and “Region of residence (within Member State) one year before survey”. The two variables cover the latest return migration flow. Figure 3 presents the data from the LSF in Bulgaria for 2017-2019.

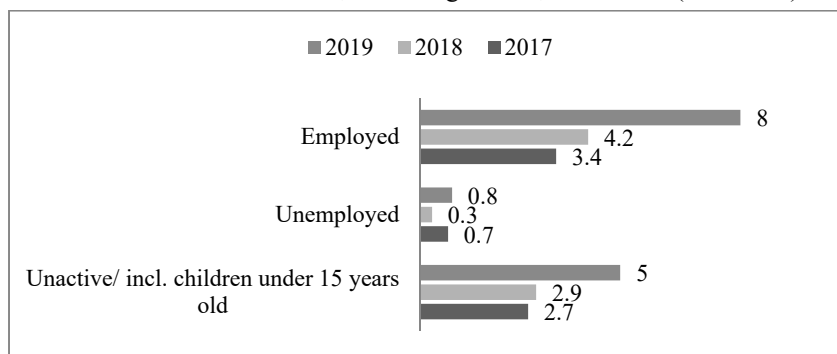
Figure 3  
Return migration flow to Bulgaria and gender selectivity of return migration according to labour Force Survey, Bulgaria, 2017-2019



Source: National Statistical Institute on authors' request.

The data confirm the increasing trend of the return migration flow to Bulgaria, as well as the lack of selectivity by gender in the return. Figure 4 shows the returnees' profile according to their labour status.

Figure 4  
Labour status of returnees, according to LFS, 2017-2019 (thousands)



The largest part of the respondents in LFS Bulgaria, who have been in a foreign country 1 year before the survey, are employed. As „inactive”, according to the definition of National Statistical Institute, are those under 15 years old and those who do not search for a job because of the following reasons: discouraged, attends school or qualification courses, poor health, personal, family reasons, old age, disability.

More detailed information about returnees' stratification gives the analysis of Nonchev and Hristova (2018). Around 5.6% of the returnees reason their emigration with obtaining higher education. Most significant is the share of returned migrants with secondary (general and vocational) education. The share of returnees with higher education is 22% and those with a scientific degree are 1.2%. The share of respondents without education, with primary and basic education, is 0.8%.

Table 1

Education of the returnees through the first migration, in the first destination country, and on the last return to Bulgaria (% of all respondents)

	First emigration	First destination country	Return
No education	1.0	1.0	0.8
Primary	1.3	1.3	1.3
Basic	17.2	17.2	17.2
Secondary	20.2	19.7	18.5
Vocational	36.4	36.1	35.4
College	3.8	3.6	3.3
Bachelor	9.6	10.1	10.9
Master	9.8	10.1	11.1
PhD	0.5	0.7	1.2
No answer	0.2	0.2	0.2

*Source: Nonchev, Hristova, 2018.*

The data are from a national representative survey, conducted in 28.10.–20.11.2017 in Bulgaria within the project DN05/6 “Returning Migrants: Segmentation and Stratification of Economic Mobility” (RMSSEM) (hereinafter referred to as “RMSSEM Survey”), financed by Bulgarian Science Fund. The Survey covers adult Bulgarian citizens (18+) who have worked abroad for more than 3 months during the last 10 years (2008-2017). The survey registers both permanent and temporary returns without, however, considering short returns for holidays, family meetings, medical treatment and similar.<sup>5</sup> According to the European Commission’s Education and Training Monitor 2019 report, “the number of students from abroad in Bulgaria increases, but not enough to compensate for the large number of Bulgarians studying abroad”. According to the national statistics for the academic year 2019-2020, a total of 220 168 students study in Bulgarian higher schools – public and private, of which 140 841 are Bulgarians (in Bachelor and Master’s programs). In its report, EC points out that in 2017, for example, 8.1% of high school graduates have chosen to complete their higher education abroad (nearly 4300 people). According to consulting companies for 2018, about 10-12% of high school graduates make this choice. Depending on the size of the class, these are about 4500-5000 to 6000 young people per year. Last fall, the World Education Project has announced that in 2019, about 15% of high school graduates continue to study at foreign universities.

