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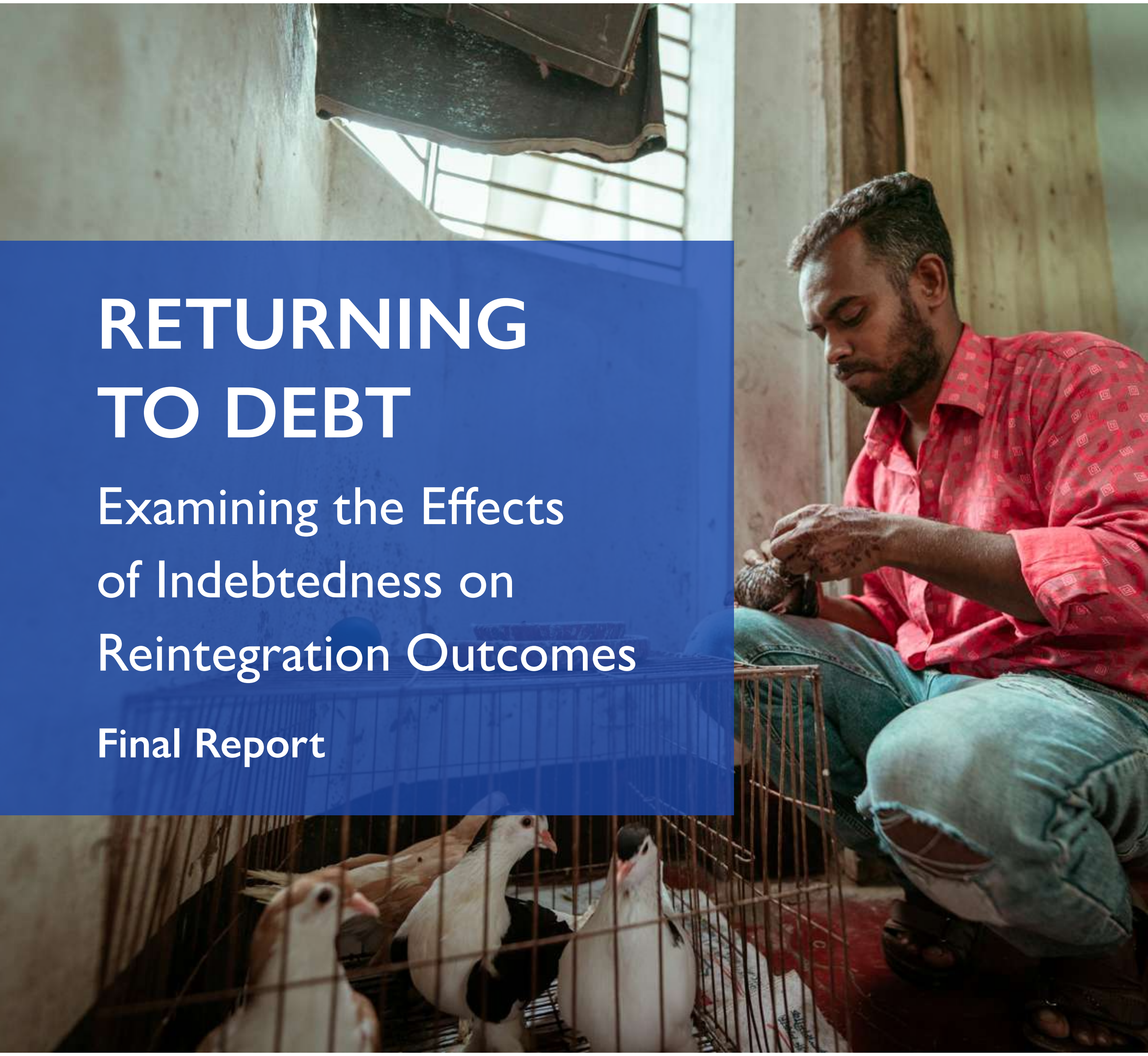

RETURNING TO DEBT

Examining the Effects of Indebtedness on Reintegration Outcomes

Final Report

EU - IOM KNOWLEDGE MANAGEMENT HUB
returnandreintegration.iom.int

UNIVERSITY OF SUSSEX
SAMUEL HALL.
IOM UN MIGRATION
Project funded by the European Union
Project implemented by IOM

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This publication was made possible through the financial support provided by the European Union. The opinions expressed herein are those of the author and do not necessarily reflect the views of the European Union.

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This publication was issued without formal editing by IOM.
This publication was issued without IOM Publications Unit (PUB) approval.

Design: We2 – www.we2.co

Cover photo: Returnee in Bangladesh. © IOM 2022 / Beyond Borders Media

Required Citation: Samuel Hall, University of Sussex and IOM (2022). Returning to Debt – Examining the Effects of Indebtedness on Reintegration Outcomes. Final Report.

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ACKNOWLEDGEMENTS

Samuel Hall and the **University of Sussex** would like to extend their deepest gratitude to the returnees and their household members who gave their valuable time, shared their difficult and courageous stories, and imparted their important knowledge for this study. Without their generous participation, this report would not have been possible. Many thanks in addition to the key informants who shared their experiences, knowledge, and perspectives.

Research for this study was led at **Samuel Hall** by Dr. Nassim Majidi, Mackenzie Seaman, Elyssa Majed, and Seif Aly and at the **University of Sussex** by Dr. Rajith Lakshman and Dr. Ceri Oeppen, with the assistance of Rosangela Caleprico. We thank the research team composed of: Hassan Imam Shaon in Bangladesh, Daniel Eugène Njakou in Cameroon, Dr. Joseph Wiltberger in El Salvador, Theophilus Kwabena Abutima in Ghana, and Diler Tahir in Iraq. We also thank our reviewers, Dr. Richard Johnson and Dr. Maryann Bylander, for their support and valuable insights.

The **International Organization for Migration** (IOM) technical review panel at Headquarters, consisting of Silvan Lange, Aleksandra Izydorczyk, Joy Paone, Claudette Walls, Phineas Jasi, and Mattias Carlson, would like to thank the IOM country offices in Bangladesh, Cameroon, El Salvador, Ghana, and Iraq for assisting the preparation and implementation of fieldwork. IOM would also like to thank Stine Hyldekjaer at the European Commission's Directorate-General for International Partnerships for her support and input.

The International Organization for Migration would also like to thank the European Union for its impetus and funding.

Food market in Somalia. © IOM 2022 / Claudia ROSEL

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DMP	Debt management plan
IOM	International Organization for Migration
KII	Key informant interview
MFI	Microfinance institution
NGO	Non-governmental organization
RSS	Reintegration Sustainability Survey

Returnee in Bangladesh. © IOM 2022 / Beyond Borders Media

1. INTRODUCTION

This mixed methods study – a collaboration between **IOM, Samuel Hall** and the **University of Sussex** – builds on previous research on debt and reintegration by analysing migrant returnees' and their households' experiences with debt in five countries **(Bangladesh, Cameroon, El Salvador, Ghana, and Iraq)**.

Debt plays a significant role in all stages of the migration cycle. However, while there is evidence on the financial lives of migrants in host countries,[1] there is much less exploring the financial lives of returnees and their experiences with debt. Recent studies on reintegration have touched upon debt in passing – mentioning that returnees' debt presents a significant barrier to their reintegration, and debt-related practices have been included in efforts to measure and track reintegration.[2] In response to increasing interest in how debt and migration are linked, IOM has also previously conducted two regional studies that systematically examined links between migration and debt (in South-East Asia) and returnees' debt experiences (in West and Central Africa). These studies indicated that debt often negatively impacts returnees' reintegration experiences.[3]

The present report expands this emerging evidence base on **why, and in what ways, debt impacts returnees' reintegration experiences and the experiences of their households.** It also explores how returnees and their households cope with debt. It contextualizes these experiences against returnees' broader migration journeys, their and their households' debt experiences over time, and the specific cultural context in which returnees and their households live out, and attempt to overcome, their indebtedness.

1.1 BACKGROUND

Debt impacts all aspects of the migration cycle and experience. Debt can determine vulnerabilities, increase protection risks, and play a critical role in the migration-development nexus due to the links between remittances and debt.[4] Migrants have also reported that repaying debt has contributed to their decision to migrate,[5] caused anxiety and depression,[6] led them into exploitative work,[7] and made it more difficult to leave exploitative work.[8] Returnees who have returned with new debt, or have been unable to pay off old debts, may be stigmatized as 'failed' returnees.[9]

Debt takes diverse forms: it may be formal (e.g. a loan from a bank), semi-formal (e.g. a loan from a shop) or informal (e.g. a loan from friends or family),[10] and indeed, even these categories may better be considered a spectrum of relative formality, rather than discrete categories. Debt may also be non-monetary: a child

1 Pamella Eunice Ahairwe and Amanda Bisong, "Supporting Financial Inclusion of Migrants: Actors, Approaches and Avenues to Overcome Challenges" (European Centre for Development Policy Management (ECPDM), March 2022); Kavita Datta, *Migrants and Their Money: Surviving Financial Exclusion* (Bristol, England: Policy Press, 2012).

2 See Samuel Hall and IOM, "Setting Standards for an Integrated Approach to Reintegration: Summary Report (MEASURE Project)" (Geneva: IOM, 2017).

3 Maryann Bylander, "Debt and the Migration Experience: Insights from South-East Asia" (IOM, 2019); IOM Regional Office for West and Central Africa, "Sub-Regional Study on the Debt of Migrants Assisted with Voluntary Return and Its Impact on the Sustainability of Reintegration in Countries of Origin," 2020.

