THE PENSION OF THE RETIRED RETURN MIGRANT IN THE MAGHREB: A DEVELOPMENT FACTOR?

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Migration from Magh/Eur started in 60’s, post-independence period.

As a result, this beginning millennium witnessed return/migration of thousands, who have now reached retirement age, to Mor, Alg, Tn.

Study examines how the pension/retired return migrants are used. Two main possibilities exist:

- used for consumption (inc. purchasing of houses)
- reinvested partly in the local economies

If we consider that there exists a consistent wage and pension differentials between home/host employment markets, then we can assume that the pension/retired returnee can constitute a factor/sustainable dev in the region.
DATA
Data used stem from a field survey carried out in 2016 in the framework of the MIREM project (Collective Act° to Support the Reintegrat° of Return Mig in their Ctry of Origin)

http://www.mirem.eu

based at the Robert Schuman Centre for Advanced Studies, with financial support of both European Union and European University Institute

Sampling frame for this survey was stratified into 3 countries of Maghreb, with a total sample of 992 migrants dispatched as follows:

• 330 Morocco
• 332 Algeria
• 330 Tunisia

Only data concerning those return migrants who have freely decided to come back home were considered in this study, excluding those expelled
Process/eco transit° that followed the independences during the 60’s in the Magh led to a global migration/yg men, mainly to Fr (former colonial ctry), It (nearest ctry with emplmnt opportunities)

Since that period, Magh gov considered migration/mean of export unemplmt and poverty, and way of mportg wealth, through remittances

Today, migration° is still a paramt issue in Magh, and migrts are considered as key persons contributg to the local eco dev

Mor: remittces represent +8%/GDP and permit to gov to cover 50% of the balce/paymt deficit
Today, expatriated Magh community includes 2nd, even 3rd gen°, but the most important is that 1st gen° is composed/individuals who have just reached retiremt age.

Many returned home, or are seriously thinking about coming back and enjoying an old age in the home land.

Spending the last days of life in motherland, and buried near the father is common in the Muslim culture.

Buried in a non-Muslim cemetery is a great fear among Muslim expatriated in Eur/US.
Retiring is the 1st motivator/returning back home, familial problems in home country being the 2nd reason, with respectively 14.4% and 8.9% of the responses.

Seniors = 18% of the Magh return migrants, while 21.9% are officially retirees.

During the last 10 yrs for instance, +90,000 Alg left Fr to benefit their pens° in Alg, at a rhythm of 9,100 migrants/yr.

Nber/Mor retirees leaving Fr is around 1400 departures/yr.

As a result, savgs and pens° of the retired returnees became suddenly an eco factor of major importance.
METHODOLOGICAL APPROACHES

2 opposite approaches for the analysis/pens° of the retired returnee, dependg on the vis°/his eco capital

ENDOGENOUS MIGRATION MODEL

migrt’s behaviour based on altruism and the satisfact°/persons relying on him, and in particular the family at home

retired migrt affects his pens° for consumpt° purposes, either for himself or his family

Immediate welfare is paramount to any idea of rates of return of the pens°, as the utility of the migrt is directly linked to the utility/family in the home country

This model does not consider the migrants transfers, savgs and pensions as an engine of local employmt and eco growth
PORTFOLIO MODEL

remitting aims at guaranteeing a reward when coming back to the home country

this “selfish model” considers that at least a part/percent is invested in businesses

projects are of micro dimensions, and the percent is often used to reimburse a bank loan (project)

consider remittances, savings and percent as a major source of capital for sustainable development in home land, as they create productive assets and reduce unemployment
OPTIMAL DURATION OF MIGRATION

Close relationship between the period of time spent abroad and the returnee’s willingness to invest in the home market:

- **Duration too short**: migrant will not have the time to acquire necessary experience to create and manage a project in home country.

- **Period spent outside too long**: migrant will lose contact with the home society, and will be so disconnected that he will no more have sufficient knowledge about behaviours, markets and economic mechanisms to be able to create a profitable project.

- **If the returnee is too aged**: his health will no more permit him to manage effectively his business.

There exist a theoretical, optimal period of time spent abroad that influences the possibility/investment back home.
TYPOLOGY OF THE MAGHREBIAN RETIRED RETURNEE
Was 25 years old when he left Alg in 1960

Travelled by boat to Sthrn Fr (95%)

Holds regular-documts (99%), working permit (63%)

Is 65 years and decided to return home after havg spent in average 40 yrs abroad

Poorly educated (95%), was livg in rural area (59%) before settlg abroad

Although was employed before migratg (62%), his financial situat° was precarious (87%) and did not benefit help from the family (66%)

Left Alg single (70%) and had no close family in Fr (96%)

Once in Fr, did not benefit help from family or friends (75%), but found a job before 3 mths (82%), and did not find difficulties in integratg local sty
Although did not improve his educational level (95%) and had no access to professional training (90%), improved his financial situation during his career (97%)