According to the recent European Commission Report on Bulgaria, “shortcomings in the functioning of the institutions are a significant obstacle to the economic and social potential of the country”. For several years the country ranks low in corruption control indexes like

<sup>5</sup> <http://remigrants.tys-software.com/>.



Eurobarometer, World Bank’s Worldwide Governance Indicators, and European Quality of Government Index. The situation can be described as chronic and lasts for several decades already. In the summer of 2020, large anti-government protests have been held in Bulgaria. Their main claims have been about reforms in the juridical institutions and government resignation. According to a Gallup International survey in July 2020, the profile of the protest’s supporters reproduces the traditional structure of opinions on the issue of trust in the government. The 2018 European social survey data on trust show that the highest the education, the less trust declared in the national government.

Table 2

Trust in country parliament – the answers “do not trust at all”

Highest level of education	Less than lower secondary	Lower secondary	Lower tier upper secondary	Upper-tier upper secondary	Advanced vocational, sub-degree	BA level	MA level
Bulgaria	8.3	11.7	0	16.9	2.1	11.7	15.4

*Source: ESS9-2018, ed.2.0.*

The returnees’ stratification profile replicates Bulgarian society in terms of education, gender and age. And this might be a base for a hypothesis that returnees value also distrust more that trust in government and institutions. The main difference is that returnees have already a migration experience and can choose to leave again rather than facilitate institutional change or be involved in protests or other social activities on public change.

### **Sustainability of Return**

Minchev and Boshnakov (2007) present a classification of the returnees, based on their declared intention to migrate again. According to their declarative intentions, there are three types of return migrants: stayers, temporary migrants, and permanent migrants. Based on data from the RMSSEM survey, they present the following picture. Respondents who declare a long-term stay are 60% of all respondents. On the opposite side are those who like to leave again for a short or long term – 28.2% of all respondents. And finally, one in eight respondents would like to leave Bulgaria for good. The difference between declared intentions and real actions, the so-called La Pierre paradox, is a well-known obstacle to intentions’ research. A complex proposal on the sustainability of returns is an index of remigration, developed by Misheva, Getova and Bakalova. It is a holistic approach to remigration intentions, combined with economic, social and subjective factors. Economic factors are owning a business or property in Bulgaria, owning another property, being active on the labour market, the income of every member of the household higher than the poverty line, savings from abroad. Subjective factors are return due to family reasons, caring for older or sick parents/relatives, nostalgia, unsuccessful integration abroad, completion of initial emigration goals, declared desire to stay in Bulgaria.

Other subjective factors are subjective social status (defined as above the average), the respondent is married / in a relationship, children under 18 years old, the durability of stay in Bulgaria. The index is from 0 to 20, where 20 is the highest probability of staying (completely

sustainable of return – the “won’t emigrate”). It is developed on the data from RMSSEM. Table 3 shows indexes groups from 1 to 4. Group 4 is the smallest but the most sustainable in return. Returnees from this group are in a very low risk of re-emigration and a very high probability of staying “at home”. While the probability of staying in Bulgaria for Group 3 is higher, especially for those with values higher than 12, the risk of re-emigration still exists. In this group the non-economic factors could become possible motivator for stay or re-emigration. These are only 1.5 of the respondents. A level below the stochastic failure. Group 1 is the exact opposite of Group 4, here respondents would leave Bulgaria soon. They are 12.5% of all respondents. Group 2 of low probability to remigrate is the group with an average risk of re-emigration and an average probability of staying in Bulgaria. Here the index value interval is between 11 and 15. While the probability of staying in Bulgaria for this group is higher, especially for those with values higher than 12, the risk of re-emigration still exists. In this group, the non-economic factors could become a possible motivator for stay or re-emigration, so the policies should be dedicated to such opportunities (Misheva, Getova, Bakalova 2020).

Table 3

Index of re-emigration probability based on data from the RMSSEM

	Index values	Percentage of respondents
Group 1 High level of re-emigration probability	0	.0
	1.00	.3
	2.00	1.0
	3.00	1.8
	4.00	3.3
	5.00	6.0
Group 2 Low level of re-emigration	6.00	7.3
	7.00	9.8
	8.00	12.9
	9.00	12.4
	10.00	13.9
Group 3 High probability of staying	11.00	11.4
	12.00	7.5
	13.00	6.8
	14.00	2.5
	15.00	1.7
Group 4 Very High probability of staying	16.00	.8
	17.00	.5
	18.00	.2
	19.00	.0
	20.00	.0
	Total	100.0

Source: Misheva, Getova, Bakalova, 2020, authors' adjustments.