4 Alemu Eshetu Fentaw, "Ethiopian Returnee Women from Arab Countries: Challenges of Successful Reintegration," *African and Black Diaspora: An International Journal* 11, no. 1 (2018): 33–50; Khalid Koser, "Why Migrant Smuggling Pays," *International Migration* 46, no. 2 (2008): 3–26.

5 Maryann Bylander, "Borrowing Across Borders: Migration and Microcredit in Rural Cambodia," *Development and Change* 45, no. 2 (2014): 284–307; Jan Ovesen and Ing-Britt Trankell, "Symbiosis of Microcredit and Private Moneylending in Cambodia," *The Asia Pacific Journal of Anthropology* 15, no. 2 (2014): 178–96.

6 Sarah R. Meyer et al., "Labor Migration and Mental Health in Cambodia: A Qualitative Study," *The Journal of Nervous and Mental Disease* 202, no. 3 (2014): 200–208.

7 Sallie Yea, "The Art of Not Being Caught: Temporal Strategies for Disciplining Unfree Labour in Singapore's Contract Migration," Geoforum 78 (2017): 179–88

8 Andrew M. Gardner, "Engulfed: Indian Guest Workers, Bahraini Citizens, and the Structural Violence of the Kafala System," in The Deportation Regime: Sovereignty, Space, and the Freedom of Movement, ed. Nicholas De Genova and Nathalie Peutz (Durham, North Carolina: Duke University Press, 2010), 196–223; Yea, "The art of not being caught," 179—188.

9 Liza Schuster and Nassim Majidi, "What Happens Post-Deportation? The Experience of Deported Afghans," *Migration Studies* 1, no. 2 (July 1, 2013): 221–40; Liza Schuster and Nassim Majidi, "Deportation Stigma and Re-Migration," *Journal of Ethnic and Migration Studies* 41, no. 4 (March 21, 2015): 635–52.

10 Diego Anzoategui, Asli Demirgüç-Kunt, and María Soledad Martínez Pería, "Remittances and Financial Inclusion: Evidence from El Salvador," *World Development* 54 (February 1, 2014): 338–49; Giuseppe Bertola and Stefan Hochguertel, "Household Debt and Credit: Economic Issues and Data Problems," Economic Notes 36, no. 2 (2007): 115–46.

might feel 'indebted' to their parents for non-monetary reasons.[11] Debt often has terms and conditions attached, such as interest rates, the requirement for collateral, and defined or flexible repayment dates.

Debt is not inherently negative. Indeed, access to credit is a key marker of financial inclusion and being able to borrow is seen as a positive indicator of economic reintegration.[12] Taking on debt may be a tool for positive investment in the future, as well as a way of dealing with current challenges. Nevertheless, debt can be negative. For example, when debts are too high, have predatory conditions attached, or the borrower cannot repay them, debt may negatively impact not only the borrower's well-being, but also their household's.

The limited existing evidence base on debt and reintegration requires further nuance and depth. How gender impacts indebted returnees' experiences and how indebted returnees respond to the ensuing reintegration challenges remains unexplored. Further, how returnees' debts and the debts accrued by their household members impact households and communities is relatively unknown. Finally, returnees' and their households' resilience in responding to debt is largely absent from the return and reintegration literature.

The report proceeds by outlining the research objectives and methodology. It then details the main concepts and literature to frame the discussion on debt and reintegration (Chapter 2) and presents empirical findings on returnees' debt-related practices and experiences (Chapter 3), debt's impact on reintegration (Chapter 4), and debt's impact on households and communities in a return and reintegration context (Chapter 5). It closes with conclusions (Chapter 6) and key recommendations emerging from the data (Chapter 7).

According to the IOM definition of sustainable reintegration, "**reintegration** can be considered sustainable when returnees have reached levels of economic self-sufficiency, social stability within their communities, and psychosocial well-being that allow them to cope with (re)migration drivers. Having achieved sustainable reintegration, returnees are able to make further migration decisions a matter of choice, rather than necessity."

IOM, Towards an Integrated Approach to Reintegration in the Context of Return (2017), page 3.

11 Lauren Heidbrink and Michele Statz, "Parents of Global Youth: Contesting Debt and Belonging," *Children's Geographies* 15, no. 5 (September 3, 2017): 545–57.

12 The Reintegration Sustainability Survey used by IOM investigates debt to determine overall reintegration scores or outcomes after return. It does so from three perspectives: perceived availability of credit, whether the respondent borrows money, and debt to spending ratio.

1.2 OBJECTIVES

To build an understanding of the multidimensional impact of debt on sustainable reintegration, the study analyses the influence of debt at the individual, household and community levels, and according to the three dimensions of IOM's definition of reintegration, namely the economic, social and psychosocial dimensions. The study incorporates the diverse identities of returnees, and a diversity of debts, into this examination. In addition to strengthening the existing evidence base, the research sought to go beyond vulnerabilities to understand the resilience of men, women, children, and communities impacted by debt. To achieve these objectives, the following research questions were formulated:

Table 1. Objectives and research questions

OBJECTIVES	QUESTIONS
Understand the impact of debt on sustainable reintegration	1. What is the influence of debt on the different dimensions of reintegration (economic, social and psychosocial)?
Identify links between indebtedness and returnees' vulnerability	2. How do returnees and their households manage debt and how are these experiences and decisions linked with vulnerability and resilience?
Highlight good practices that tackle returnees' indebtedness and formulate recommendations	3. What are the financial products and/or services available to returnees? Are they adapted to returnees' needs? 4. How does the supply-side of debt view and respond to returnees' financial needs? What are potential gaps in services and points of vulnerability?

1.3 METHODOLOGY

Qualitative and quantitative fieldwork were carried out in five countries (Bangladesh, Cameroon, El Salvador, Ghana, and Iraq) between May and July 2022.

1. **Quantitative survey.** In each country, returnees completed a phone survey that covered the returnee's profile, migration journey, debt status and their reintegration experiences. The survey respondents were purposefully sampled to control for gender.[13] Further snowball sampling was also used in all countries except El Salvador to ensure that the sample size for the survey was reached.

2. **Qualitative case studies using a W-model.** In each country, the research team conducted four to six case studies in-person with household pairs. The household pairs consisted of a survey respondent and an adult household co-decision maker of a different gender who may or may not have also been a returnee. The case study participants were purposefully selected from the survey respondents who reported that they: 1) were indebted (i.e. had borrowed money and felt that they still need to repay that borrowing); and 2) had an adult household co-decision-maker of different gender willing to participate in the case study. The W-model is a flexible tool aimed at exploring the experiences of indebted returnees and their household members, from pre-migration to post-return, enabling discussion of the relative highs and lows of participants' experiences of debt.

3. **Key informant interviews.** The key informant interviews (KIIs) examined the influence of debt on sustainable reintegration, links between indebtedness and returnee vulnerability, and good practices that tackle returnees' indebtedness. KIIs spanned a wide range of actors including NGOs, formal and informal financial service providers, government and other key experts including academics. **Programmatic KIIs** were also conducted to identify key good practices. Two programmatic case studies were identified for their work on returnee indebtedness.

13 Further information on gender and sex data can be found in Annex 2.

Limitations

In the data, there existed two significant limitations. First, in the study, 62 per cent of returnees reported having received some sort of support from either IOM or another agency. Thus, the surveyed and interviewed returnees were skewed towards those who had received support. The data may represent a relatively better picture than the general indebted returnee population. Secondly, returnees who were interviewed all had migrated – with 45 per cent having taken a loan to do so. That they were able to migrate speaks to having the required assets and resources to facilitate such a journey, which non-migrant populations may lack. As a result, the experiences of indebtedness presented in this report are specific to returnees.

More detailed information on the methodology can be found in Annex 2.

Table 2. Research respondents and participants by fieldwork locations

COUNTRY	BANGLADESH	CAMEROON	EL SALVADOR	GHANA	IRAQ	TOTAL
Survey	104	131	100	105	105	545
Case study	10	12	8[14]	12	10	52
KIIs	6	5	6	5	6	28
Total	**120**	**148**	**114**	**122**	**121**	**625**
Non-country-specific KIIs[15]						12
Total research sample						**637**

2. LINKING MIGRATION, DEBT AND REINTEGRATION

This chapter examines the link between migration, debt and reintegration. First, it elaborates on how the study understands and operationalized the term 'debt.' It then describes how debt may be significant in different ways at different stages of migration. Using the existing evidence on the relationship between debt and reintegration, the chapter also argues that debt is not inherently 'good' nor 'bad', but that there are certain risk factors which lead debts to act as reintegration barriers. Precisely these debts will in turn be an obstacle to reintegration.

2.1 DEFINING DEBT

What constitutes a debt can vary. In economic terms, debt is money owed by one entity to another where repayment ends the transaction.[16] In a formalized transaction, there may be stipulated terms of repayment, interest rates, and whether collateral is given. However, in this study's geographical context, formal financial inclusion is in many cases limited. The study required a more expansive understanding and examination of debt.

14 Given the security situation in El Salvador, the research team reduced the qualitative case study sample size in the country by one household.
15 This includes the two programmatic KIIs previously described and 10 additional scoping KIIs conducted during the initial phases of research design.
16 Nigar Hashimzade, Gareth Myles, and John Black, eds., *A Dictionary of Economics,* 5th ed. (Oxford: Oxford University Press, 2017).

This more holistic approach necessitated understanding that the sources of migrant debt are often varied and non-formalized. Indeed, in the context of developing economies, informal sources are the single largest category of household debt,[17] despite not being captured in national- and global-level administrative financial data.[18] Importantly, these debts may have less clear terms, engendering unique opportunities for exploitation or, conversely, negotiation.[19] In relation to migration, a key informal lending source may be a migration broker, agent or smuggler (e.g. to facilitate visas or irregular border crossings). The terms of such loans vary by context in terms of their relative formality or informality.