Kept links with Alg and used to send once a year 1000€ to Alg (80%) to help the family (school expenses), build a house and contribute to social projects, (mosques)

Used to bring to Alg facilities, refrigerators, cars (88%)

Had regular contacts with the consular representative

When coming back/Alg, owner of his house (98%) and lives in urban area (73%)

Although thinks about staying definitely in Alg (75%), kept his documents in order to have the possibility to return to Fr (84%)

Felt poorly assisted by the Alg gov when coming back, and despite pb/reintegration of Alg sty, thinks that life in Alg is better/Fr (68%)

Now transfers monthly 500€ to his bank acct in Alg (55%), for family expenses and to build a house
ENTREPRENEURIAL BEHAVIOUR OF THE MAGHREBIAN RETIRED RETURNEE
Does not seem keen on investing back home (90%) 

Invested in small and medium projects:
- employing less than 10 employees
- tourism and commercial sectors
- amounts varying from 3/90 000€

Has capacity/invest amounts that relatively high regarding local eco and level of dev

Main source /financing was the pens° and savgs, with no assistance from local bk
RETURN VS NON RETURN:
THE SOCIAL PROTECTION AS A KEY FACTOR

When migt reaches 65, he must take a major decision concerning last stage of his migration cycle: Stay there or come back home?
STAY IN THE HOST COUNTRY?

RANGE OF MEDICAL SERVICES

Retired mig is by nature +65, has specific health needs

Magh health syst does not offer high stdrd qual/svces

Magh health system still does not provide specific svces such as geriatrics or psychological assistance for the elderly (but Tn)

Return migrt knows that if he decides to come back home, he will be obliged to travel regularly to benefit good medical sces in the previous country of immig°
REIMBURSEMENT

Mig used to benefit a social protection system that reimburses a consistent part/medical expenses, especially if he was expatriated in Europe or Gulf, where high standard social systems are available.

Mig knows that in his origin country, the social protection system is still poor, and he will have to spend consistent amounts of money to cover by himself his health expenses, with no hope of reimbursement.

TWO-SPEED MAGHREBIAN HEALTH SYSTEM

Medical services offered/pb sector are bad: disorganised reception, lack of hygiene, delays in treatments, overcrowded rooms.

On the other side, pv sector provides a better quality of health services, but at a very high cost.

Tn: private clinics xpts their services (Brit patts have surgical ops because cheaper comparing to the UK, no waiting lists)
Retired returnee aware that, if settling in his home ctry, he must affect a consistt part/pens° to health care, while he can benefit from it freely in the previous immig° ctry

For all these reasons, all related to social protect°, the retired mig is reluctant to come back home definitely

Most retired returnees keep updated the official documts they were handling when living in host ctries

They travel every 6 mths to previous immig° country to prove that they are still alive and update their social protect° cards
RETURN TO HOME COUNTRY?

Paradoxically, main factor pushing the retired Magh mig to return home is also related to the social system

Huge difference in salary levels between host and home employment markets

As calculated are based/last salary, pens° are higher in the host ctry

Pens°/retired Tn operator returning from Germ = salary of a Gen Mnger in pv sector in Tn

In addition/differentials in gross salary levels, xchge rates between Magh currencies and €/$ are favourable to the return mig

Fluctuat° in xchge rates pushes regularly pens° up, comp satg inf lat° rates in home ctry

Possible eco effect/mig pens° is multiplied and afford to him to live in very good cond° in his home ctry

“live like a Bey in my home country”
Dilemma:

Should he come back home to enjoy his pens°, benefitting from its multiplied value?

Or should he stay in the host ctry, benefitting a high stdd soc protect°?

In both cases, social prot° mechanism appears as a key elemnt in makg decis°.
Only little share/pens° is used in productive investments, mainly small and medium businesses.

Despite of this, Mª€ are invested in local economies, and this contributes certainly to the sustainable dev/Magh.

Returnee entrepreneur hardly ever contracts bk loan when investg.

Savings accumulated in host ctry constitute the great source of financg projects when coming back home:

- 76% of return Magh mig fince their project with their own savg and pens°
- 13.9% of them contract bk loans (15.3% in Mor/Tn, 9.5% in Alg)
Reasons explaining the autonomy-behaviour

1. Mig has saved sufficiently durg his career/fince a complete project by himself

2. Mistrust between the migrant and the local banks:
   - Mig has a very bad vis° of the local bkg system
   - But this lack/confidce is also expressed by the other side, as local bks consider the retired returnee’s projects as low-return and risky investments:
     - return mig, after having spent mid-life outside the country, has a poor, wrong knowledge of the local market
     - has then great difficulties in managing the human and financial assets in the home country
     - advanced age: bks use to give loans more likely to young entrepreneurs that to retirees

The quest°/age is also related to the theory of optimal period of time spent abroad

MIREM survey showed the following:
Graph 2: Duration of the migration experience of the returnees who invested back home (N=296) compared with those who did not (N=696)
RECOMMENDATIONS
Decis° makers suffer lack/data concerning behaviour/return mig