### Transformation of Social Capital

Transforming social capital between the destination country and the country of origin is also an important factor for the eventual impact of the returnees on the institutions. According to Bourdieu, habitus can change through and in the process of gaining new life experience

(Bourdieu, 1993). Such a habit-correcting life experience can be the migration biography, the migration experience and the return to the country of origin (Nowicka, 2015). Social capital, symbolic, cultural or economic, is attributed to habitus. Habitus is the context in which these different forms of capital function, each of which can acquire new significance in the process of international migration (Nowicka, 2015). The “field” in Bourdieu’s understanding is the space of rules, of the rules of the social game, which incorporates habit as “at home” – being in a world itself. Migrants as social actors leave the familiar entourage and try new practices, surroundings, where their habitat is located. The clash of habitus in the new field creates practices that are a product of the social order and rules of the “game”. Practices are the operational and objective knowledge in society. The practices refer to the objective social structure within which the habitus is created: in critical moments of change, of short but radical transformations, such as migration. The transnational ties created by migrants could be an influential corridor for change because of the elements of social capital as information exchange, trust and reciprocity. The informational exchange does not end after returnees are back at home. In the technological age, transnational contacts thrive and make migration processes resistant to immigration policies and differences in earnings (push and pull factor) and can be original source of comparison between Bulgaria and the destination countries of emigration left by returnees. Table 4 shows the top 10 countries returnees return from.

Table 4

Top 10 countries Bulgarian migrants return from

UK	20.7
Germany	19.2
Greece	13.6
Spain	8.8
Italy	7.8
USA	4.8
Turkey	2.3
France	2.6
Netherlands	2.2
Cyprus	2
Austria	1.7

Source: *RMSSEM Survey 2018*.

The transformation of norms and social capital through the social migrant networks are a possible positive effect for institutional change. Migrants do not interrupt their connections with receiving countries and the Bulgarian diaspora there. Migration experience of returnees in countries marked high in Human Development Index could lead to new transnational practices of institutional change at home by transforming social migrant capital at home in attitudes, skills and transfers.

### Remittances and Savings

The next most important issue in eventual institutional change, caused by migrations, are the money transfers. De Haas describes the current debate on the impact of migration transfers

as “the euphoria of remittances”. He claims that this is not a “new” question, and the assumptions that we investigate novelty testify to “a staggering level of amnesia from decades of previous research and policies on the subject” (De Haas, 2007). With regard to returned migrants, transfers have an effect (if there are any and to what extent) on the income of the family and on the accumulation of certain amounts from the family to help the returnee when he/she is back home. Some researchers (Zupi, 2002; Hahn-Schaur, Segeš-Frelak, 2019) emphasize the possibility of transfers becoming savings at home and subsequently an investment upon return. The positive aspects of any accumulated funds from transfers are investments in human capital or entrepreneurial activity, but they can also be used to “finance” new migration strategies. Of course, the strongest influence on institutional change would be the development of new businesses by returnees or helping others to do so. Researchers indicate that tentative entrepreneurship of returnees has played a significant role in the economic development of China, the Arab Republic of Egypt, India, Morocco, Turkey, Tunisia (Saxenian, 1999 Wahba, 2014; Debnath, 2007). Especially in Egypt, the results of a field research of Wahba (2007) prove evidence of a correlation between the returnees’ migration biography, such as period of stay abroad, and the entrepreneurship at home – the longer Egyptian migrants have stayed abroad, the higher the probability that upon return they will start their own businesses is (Debnath, 2007). In Egypt, this has caused 15% job creation accomplished by returnees’ firms.