The state of being in debt can also extend beyond monetary borrowing. For example, female returnees may have relied upon family members in their communities of origin to care for their children while abroad.[20] In another study, Cameroonian migrants expressed feelings of moral indebtedness towards their parents.[21] Such social debts, or family investments of money or time that entail moral obligations, can represent a barrier to reintegration just like financial debts.

In light of such realities, the following definition of debt is used in this study:

> Debt is anything borrowed, either money, services or goods, with the expectations by one, some or all parties to the debt that the money, service or good is repaid in kind or with money.

In this study, respondents discussed both current debts, as defined above, and previous debts they had either repaid or were no longer required to repay. Therefore, the study also uses the term **'indebted' to refer to the state of *currently* having outstanding borrowings that returnees felt still must be repaid.**

While the study examines both monetary and non-monetary debts, most respondents focused on monetary debts when asked to reflect on what they considered as indebtedness. Because of this, most of the study's findings relate to monetary debts. As a male returnee in Ghana said, "what I know is that one can only be indebted with money. You could collect something from a person, that is also debt, but they all boil down to money."

2.2 PLACING DEBT IN THE MIGRATION CYCLE

Economists see two broad purposes for which households use debt. First, debt is used to maintain consumption expenditure during lean times. Second, debt is used to finance investments by households. These can include investments into physical capital such as housing, land and livestock, or investments into human capital such as education and health[22] – or in the context of this study, investment in migration.

Debt-financed migration may be a rational choice to invest in human capital given that migration can positively impact earning potential and motivate migration decisions.[23,24] Migration is by a large margin the most profitable investment opportunity available

17 Asli Demirgüç-Kunt et al., "The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution" (Washington DC: World Bank, 2018).

18 Giuseppe Bertola and Stefan Hochguertel, "Household Debt and Credit: Economic Issues and Data Problems," *Economic Notes* 36, no. 2 (2007): 115–46.

19 Grace Carswell, Geert De Neve, and Subramanian Ponnarasu, "Good Debts, Bad Debts: Microcredit and Managing Debt in Rural South India," *Journal of Agrarian Change 21,* no. 1 (2021): 122–42; Isabelle Guérin and G. Venkatasubramanian, "The Socio-Economy of Debt. Revisiting Debt Bondage in Times of Financialization," *Geoforum*, June 21, 2020; W. Nathan Green, "Financing Agrarian Change: Geographies of Credit and Debt in the Global South," *Progress in Human Geography* 46, no. 3 (June 1, 2022): 849–69; W. Nathan Green and Jennifer Estes, "Precarious Debt: Microfinance Subjects and Intergenerational Dependency in Cambodia," Antipode 51, no. 1 (2019): 129–47.

20 Raquel Martínez-Buján, "Here or There? Gendered Return Migration to Bolivia from Spain during Economic Crisis and Fluctuating Migration Policies," *Journal of Ethnic and Migration Studies* 45, no. 16 (December 10, 2019): 3105–22. KII9, CO, Cameroon.

21 Christina Atekmangoh, Les Mbengis, *Migration, Gender, and Family: The Moral Economy of Transnational Cameroonian Migrants' Remittances* (African Books Collective, 2017).

22 Anna Zabai, "Household Debt: Recent Developments and Challenges," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, December 3, 2017).

23 Larry A. Sjaastad, "The Costs and Returns of Human Migration," *Journal of Political Economy* 70, no. 5 (1962): 80–93.

24 Jan Ovesen and Ing-Britt Trankell, "Symbiosis of Microcredit and Private Moneylending in Cambodia," *The Asia Pacific Journal of Anthropology* 15, no. 2 (March 15, 2014): 178–96; Bylander, "Borrowing Across Borders," 284–307.

to poor households across the world.[25] Individuals who move from a low-income country to a high-income country can experience increases in earnings of over 100 per cent.[26] In this way, financial investments in migration represent a potentially positive investment, even if the household has to take on initial (or further) debt to fund the migration. Perhaps because of this potential, debt to enable migration has been an increasing area of focus in migration studies.[27]

However, debt can also produce negative outcomes in the migration cycle. Debt can cause poorer psychosocial outcomes[28] and increase migrants' vulnerabilities, such as the risk of engaging in exploitative work.[29] With evidence indicating that it allows migrants to achieve their migration aspirations, but can also expose them to risks such as modern slavery and debt bondage,[30] taking on debt can represent a risky investment in human capital.

Despite existing research acknowledging that many of these financial experiences of migration take place in a network of transnational relations, limited research exists on the financial lives of returnees or their experiences with debt. Recent studies on reintegration have touched upon debt in passing – for example, highlighting debt as a barrier to reintegration.[31] Recently, IOM conducted two regional studies in South-East Asia[32] and in West and Central Africa[33] that examined returnees' debt experiences. These studies indicated that debt often negatively impacts returnees' and their households' reintegration, as well as demonstrating that further research is required.

The IOM study on returnees' debt in West and Central Africa includes a useful typology categorizing what the authors refer to as key moments of debt according to where, when and why returnees had taken those debts on (see Table 3).

Albeit a simplification of migration into separate and clearly defined 'stages', the typology provides a useful way of thinking about debt in relation to migration, and particularly, it allows for the separation of debts directly related to migration (Type 2) from those that may be indirectly linked to it (Type 1 and 3). This study found that Type 2 debts encompassed such a wide range of situations, experiences and debt types that future research would ideally disaggregate further (e.g. prior to but funding migration, during transit, and in the host country).

Table 3. Typology of returnee debts, linked to the migration cycle[34]

TYPE 1	TYPE 2	TYPE 3
Debt incurred prior to and not related to migration	Debt incurred to fund migration, during migration	Debt incurred after return to the country of origin or to pay for return

25 Michael A. Clemens and Timothy N. Ogden, "Migration and Household Finances: How a Different Framing Can Improve Thinking about Migration," *Development Policy Review* 38, no. 1 (2020): 3–27.

26 Michael A. Clemens, Claudio E. Montenegro, and Lant Pritchett, "The Place Premium: Bounding the Price Equivalent of Migration Barriers," *The Review of Economics and Statistics* 101, no. 2 (2019): 201–13.

27 Kamala Marius-Gnanou, "Debt bondage, seasonal migration and alternative issues : lessons from Tamil Nadu (India)," *Autrepart* 46, no. 2 (2008): 127–42; Julia O'Connell Davidson, "Troubling Freedom: Migration, Debt, and Modern Slavery," *Migration Studies* 1, no. 2 (July 1, 2013): 176–95; Philippa Smales, "The New Slave in the Kitchen: Debt Bondage and Women Migrant Domestic Workers in Asia," Chiang Mai: Asia Pacific Forum on Women, Law and Development (APWLD), (2011).

28 Sarah R. Meyer et al., "Labor Migration and Mental Health in Cambodia: A Qualitative Study," *The Journal of Nervous and Mental Disease* 202, no. 3 (March 2014): 200–208.

29 Gardiner, "Structural Violence of the Kafala System," 196–223 and; Sallie Yea, "Prefiguring Stigma in Post-Trafficking Lives: Relational Geographies of Return and Reintegration," *Area* 52, no. 3 (September 2020): 558–65; Yea, "The Art of Not Being Caught," 179–88.

30 Davidson, "Troubling Freedom"; Priya Deshingkar, "Cultural Capital and Constrained Agency in Debt-Migration for Construction Work in India," *Cultural Studies* 0, no. 0 (March 8, 2022): 1–21.

31 Vasileia Digidiki and Jacqueline Bhabha, "Returning Home?: The Reintegration Challenges Facing Child and Youth Returnees from Libya to Nigeria" (UN Migration Agency, 2019); Nassim Majidi, "Assuming Reintegration, Experiencing Dislocation – Returns from Europe to Afghanistan," *International Migration* 59, no. 2 (2020): 186–201; Samuel Hall and University of Sussex, "Mentoring Returnees: Study on Reintegration Outcomes Through a Comparative Lens," [Commissioned by IOM Geneva and Funded by the FCDO] (Geneva: IOM, 2020); Catherine Gladwell et al., "After Return: Documenting the Experiences of Young People Forcibly Removed to Afghanistan" (London: Refugee Support Network, 2016).

32 Bylander, "Debt and the Migration Experience."

33 IOM Regional Office for West and Central Africa, "Sub-Regional Study on the Debt of Migrants Assisted with Voluntary Return and Its Impact on the Sustainability of Reintegration in Countries of Origin," 2020.

34 IOM Regional Office for West and Central Africa, 10.

Returnee in Cameroon. © IOM 2022 / Beyond Borders Media

2.3 EXISTING INFORMATION ON RETURNEES' DEBTS AND THEIR IMPACT ON REINTEGRATION

Taken together, **the existing literature and secondary data sources suggest that debt can have negative effects on returnees' reintegration experiences, that debt is common, and that most loans are taken from informal sources.**

The impacts of debt continue over time, influencing migrants' experiences both in transit and in countries of destination, as well as after return. However, it is not just debt incurred for and after return (Type 3) that affects reintegration. Type 1 and 2 debts may still be outstanding after return, or even if repaid, the money spent repaying those debts may have taken away resources that might otherwise have been spent on preparing for reintegration. For example, studies have looked at the link between remittances and debt and found that remittances are often initially used to pay off debt in the country of origin.[35] A small-sample study on the costs of people smuggling from Afghanistan to Europe[36] found that it took an average of two years of remittances to pay off smugglers' fees. If remittances are being spent on repaying migration-related costs, or other debts, they cannot be invested in more productive assets or activities by the recipients. Consequently, returnees' households have not necessarily experienced the full economic benefit of their household member's migration, and returnees may not have been able to prepare for reintegration by sending money to build a house, start a business, or otherwise invest them in maintaining connections in their country of origin (activities that have been associated with more successful, sustainable reintegration).[37]

IOM's previous studies on debt and return migration show that debt can generate greater economic challenges compared to non-indebted returnees, such as lack of savings, difficulties finding a job and accessing credit.[38] Relatedly, indebted returnees in those studies appeared to be more financially excluded than non-indebted returnees and were more likely to express dissatisfaction with their economic lives and the economic dimension of reintegration.