Particularly true concerning the retired returnee, as the phenomenon is relatively new

Need to widen the knowledge base on the motivat°/retired return mig, their projects, their needs and the potential they can offer to home ctr

Conduct surveys and make studies on mig/seniors

As Magh ctries have not capacity/fince such complex studies, they should think about partnerships with Eur/US academic institut°, NGOs, IO (IOM)
RESTORE FAITH IN HOME COUNTRY ADMINISTRATION

Mig afraid/losing an entire life of ghorba and savgs in a bad business

Fear reinforced/lack of knowledge of the origin sty and culture

Fear/corrupt°, bureaucracy; misunderstanding

Diplomatic representat° in Eur must do further efforts in communicat° in order to offer +positive vis°/return back home and the investmt in productive projects in the origin ctry

Message bust be convincing, because the idyllic image presented by the embassy’s officers may contrast with what the mig hears about his ctry, through official media (Eur TV and papers, @) and non official channels (family, frds)

Fear reinforced when he has already exprnced pb with local admin° (customs, border police)
SUPPORT THE RETURN MIGRANT

Create ministerial agencies to help the retired expatriate who wants to invest back home.

Provide mig with accurate info/investment procedures.

Most/them ignore last bank reforms (hold current accts in convertible local currencies).

Incentives/invest: tax exempt° and off shore areas, where investors can install export project.

Help retired mig in conducting market studies, play a mediat° role to help mig obtaining a local bank loan, or negotiat° with the local admin°.
IMPROVE THE INSTITUTIONAL ENVIRONMENT

Poor infrastructure: roads, electricity network, industrial estates zones, web and telephone network, public equipmt

Small markets: Mor 30M, Alg 30M, Tn 10, small demd/goods and sces, severe compet°

Offer to retired mig specific inctives/projects when returng home

MIREM’s survey: 88.8% of Magh return mig had not benefited any assistce from local admin° durg the comg back process, nor the investmt procedures

Data show marked différences betwn 3 ctries, as 80.8% of Tn returnees said they have not been assisted/own gov, while this proportion is 90.9% amg Mor and 95.1% in Alg

Lack/custom and tax inctives, low educ° level of the local human capital and reluctce/local bks to give loans
Key factor that influences the behaviour of the retired mig:
social mechanism in home country

**IMPROVE SOCIAL PROTECTION IN HOST COUNTRY**

Help retired returnees in regulatg their situat° regardg to their social rights, as pens° and health coverage, with the host countries administrations

Keep updated doc (residce permit)

Statute/retired mig may be changed by the rect decis° taken in many Eur cntries that are closg doors of immig°

Create specific taskforces in charge/follow new legislat° in host ctrtries, and interfere if necessary in order to make it easier for the returnee to benefit his social rights
IN HOME COUNTRY

Improve q/l/med scs offered to the return mig

Pv clinics should offer special rates to retired returnees, who can in return pay in hard currency

If retired migr can have access/acceptable health svces in his home ctry, that will certainly encourage him to settle back home and then to invest locally

Specific assistce/return mig to make them benefit soc protect° in their origin ctry

Assistce to widows and orphans who returned home and wish to benefit their social rights, as perceiving the pens°/spouse in home ctry

Legal assistce to surpass the juridical pbms with soc security adm°
CONCLUSION
Social mechanism = key issue in the mig process in Magh

Reliance on the pens°/savgs of retired returnee may be one engine of sust dev for ctries as Mor, Alg, Tn

Clear necessity for Magh gov to settle strategies to attract these pens° and inject them in local eco, in the framework of micro projects

Need/conduct deeper research to understand soc/anthropological factors behind eco behaviour/retired returnee

Knowledge/motivat° behind return/retired return mig and the use/his pens° is without contest the key to positive mig policies
Vieillir en Tunisie

Le vieillissement ? Qu’il s’agisse d’Alzheimer, du problème des retraites, de la déprime, tout le monde en parle. Toutefois, l’information est souvent incomplète, déformée, biaisée par les stéréotypes, voire complètement erronée. Accessible à tous, ce livre, écrit par un démographe de formation et d’expérience, propose des réponses claires aux nombreuses interrogations que soulève ce phénomène, en prenant comme terrain de recherche un pays qui découvre brusquement que, comme les autres peuples du monde, il vieillit...

Sofiane Bouhdiba, Professeur de Démographie à l’Université de Tunis, est un spécialiste mondial de la mortalité. Il a enseigné dans de nombreuses universités en Europe, en Afrique et aux États-Unis, et participé à un grand nombre de conférences internationales sur les thèmes de la mortalité et de la morbidité. Consultant international aux Nations Unies sur les questions de mortalité et de morbidité, il a eu l’occasion d’observer de près les grands changements démographiques qui ont affecté la population mondiale. Sa fascination pour la mort le conduit parfois à s’intéresser, comme ici, à l’une des conséquences majeures du recul de la mortalité sur les sociétés contemporaines : le vieillissement démographique.