According to Bulgarian National Bank data, remittances from emigrants in 2018 are 1.1 billion BGN. About 20% of remittances are sent from Germany; from the USA – 18.6%; from Spain – nearly 12%; and from Great Britain – 8.6%. Data from the RMSSEM project show that the remittances are used to support relatives in Bulgaria (during returnees’ stay abroad) and entrepreneurial and investment activity upon return. Around 7% of the returnees in the 2017 RSSSEM survey have declared that they invest their savings in new businesses. The main economic activities where the returnees focus to the entrepreneur are the retail, small shops for cosmetics or clothes (35.7%), manufacturing sector (23.8%), such as the production of orthopedic shoes, furniture, joinery and etc., followed by investments in various types of services (21.4%) and transport (11.9%) (Minchev, Boshnakov, in Nonchev et al., 2020). According to the Survey data, about 25% of returning migrants are unemployed. Also, 21.9% of returnees state that all the help they need upon return is finding a job. Hypothetically, such a negative labour performance of returnees could emanate from a high savings from their work abroad. The survey data contradict such a hypothesis, since the average stated amount of savings for half of the respondents is 6000 EUR. About 3.5% of the returnees are self-employed and 5.5% have declared that they own a business.

According to the data from the RMSSEM survey, the fact that returnees have migration experience does not lead to an active participation on the labour market. About 25% of the returning migrants declare problems with finding a job at home and are unemployed. Another 21.9% of the respondents who work at the moment of the survey, state that they need help upon their return to find a job.

## Entrepreneurship

Entrepreneurial activity in Bulgaria has increased last year, reaching its highest level since 2015. The share of people, who have started their own business, has reached 6%, compared to 3.7% a year earlier. This is shown by the results of the latest Global Entrepreneurial Monitoring (GEM) survey, in which the country has participated for the fourth year. Nevertheless, the level of entrepreneurial activity in the initial phase in Bulgaria remains among the lowest of the 49 countries surveyed in the world. The level of Bulgarian returnees' entrepreneurship is around 9% (3.5% are self-employed and 5.5% own a business). The differences in years of the studies and in methodology are not giving us a clear comparison foundation, but still, both levels are not high as for example in neighbouring Greece (14.33%), or Poland (12.76%), for the same indicator "Established business ownership".

Table 5

Percentage of 18-64 population currently an owner/manager of an established business – GEM 2018

Greece	14.33
North Macedonia	8.00
Poland	12.76
Slovakia	5.88
Slovenia	8.45
Bulgaria	8.35
Slovakia	4.55
Slovenia	6.84

Entrepreneurship is a process that does not depend only on personal qualities, but also on a range of contextual factors (Misheva in Nonchev at al., 2017). The low percentage of entrepreneurial activities among returnees in Bulgaria could be a result of the low sustainability of return. Problems with returnees' reintegration at home could lead to emigration again and in Bulgaria, even more than emigration, the return is directed by family-based decisions, including problems of adaptation (Misheva, Getova, Bakalova, 2020). When the remigration plans are made, they are because of unsuccessful reintegration on the labour market and are driven by economic factors, such as payment and finding a job, rather than emotional reflexivity factors (Bakalova, Misheva, 2018).

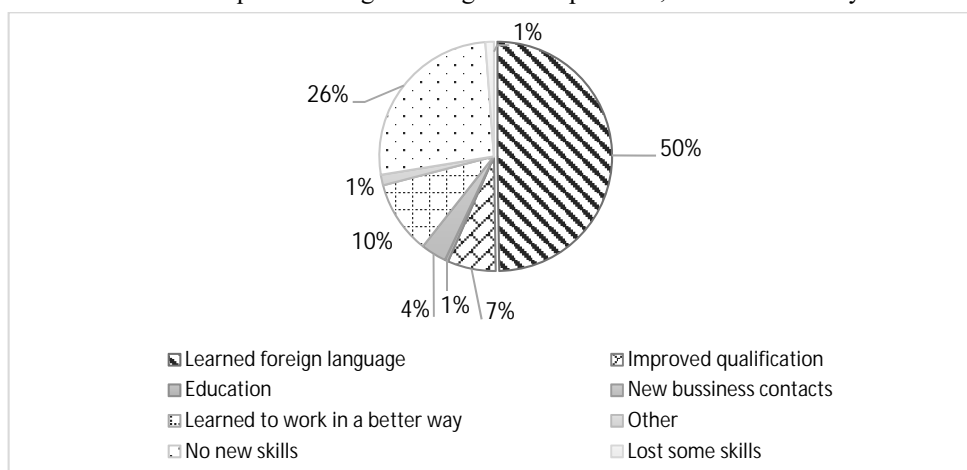
## Acquisition and Improvement of Skills