In terms of psychosocial and social reintegration, returnees struggle to readapt to the communities they return to.[39] Indebtedness can thus exacerbate the barriers returnees experience in terms of access to services.

Returnees in West and Central Africa believed that debt negatively impacts their personal (psychological and social) life.[40]

The evidence that debt is an obstacle to reintegration is clearest in the psychosocial dimension, particularly when a returnee's migration had been considered a household or community investment.[41] For example, in South-East Asia, indebted returnees were more likely to report feeling disconnected from their communities and families, being the subject of gossip or stigma, experiencing harassment or abuse at home, abusing drugs and/or alcohol, and undergoing divorce or separation.[42] In West and Central Africa, where family lending to the migrant is a form of commitment to improving the lives of relatives, the failure to repay is perceived as shameful due to not honouring that social commitment,[43] which another study corroborated.[44]

Further, debts' effects on one dimension of reintegration can produce effects in another. For example, in addition to affecting economic reintegration, the inability to remit money, or the need for remittances to be spent on servicing debts, can be an obstacle to psychosocial

35 Alemu Eshetu Fentaw, "Ethiopian Returnee Women from Arab Countries: Challenges of Successful Reintegration," *African and Black Diaspora: An International Journal* 11, no. 1 (2018): 33–50.

36 Khalid Koser, "Why Migrant Smuggling Pays," *International Migration* 46, no. 2 (2008): 3–26.

37 Jean-Pierre Cassarino, "Theorising Return Migration: The Conceptual Approach to Return Migrants Revisited," *International Journal on Multicultural Societies* 6, no. 2 (2004): 253–79.

38 Bylander, "Debt and the Migration Experience." IOM West and Central Africa, "Debt of Migrants."

39 Ceri Oeppen and Nassim Majidi, "Can Afghans Reintegrate after Assisted Returns from Europe?," PRIO Policy Brief (Oslo: PRIO, 2015).

40 IOM West and Central Africa, "Debt of Migrants."

41 Digidiki and Bhabha, "Returning Home?"; IOM West and Central Africa, "Debt of Migrants."; Liza Schuster and Nassim Majidi, "Deportation Stigma and Re-Migration," *Journal of Ethnic and Migration Studies* 41, no. 4 (March 21, 2015): 635–52.

42 Bylander, "Debt and the Migration Experience."

43 IOM West and Central Africa, "Debt of Migrants."

44 Digidiki and Bhabha, "Returning Home?"

reintegration by causing social stigma and resentment. A study on returnees to the Republic of Moldova, who had also been victims of trafficking, found that their inability to remit money had caused significant resentment, by straining household finances.[45] The expectation that returnees contribute while abroad to the economic well-being of their households and shall immediately continue to do so upon return may not be met when the returnee is in debt, potentially fuelling resentment among households and community members. This is likely gendered too. In some contexts, higher expectations for monetary contributions are aimed at men,[46] while in others, the need to reimburse family members in the country of origin for childcare may fall on women.[47]

Debt can also expose returnees to violence. The IOM study in West and Central Africa found that one in five returnees had been threatened, abused or violated to repay their debts upon return. While these were mostly humiliations or insults, some returnees did report more serious harm, such as physical violence and unpaid or forced labour.

The impacts of indebtedness are often felt at the household or extended family level, even if the returnee had migrated alone. For example, the IOM study in West and Central Africa found that the risk of violence from moneylenders can extend to the returnee's family as well.[48] Further, family members or friends are often either lenders or guarantors for loans from other sources. When the returnee is not able to repay a loan (or was previously unable to send remittances) household or family indebtedness may be compounded by further loans, putting returnees' households at risk of entering a debt cycle.[49]

Financial inclusion and reintegration

Existing survey data on the links between debt and reintegration is limited, including in this study's countries. The Global Findex Database 2017 is the most comprehensive source of data on global access to, and usage of, financial products such as loans and savings schemes, and includes data on borrowing from family and friends.[50] Table 4 shows selected data from the Findex Database for Bangladesh, Cameroon, El Salvador, Ghana, and Iraq – although the Findex Database does not give any migrant- or returnee-specific data. **Across contexts, family and friends emerged as a key common source of borrowing despite relative variation in other lending sources.**

Data collected from returnees by IOM country offices through the RSS do provide some indication of the borrowing practices of returnees, albeit with limitations.[51] Nevertheless, the RSS does include some questions related to debt. These include: (i) borrowing capacity, (ii) frequency of borrowing money based on a 5-point scale, and (iii) debt-to-income ratio. The RSS data indicates that borrowing is common among returnees and deserves more explicit examination.

45 Anette Brunovskis and Rebecca Surtees, "Coming Home: Challenges in Family Reintegration for Trafficked Women," *Qualitative Social Work* 12, no. 4 (2013): 454–72.

46 Majidi, "Assuming Reintegration, Experiencing Dislocation."

47 Martínez-Buján, "Here or There?"

48 IOM West and Central Africa, "Debt of Migrants."

49 KII5, Ghana.

50 See the World Bank, Demirgüç-Kunt et al., "The Global Findex Database 2017."

51 The RSS data are key indicative quantitative information. However, the RSS is not debt-specific nor was the RSS sample in the countries of research representative of the larger (IOM-beneficiary) returnee population, nor necessarily sampled populations of interest for this study. Limitations preventing wider generalization include misaligned sampling criteria which prevent effective, cross-national comparison.

Table 4. Usage of different sources of debt by Global Findex Database survey respondents aged 15+ in 2017

COUNTRY	PERCENTAGE OF SURVEYED RESPONDENTS WHO BORROWED MONEY	SOURCE OF BORROWING FROM SURVEYED RESPONDENTS WHO BORROWED MONEY, MULTI-SELECT		
		Financial institution or credit card	Family or friends	Savings club
Bangladesh	37%	9%	21%	3%
Cameroon	23%	8%	33%	13%
El Salvador	23%	12%	10%	2%
Ghana	40%	12%	23%	7%
Iraq	63%	3%	52%	n/a

2.4 KEY FACTORS AFFECTING THE RELATIONSHIP BETWEEN DEBT AND REINTEGRATION

As discussed, **debt is context-specific and experiences of debt vary widely, often impacting households as well as individuals.** On the one hand, taking out debt can enable people to migrate and achieve goals; on the other hand, while potentially 'high reward', debt-funded (and debt-driven) migration is also 'high risk', especially when options for regular, documented migration are not available.

Post-return debts may also represent a positive investment and be a sign of social and financial reintegration, just as debt can be positive before return. Indeed, this is suggested by the inclusion of the ability to borrow among the positive indications of economic reintegration in the RSS and by the promotion of microcredit borrowing as possible reintegration support.[52]

Debt is thus not inherently, or inevitably, an obstacle to reintegration. Debt has the "capacity to exploit, protect or emancipate" and borrowing something can be part of productive investment in an improved future.[53] Economic anthropologists have highlighted how debt can be an integral part of social relations,[54] which can be positive, particularly with reintegration.

Consequently, **only a neutral and non-binary approach to debt can address this study's overarching question of how debt influences reintegration.** Ultimately, it investigates not just the presence of debt per se, but also the nature of the debt (including issues like interest and repayment terms). Such an approach can better inform and produce impactful debt programming for returnees and their households.

To consider where a debt stands on a spectrum of 'good' to 'bad' for reintegration, there are several risk factors that need to be examined. The risk factors enumerated in this report were identified during the desk review and KIIs, and developed further as they emerged from field research. They were also used to develop the 'debt coercion index'[55] used for quantitative analysis in this study (see Chapter 3).

52 IOM, "The Use of Microcredit Schemes in Migrant Reintegration Context," Knowledge Paper, Sustainable Reintegration Knowledge Paper Series (Geneva: IOM, 2021).

53 Guérin and Venkatasubramanian, "The Socio-Economy of Debt," 1.

54 This was corroborated by the IOM report on debt and migration in South-East Asia (Bylander, "Debt and the Migration Experience.")

55 All regressions run on the debt coercion index had a sample size of 389 rather than indebted regressions which had a sample size of 545.

Figure 1. Risk factors for problematic debt after return

RISK FACTORS
For problematic debts after return

Debt Source

- Formal sources may be inflexible in terms of repayment. Failure to repay informal sources as agreed may result in guilt, stigma and damaged social networks.
- Borrowing from dangerous sources (e.g. traffickers) may lead to exploitation/violence and bonded labour.

Debt Type

- Debt accrued in transit may be associated with risks for exploitative work arrangements.
- Depending on conditions, debt accrued post return can be associated with crisis borrowing.

Terms and Conditions

- High interest rates can lead to further indebtedness and cycles of debt.
- Lack of flexibility in repayment terms means personal crises lead to further debt.
- Loss of commonly-used collateral such as land/houses/jewellery could hinder future livelihoods and investment.

Age of Debt

- Older debts with high interest rates can result in debt cycles.
- Older debts within a social network can result in dispute/isolation.

The debt source has clear effects on the risks and benefits associated with borrowing, specifically given that different loan sources often have very different terms and conditions, including whether collateral is required. These risks are context-specific. For example, in Bangladesh returnees often borrowed from microfinance institutions (MFIs) to fund migration, remittances, and reintegration. These often had high interest rates, which can lead to debt cycles as respondents took out new debts to service old ones. In Cameroon, some respondents had borrowed from tontines (rotating savings and credit associations), which are community-led but more formal than borrowing from friends and family. Failure to repay these tontines loans can lead to social stigma and shame, potentially for the whole family, not just the borrower.

Further, **family and friends as a loan source can have more flexible conditions and thus lower potential risks are associated with borrowing.** Survey respondents mostly reported not having fixed repayment dates or not having to pay interest on these kinds of loans, a finding supported by case study participants. In such cases, moneylenders showed greater leniency with repayment and the forms of repayment. A returnee woman from Bangladesh explained the benefit of flexible repayment conditions: "I don't have any plan [to pay back my brother-in-law]. If I had taken a loan from a bank, I would have to pay it back with much interest. As this is an interest-free loan, I can repay it gradually."

However, while repayment flexibility from such informal sources was at times a critical lifeline for respondents, informal loans also carry disadvantages. For example, they can also open up possibilities of exploitation, such as when loans are 'repaid' in kind via unpaid labour. Loans from family and friends can also risk damaging social relations, which may in turn make returnees unwilling to return to their communities of origin.

The specific terms and conditions similarly affect whether debts facilitate or constrict reintegration. Specifically, collateralized loans (whether from formal or informal sources) were a risk factor affecting reintegration. For example, in Ghana, in rural and peri-urban areas, returnees collateralized loans with land – putting whole households' livelihoods at risk if the debts went unpaid. In both El Salvador and Iraq, housing as collateral was common, again engendering risks for the entire household if assets were seized in the event of non-repayment. Seizure of assets essential to livelihoods can also remove access to future loans in case of crises. For example, using jewellery as collateral (as was more common in Bangladesh) also removes a resource that might be needed in the future. In Cameroon, one returnee's family member reported that even diploma certificates might be taken as collateral, damaging the job prospects of indebted people.

The risks associated with the age of the debt were mixed. On the one hand, when older debts have high interest rates, returnees run the risk of entering a cycle of debt where they are unable to pay the principal balance and the amount owed continues to grow. On the other hand, older, more informal debts can also become less pressing over time. For example, a returnee may feel they no longer need to pay back money borrowed from a family or friend if enough time has passed. However, regardless of loan source, prolonged periods of non-repayment can negatively impact returnees' reintegration outcomes. For many respondents, non-repayment of debts over time consistently produced negative consequences: such as stigma, shame and financial exclusion from one's social networks. As one returnee's sibling stated: "Debt separates someone from a good relationship."

Finally, the situation in which a loan is taken also has an important impact. For example, unplanned post-return borrowing (a form of Type 3 debts) in response to a crisis is a different situation (and has different outcomes) than borrowing more strategically, perhaps as an investment in voluntary migration (a form of Type 2 debts). The Global Findex Database 2017 suggests that borrowing for health or medical purposes (which may suggest crisis borrowing) is a major reason for borrowing across the population in all the study's target countries, particularly Iraq and Cameroon.[56] For many of this study's participants, a reason for crisis borrowing was disruption to their planned migration. For example, they had taken out loans to pay for migration-related costs, with the expectation that they would repay this loan by earning money abroad. When their migration did not go as planned (e.g. they were deported, or could not find work at their destination), they returned with no means of repaying those loans.

3. RETURNEES AND THEIR DEBT PRACTICES

WOSIRI GYE A WOAGYE, WOMUNA GYE NSO A WOAGYE

> *Whether with a laugh or a frown, if you collect the money owed to you, you have collected what is rightfully yours – Ghanaian saying*

Key messages:

– Debt is predominantly borrowed to fund the migration journey.

– Lenders are mainly family and friends with concerns over the effects of debts on supportive and protective relationships.

– Informal and formal lenders see an opportunity in investing in potential migrants, but do not consider investing in returnees as attractive.

– There are clear patterns of coercive debt that can impact reintegration.

56 Demirgüç-Kunt et al., Global Findex Database 2017.

This chapter looks at the debt-related practices of returnee participants based on qualitative and quantitative data. It provides context for chapters 4 and 5, which explore the interactions between debt and reintegration, and introduces the conceptual framing for the later discussion.

3.1 RETURNEES' PROFILES

Returnees' debt practices and their own identities throughout the migration cycle diversify debt's impacts. The impact of debt can thus be highly individualized. As a result, it is critical to contextualize the findings presented in this chapter and those proceeding not only contextually, but also against returnees' profiles.

The research team surveyed 545 returnees in Bangladesh, Cameroon, El Salvador, Ghana and Iraq (see Table 5). Twenty-six participated in an additional interview, as did 26 additional household members, who may or may not have been returnees themselves. One third of respondents (33%) were female. Seventy-two per cent of all returnees interviewed had borrowed at least once in their lifetime, either personally or through someone who had borrowed on their behalf. Slightly less, 66 per cent of respondents, were currently indebted – meaning they had borrowed money and still had to repay either partially or completely what was borrowed.

Similar to the desk review, **the data reveal the commonality of debt, as well as the diversity of debt practices among returnees interviewed.** Regardless of country or gendered experience, most returnees had borrowed money from a person, their community or an institution, either personally or through someone else. Critically, 92 per cent of respondents who had borrowed reported that they still had to pay back these borrowings – again with negligible variation across demographics.

Further, **returnees had different migration experiences and were at different stages of their reintegration experience.** Some had only recently returned, while others had returned over two years prior. Further, some returnees self-perceived they had been completely forced to return, while others felt they had returned voluntarily.

Despite these demographic differences, **debt continued to affect returnees' reintegration outcomes, as well as the experiences of their households, demonstrating the persistence of debt in post-return outcomes.**

Table 5. Respondents by country and gender and indebted status

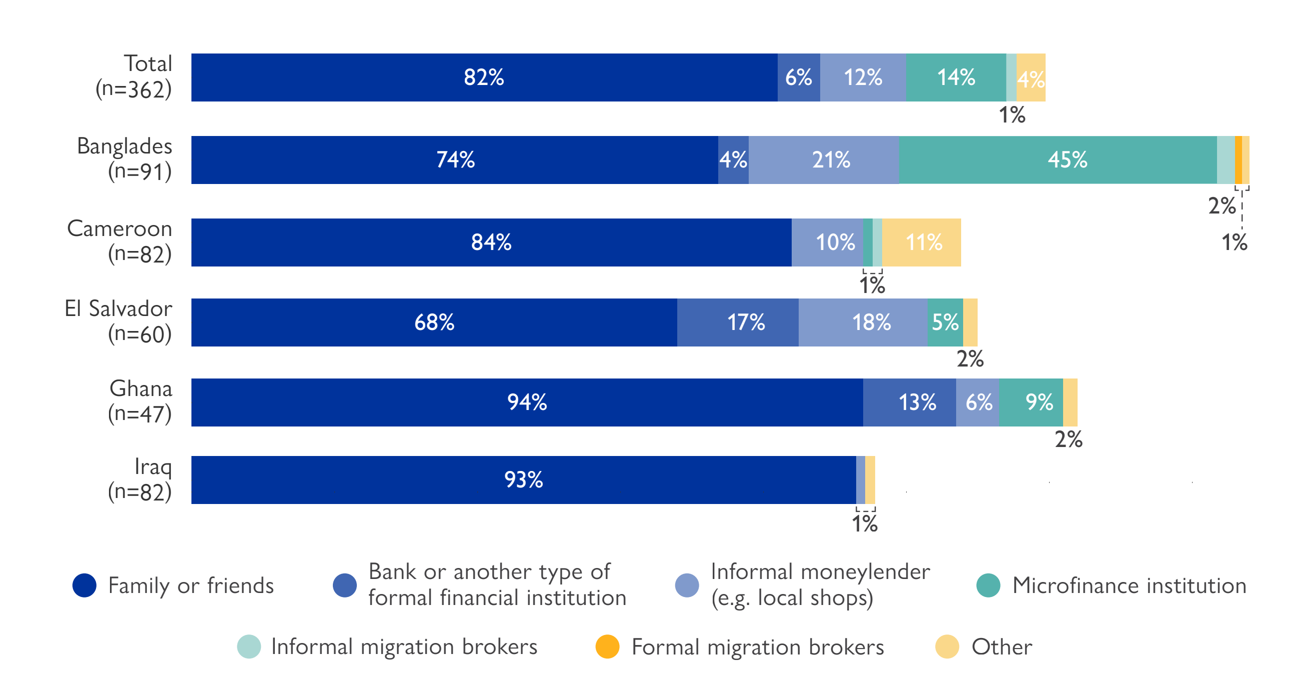
	BANGLADESH N=104	CAMEROON N=131	EL SALVADOR N=100	GHANA N=105	IRAQ N=105	TOTAL N=545
Respondent sex						
Male	68 (65%)	96 (73%)	47 (47%)	78 (74%)	81 (75%)	370 (68%)
Female	36 (35%)	35 (27%)	53 (53%)	27 (26%)	27 (25%)	178 (32%)
Current indebtedness						
Currently indebted	91 (88%)	82 (63%)	60 (60%)	47 (45%)	82 (78%)	362 (66%)
Not currently indebted	10 (13%)	48 (37%)	39 (39%)	58 (55%)	21 (20%)	179 (33%)
Not sure	0 (0%)	1 (1%)	1 (1%)	0 (0%)	2 (2%)	4 (1%)
Time since return						
> 2 years	53 (51%)	53 (40%)	1 (1%)	53 (50%)	1 (1%)	161 (30%)
1 – 2 years	29 (28%)	34 (26%)	9 (9%)	40 (38%)	10 (10%)	122 (22%)
< 1 year	22 (21%)	44 (34%)	90 (90%)	12 (11%)	94 (90%)	262 (48%)
Self-perceived nature of return						
Completely forced	32 (31%)	39 (30%)	78 (78%)	27 (26%)	42 (40%)	218 (40%)
Completely voluntary	34 (33%)	75 (57%)	18 (18%)	33 (31%)	30 (29%)	190 (35%)