Migration, particularly labour migration, is commonly perceived as a skill and qualification booster. It is perceived as an investment in human capital that could pay off after returning at home. The data from RMSSM are contradictory – almost every third of the returnees in the survey declares that he has not acquired any new skills. Half of the respondents have learned a new, foreign language, and 10% claim that they have got acquainted with improvements in the labour process.

Returnees, who claim a decrease in qualification and loss of skills, are 1% of the respondents. This share is the same for those who have improved their educational level.

Figure 5

Skills acquired through the migration experience, RMSSEM survey



Several studies show that returned migrants earn on average about 16% more than non-migrants (Ambrosini, et al., 2012; Lacuesta, 2010; Wahba, 2014). Although half of the difference in observed wages between returnees and non-migrants is due to observable characteristics, such as age and education, other inconspicuous characteristics represent another quarter of this difference in wages. Lower educated returnees earn only 10% more than non-migrants, compared to those returning with higher education who earn 24% more. The positive effect from the duration of migration peaks at six years stay abroad and leads to a salary increase of about 27% more than non-migrants (Wahba, 2014).

The impact of acquired skills depends on the educational level of the migrant. Wahba states that nearly 53% of returning graduates have felt that skills acquired abroad are useful for their current job after their return. In comparison, only 33% of the less educated and 22% of the illiterate believe that this is the case. Therefore, the experience gained abroad provides more opportunity for the educated migrant to improve human capital.

This is not the prevailed situation in the case of Bulgaria’s returning migrants. Table 6 shows returnees’ monthly income, declared in the RMSSEM Survey.

Table 6

Personal income of returnees in Bulgaria

	Percentage of respondents (%)
No income	18
Up to 800 BGN	41
801-1600 BGN	17.5
1601-2400 BGN	2.2
Over 2400 BGN	1.5
No answer	17.3

Source: RMSSEM Survey.

Data from the survey show, that the average monthly income of the respondents who state a specific value of their income (57%) is 1340 BGN, and its variance is 816 BGN (Nonchev, Hristova, 2020). According to NSI, in the second quarter of 2020, the average gross monthly salary has reached 1337 BGN. Compared to the 1.5% of returnees declaring income over 2400 BGN and 2.2% who claim to earn 1601-2400 BGN, it seems that the migration experience has not contributed to higher pensions of returnees in Bulgaria.

## **Conclusion**

Emigration processes from Bulgaria are accompanied by a steady, increasing flow of returnees, mainly from developed democracies. Return migration is one of the most desired by the sending countries' governments with a potential to contribute to an institutional change and socio-economic development. It allows return migrants to transfer social and human capital at home, to use the accumulated savings abroad for starting a business. There is a 10% of returning graduates, who can skillfully use the acquired knowledge and skills, but also increase the demand for political responsibility among the institutions. The returnees are graduates from countries with a high ranking of democracy and human development. Another positive characteristic of migration flow is that the emigration and return migration are not gender-selective in the case of Bulgaria.

Returnees in Bulgaria, especially the highly qualified ones, are a potential push factor for an institutional change, according to their qualification, skills, and the fact that their migration experience has been gained in highly developed countries. However, according to the data from the RMSSEM survey, the fact that returnees have migration experience does not lead to an active participation in the labour market and returnees do not earn higher wages when they return. Migration abroad does not lead to a "surcharge" on returnees' wages at home. The return at home might be declared as permanent but, a large group of Bulgarian returnees are planning a way back to foreign destinations. The circularity of migration is strengthened by problems with reintegration at home of returnees and the fact that migrants participate in a vital social net, pulling them to migrate again. Whether the real benefits from return migration flow reach institutional development depends on individual and social conditions: the migrants' success in accumulating savings and human capital but also on the society's ability to use them. To benefit from returnees, homeland governments need policies that encourage labour market reintegration and returnees' entrepreneurship.

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