3.2 RETURNEES' DEBT PRACTICES

Examining returnees' debt practices according to the risk factors identified in the previous chapter reveals that **despite the diversity of debt practices and their effects on reintegration outcomes, debt remained an important factor in returnees' post-return experiences.**

As stated earlier, **the source of debt and the associated terms and conditions of the loans are determining factors influencing in which ways debt impacts reintegration.** For 84 per cent of respondents still owing money, the source of at least some of their borrowing was family and friends (see Figure 2). Alongside borrowing, 32 per cent of respondents also relied on selling and mortgaging assets, 36 per cent relied on their savings and 14 per cent on their wages. An additional 26 per cent reported having borrowed something non-monetary that they felt they needed to pay back. Although migrations were funded through a multitude of financial and non-financial means, the majority of respondents borrowed from family and friends. This indicates that while returnees may benefit from more flexible repayment conditions, non-repayment can pose a severe threat to their social relationships and thus psychosocial reintegration. Indeed, the data bore out this risk; debt most severely and negatively impacted psychosocial reintegration.

Figure 2. Sources of outstanding debt by country, multi-select



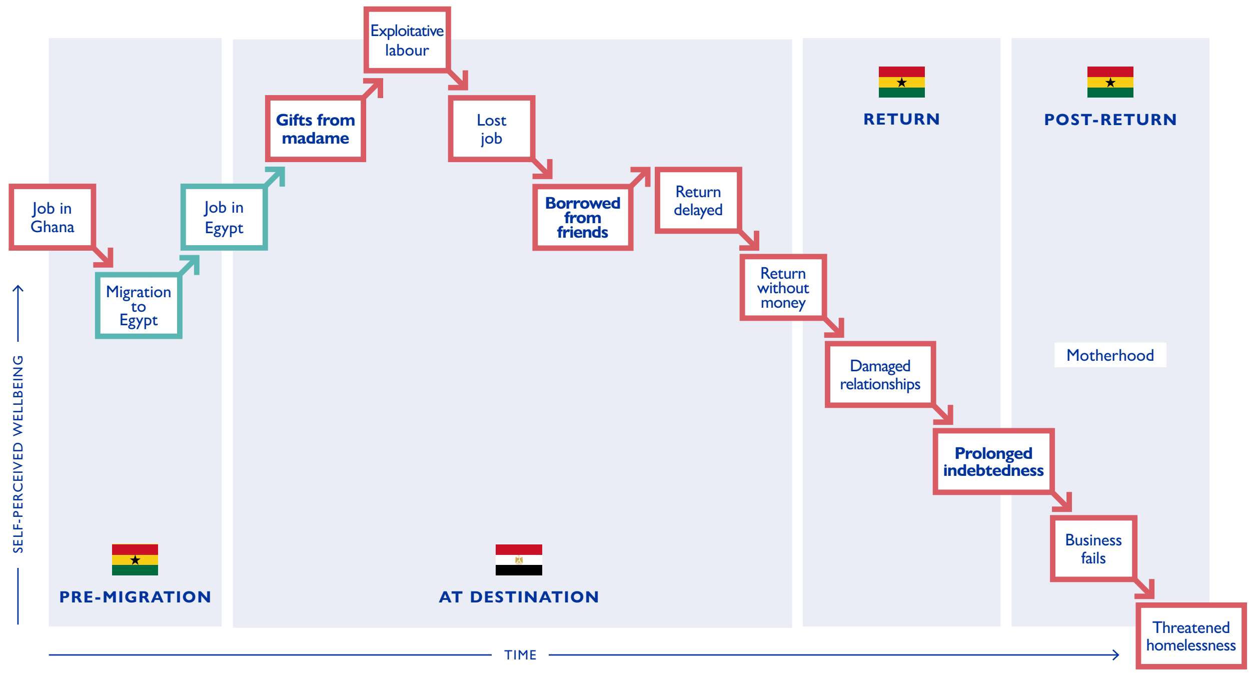
Despite the commonality and associated greater repayment leniency of informal sources, debt repayment remained a concern for most respondents. Eighty-eight per cent of indebted returnees were very concerned about their ability to repay their debt upon return. Thus, while debt's impact on various aspects of reintegration may vary according to loan source, being indebted was a source of stress regardless.

Further, a W-model of debt practices is useful in illustrating the different times and ways in which debt intervenes in a migrant and returnee's life, and how the migration stage and age of the debt effects reintegration outcomes. In the data, different debts were more or less common. For example, 28 per cent had Type 1 debts, 45 per cent Type 2 debts, and 26 per cent Type 3 debts. The model below (Figure 3),[57] from an interview with a Ghanaian returnee, goes

57 This is a visual representation of the interviewee's self-reported perception of 'highs and lows' in her experiences during migration and after return, the relative height of 'highs and lows' are qualitative, rather than representing a numerical measurement (see Annex 2 for more on W-models).

from pre-migration (left) to post-return (right). Debt is a constant that intervenes during the migration journey and to fund the return and reintegration process, but the quality of different debts – their source, type, and terms and conditions vary. Initially migrating to repay her mother's debt, she became indebted when she lost her job. Upon return, without money, her social relations were damaged and she found herself in a prolonged debt situation, as her business failed. As her old debts compounded new debts which all required repayment, at the time of interview she found herself caring for her child, without any income, and with uncertainty as to how she would meet the basic needs of her household and threatened with eviction.

Figure 3. W-model of returnee from Ghana, Type 2 and Type 3 debts



Lender preferences and practices

Beyond returnees' profiles, **impacting returnees' debt practices were moneylenders themselves.** There was indication that post-return debt was less common. Long-term and investment-oriented loans thus tended to be given to potential migrants, rather than to returnees for their reintegration. Families, friends and the broader community across contexts often indicated that, given the choice, they would prefer investing in the hopes of migration rather than the outcomes of return. Among respondents, only 33 per cent[58] had borrowed money to start and/or expand a business post-return. KIIs confirmed these empirical observations: post-return borrowing is generally low, as access to borrowing is reduced after return. Returnees receive less financial support than potential migrants as lenders prefer to invest in migration plans, rather than the activities upon return. As a KII in Bangladesh reported:

> *"If you are a returnee, you'll not get the money, but when you are re-migrating, that means again you are becoming a potential migrant. If you become a potential, there is an opportunity. Everybody understands that you are going again, that means again you can earn, there's a potentiality…But if you tell anyone that 'I have returned, I'll not go again, I really need money for reintegration for doing something,' [this person] will not get the money."*

58 Specifically, 43 respondents.

Formal moneylenders often did not engage with returnees. For example, formal lenders distinguished between the hopes of those who return with savings and the desperation of returnees who come back with empty pockets. Returning with capital thus matters in terms of loan access. Further, negative perceptions of returnees as a 'non-investment opportunity', and related stigma, led returnees' formal loan providers to not provide loans to them. Emphasizing the lack of involvement from the formal sector in returnees' debt practices, only 20 per cent of survey respondents had a bank account they had used in the last 12 months.

Lack of engagement by the formal sector led other actors to fill such gaps for returnees – which impacted their debt practices. In Bangladesh, the cost of loans from NGOs is often five to ten times higher than the government fixed rates, but they were preferred by returnees and their families because they had greater access to such loans. Such high interest rates exposed returnees in Bangladesh to dangerous debt cycles. In Ghana and Iraq, the documentation requirements from the formal sector (e.g. documented credit history) prevented returnees from accessing anything other than semi-formal or informal loans. Once returnees borrow from family and friends, these debt practices can have negative impacts on their psychosocial reintegration, as well as the wider financial health of their social networks in the case of repeated non-repayment.

However, **despite this lack of involvement from the formal sectors, returnees may prefer informal loans regardless.** For example, informal loans may be ubiquitous because they can contribute to a sense of embeddedness or belonging, or because they have more favourable conditions.

3.3 KEY DIFFERENCE MAKERS IN RETURNEES' DEBT PRACTICES

In the data, **gender and the nature of the migration journey and return impacted returnees' debt practices – and thus their experience with reintegration.**

In terms of gender, **women and men were affected by debt in different ways. In this study, male respondents had greater access to financial networks within their social networks, while female respondents more often resorted to a third party to fund their migration.** For example, female respondents who took on Type 2 debt more often reported having borrowed from informal moneylenders than male respondents (23% versus 14%). In comparison, male respondents more regularly borrowed from family and friends (87% versus 79%). This trend was exacerbated upon return (i.e. Type 3 debt), when male respondents who borrowed post-return continued to borrow from friends and family at higher frequency than female respondents who borrowed post-return (86% versus 72%). Consequently, female respondents more often reported being indebted to at least one third party (39% of female respondents were indebted to third parties versus 30% of male respondents).

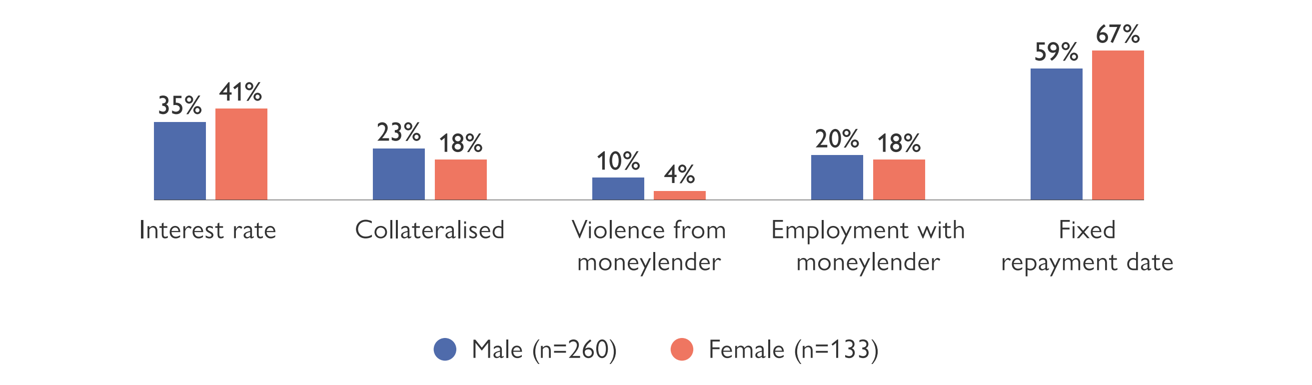
Consequently, men and women had different loan terms. Female respondents more often had loans with interest rates (41%) than male respondents (35%), perhaps related to the relatively more-formalized nature of female respondents' debts. Further, female respondents paid in instalments (34%) more often than male respondents (17%). Male respondents more often paid everything on one fixed date (42% versus 33% of female respondents).

Such differing loan sources as well as terms and conditions flowed from women potentially suffering from greater financial exclusion. For example, male respondents more often reported using their own assets, such as savings or selling or mortgaging something they owned than female respondents (38% versus 22%) who more often reported using family savings (25% versus 17% of male respondents) or mortgaging something their family owned (16% versus 10%). Again, this may indicate an underlying financial exclusion which female migration temporarily combats (i.e. female respondents borrowing for migration more often borrowing from third parties) but which in turn exposes female migrants to less favourable debt conditions.

Indebted female returnees also struggled more than men to pay off their debts. Ninety-six percent of female returnees who took out a debt still had to completely or partially repay the debt compared to 90 per cent of male returnees. Underlying financial exclusion may thus potentially prevent female respondents from accessing certain coping mechanisms, such as accessing loans again. For example, 38 per cent of male respondents took out debt to repay another debt compared to just 21 per cent of female respondents. Gender thus likely affects how returnees cope with indebtedness.

Male respondents were also at times disadvantaged. For example, male respondents more often collateralized their loans (23%) than female respondents (18%). Collateralized loans can be highly negative, given that in cases of non-repayment the asset can be seized, threatening entire households' livelihoods. Further, male respondents more often reported that they or a member of their household had experienced violence from their moneylender (10% versus 4% of female respondents).

Figure 4. Debt terms and conditions by gender[59]



Migration status also impacted returnees' financial inclusion post-return, and thus their debt practices. For example, returnees from Bangladesh who had migrated in a regularized manner benefited from greater financial inclusion. Reintegration loans from local NGOs and MFIs were relatively common and allowed migrants from Bangladesh, who migrated regularly, to re-establish livelihoods post-return. However, given the high interest rates, this sometimes resulted in a debt cycle. In contrast, key informants in Bangladesh said that irregular migrants suffered from greater financial exclusion upon return because they had to show proof of their migration documents to access such loans. Given that indebted returnees can also struggle to re-embed themselves socially, and thus financially, they may suffer from financial exclusion in both the formal and informal systems – limiting their ability to cope with indebtedness.

The inability to migrate regularly exposes migrants to specific costs and risks in transit, and countries of destination, which can engender indebtedness and prevent returnees from managing their debts. In Cameroon and Ghana, all qualitative case study participants had migrated irregularly, largely through the north of Africa. This journey is infamously dangerous and exposes migrants to extreme protection risks, such as sex trafficking, torture, detainment and even death. Multiple participants reported that they had been detained and their family members had to crisis borrow to free them. The dangerous journeys of those who migrate irregularly also may encourage further debts. For example, one mother in Ghana reported how she had taken out an additional loan to send her son for psychosocial treatment stemming from mental health challenges he suffered due to this detainment. The consequences of such difficult journeys are also physically and mentally corrosive on returnees' abilities to lead productive lives post-return, and their ability to repay their debts. For example, a woman who was sex trafficked from Saudi Arabia to Greece also explained how the physical injuries she suffered on her journey prevented her from finding work post-return, and from repaying her debts.

Migration status also impacted returnees' manner of return and subsequent ability to cope with debts. For example, if not forced to return, the returnees are likely to have significantly higher economic reintegration and overall reintegration outcomes when controlling for age, sex and country of origin.[60] As one key

59 Employment with moneylender was chosen as a risk factor given that indebtedness to employers may produce specific risks, such as debt bondage.
60 Unless otherwise stated, all significance is reported at $p<.05$.

informant in El Salvador stated, being deported with debt is "akin to a natural disaster." Previous studies[61] have repeatedly demonstrated that preparedness is critical to returnees' abilities to foster opportunities for sustainable reintegration. Deportation or non-voluntary returns often prevent such preparation. For indebted returnees, being deported and/or forced to return can result in a situation where they are unable to financially plan debt repayments at the same time as unexpectedly being back in close geographic proximity to their moneylender. This can also expose returnees to potential physical violence or harassment. Irregular migration status, as it increases the likelihood of less voluntary returns, can thus impact returnees' abilities to cope with indebtedness.

The negative impacts of indebtedness are particularly salient when deportations or returns occurred relatively shortly after arrival – such as in El Salvador and Iraq. Plans to seek employment in countries of destination never came to fruition for many respondents in El Salvador and Iraq, and they returned having made no repayments. A female returnee in Cameroon also suffered from this expectation and setback:

> *When you take money to travel, you will just go your way thinking that when you get there you will find money and pay it back.*

3.4 EXPANDING DEBT PRACTICES TO A LARGER CONTEXT

Given the importance of family and friends as loan sources, it is critical to view debt as embedded in relationships and debt practices as transnational. For example, returnees at times had migrated to pay back debts. Other returnees reported that their families borrowed money multiple times to fund their migration journey. These relationships are often at the heart of migration-related debt practices and can breed disagreements in the household.

Debt also affects shared visions of the options ahead, including of reintegration, after return. For example, fearing its impact on the family, debt was a driver of migration desires across contexts – even if it simultaneously limited options for doing so. For example, one female returnee in El Salvador felt compelled to migrate because of her indebtedness – something echoed across contexts – despite being unable to borrow again.

In the data, **debt relationships were also often gendered and intergenerational.** For example, the care burden often fell exclusively onto women while the husband was abroad. The migration of fathers and husbands pushed many female-headed households into debt as they had to borrow to feed their children and secure housing. At the same time, men in Bangladesh reported experiencing shame from having the care burden fall on women while they were abroad. In Cameroon and Ghana, predominantly mothers took out debts to pay for the release of their sons from detention. Beyond detention, parents also took out debts on behalf of their children or had their care burdens increased in their absence. One mother in Ghana took care of her granddaughter while her son was away as his wife had abandoned him in his absence – in part due to his indebtedness. However, intergenerational responsibilities go both ways. Beyond the example of the Ghanaian returnee (above), another household in Bangladesh sent their eldest son abroad to help repay debts brought on by the father's migration. As found in research into microfinance debt in Cameroon,[62] while debts may be taken out in an individual's name, they often create and reinforce forms of intergenerational and household dependencies.

3.5 IDENTIFYING SITUATIONS OF COERCIVE DEBTS

Importantly, the desk review and the findings on returnees' debt practices demonstrate that not all forms of debt are negative on reintegration nor are negative in the same ways. To encapsulate this complexity, the report uses a framework of debt coercion to examine debt's impacts. The term debt coercion is used in contexts where there is a negative, controlling or marginalizing impact of debt. Identifying such situations of coercive

61 Jean-Pierre Cassarino, "Theorising Return Migration: The Conceptual Approach to Return Migrants Revisited," International Journal on Multicultural Societies, 6, no. 2 (2004): 253-209; and Samuel Hall/Sussex 2020.

62 Green and Estes, "Precarious Debt."

debt in reintegration contexts is critical for those planning programmes and policies to support returnees' reintegration. Building off the desk review (Chapter 2) and findings on returnees' profiles and debt practices (Chapter 3), the study identified that a debt may be more or less coercive on reintegration depending on:

- The local **context;**
- The **risk factors** identified previously (i.e. debt type, loan source, age of debt, and terms and conditions);
- **Returnees' profiles,** specifically gender and the manner of migration.

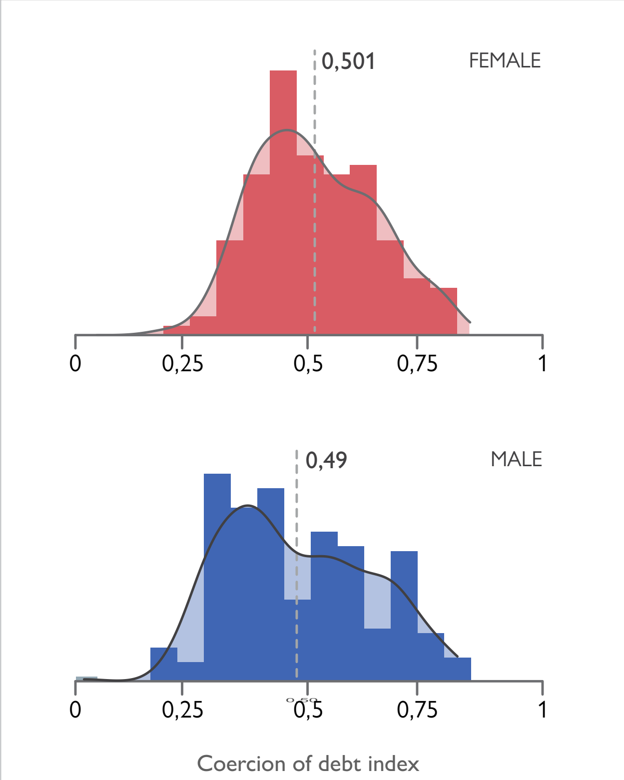
To operationalize this coercive framework in the quantitative data, a coercion index was thus developed that captured the diversity of debts and their effects on reintegration. It scaled the negative and positive impacts debt has on reintegration according to specific debt characteristics identified in the desk review and refined through the empirical research. In the index, 1 are the most coercive debts, with the most negative impact on reintegration, and 0 are the least coercive debts which can have a more positive impact on reintegration. The following indicators were used to generate the index:[63]

- Whether the interest rates increased over time;
- Whether the debt was collateralized;
- Fixed repayment date(s);
- Type of debt (i.e. Type 1, Type 2, and Type 3);
- Whether the returnee experienced physical violence from a moneylender;
- Whether the returnee worked for a moneylender.

Given that the loan source can have a variable impact depending on the context, it was not included in the coercion index. Like the local context and returnees' profiles, it was used to provide further nuance on the relationship between debt and reintegration via the qualitative data.

Importantly, the study not only found evidence that approaching debt in such a nuanced manner better explained debt's effect on reintegration outcomes (discussed in Chapter 4), but that different subgroups of returnees had more negative debts.

Figure 5. Debt coercion by gender



For example, **the study found some evidence that women returnees are more at risk of coercive debt practices.** Figure 5 shows the debt coercion index varied according to gender to some degree – although this was insignificant. These gendered differences were more apparent in the qualitative data. The structural disadvantages women endured that limited the livelihood opportunities available to them after return led women's indebtedness to become prolonged and increasingly coercive over time.

Further, **migrants' legal status influenced debt's coercive nature and returnees' ability to manage their indebtedness.** For example, at times, regular migrants were more able to access formal debts which produced conditions to become coercive over time – depending on the context. To access migration loans in Bangladesh, most official moneylenders required that migrants show them an official visa for the country to which they were migrating. As a result, regular migrants more often accessed formalized loans. Given the high interest rates at such institutions in Bangladesh, regular

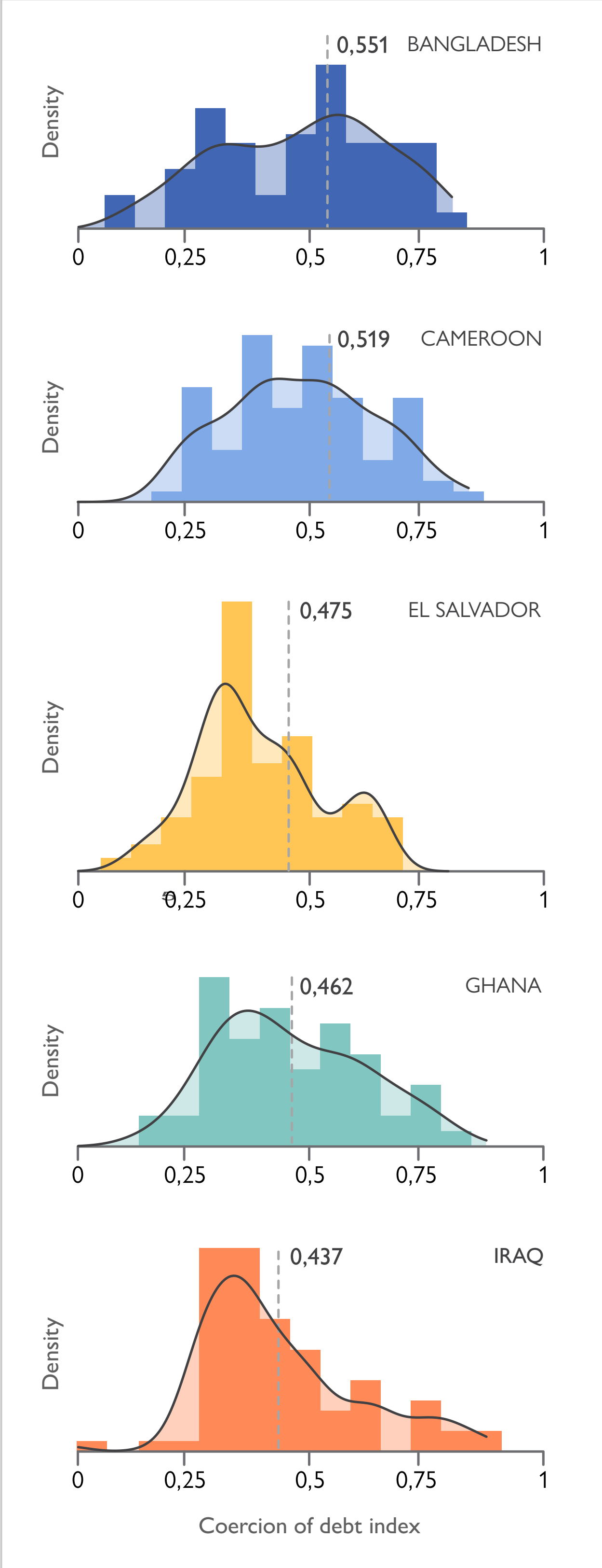
63 These quantitative indicators were only available for 393 cases (those who reported having borrowed).

Returnee in El Salvador. © IOM 2022 / Beyond Borders Media migrants thus at times suffered from more coercive debt terms and conditions than irregular migrants who had no access to such loans. This finding, that irregular migrants benefitted from less coercive debt practices in South-East Asia, was supported by another study in the region.[64] However, irregular migrants, given the nature of their journey, at times became indebted to smugglers and traffickers, particularly in West Africa. Other times irregular migrants struggled to make their migration profitable in their countries of destination – such as for those who migrated from and returned to El Salvador and Iraq where they often returned to swiftly. Households would thus at times take out loans to free relatives from detainment or to sustain them while they were abroad. Other times, households never benefited from remittances given such short and 'unsuccessful' journeys. These households became indebted, or did not benefit financially from migrants' journeys, and were consequently less equipped to support returnees' reintegration.

Further, **context was a significant explanatory factor impacting debt coercion.** Both the quantitative and qualitative data indicated that debt practices and their coercive nature varied according to the country of study. For example, Figure 6 shows that compared to indebted returnees in Bangladesh, those in other countries have less coercive debts.[65] Importantly, in all five countries indebted returnees had average debt coercion levels significantly higher than 0.

Identifying such instances of debt coercion and contextualizing them against returnees' profiles and the larger context and relationships in which debt is embedded underlines why debt has such variable impacts on reintegration and in which ways. Having discussed returnees' debt practices and their diversity, the proceeding chapter discusses how different debts affect reintegration outcomes differently.

Figure 6. Debt coercion by country



64 Bylander, "Debt and the Migration Experience".
65 Indeed, with the exception of Cameroon, the other country contexts had significantly lower average debt coercion levels.

4. DEBT'S IMPACT ON INDIVIDUAL REINTEGRATION OUTCOMES

The data presented in this chapter is based on findings from returnees who were currently indebted at the time of the survey and case studies. Thus, while it describes the relationship between debt and reintegration, it more specifically analyses how indebtedness impacts reintegration outcomes.

This chapter begins with an overview of debt and reintegration and then zooms in on the individual economic, social and psychosocial dimensions.

4.1 OVERVIEW OF THE RELATIONSHIP BETWEEN DEBT AND REINTEGRATION

The study's examination of debt and reintegration hinges on understanding that reintegration is a multidimensional process consisting of economic, social, and psychosocial components, and that debts are diverse and do not have a binary impact on reintegration. For example, while those who were indebted on average reported poorer overall reintegration outcomes,[66] in specific dimensions and contexts indebtedness had no significant impact. As described previously, the study used a conceptual framing of coercion, operationalized via a coercion index, to emphasize that debts' impacts are neither binary nor straightforward. However, to fully examine debt's impact on reintegration outcomes a simplified reintegration index was also created (see Annex 3) whereby 0 stands for relatively worse reintegration outcomes and 1 relatively better.[67] Through combining these two indices, the study was able to shed light on in which ways different debts impact returnees' reintegration outcomes differently. The qualitative data provided further nuance to the findings generated by these indices.

The study specifically found that: **1) indebtedness is not a significant enough predictor of returnees' reintegration outcomes, and 2) more coercive debts result in poorer reintegration outcomes.**

A binary approach to debt: Debt and reintegration outcomes

The relationship between indebtedness and reintegration varied by dimension and country context. For example, when controlling for country of origin, sex and age, indebtedness significantly negatively impacted reintegration overall.[68] However, when examing the dimensions individually, while the negative association between indebtedness and reintegration can be seen in the social and economic dimensions, it was significant only for the psychosocial dimension. Further, only in Bangladesh did indebtedness significantly negatively impact reintegration when controlling for age and sex – the results were not statistically significant for the other countries. Simply being in debt was thus not necessarily indicative enough of poorer reintegration outcomes in all dimensions and all contexts – a finding the qualitative data and desk review support.

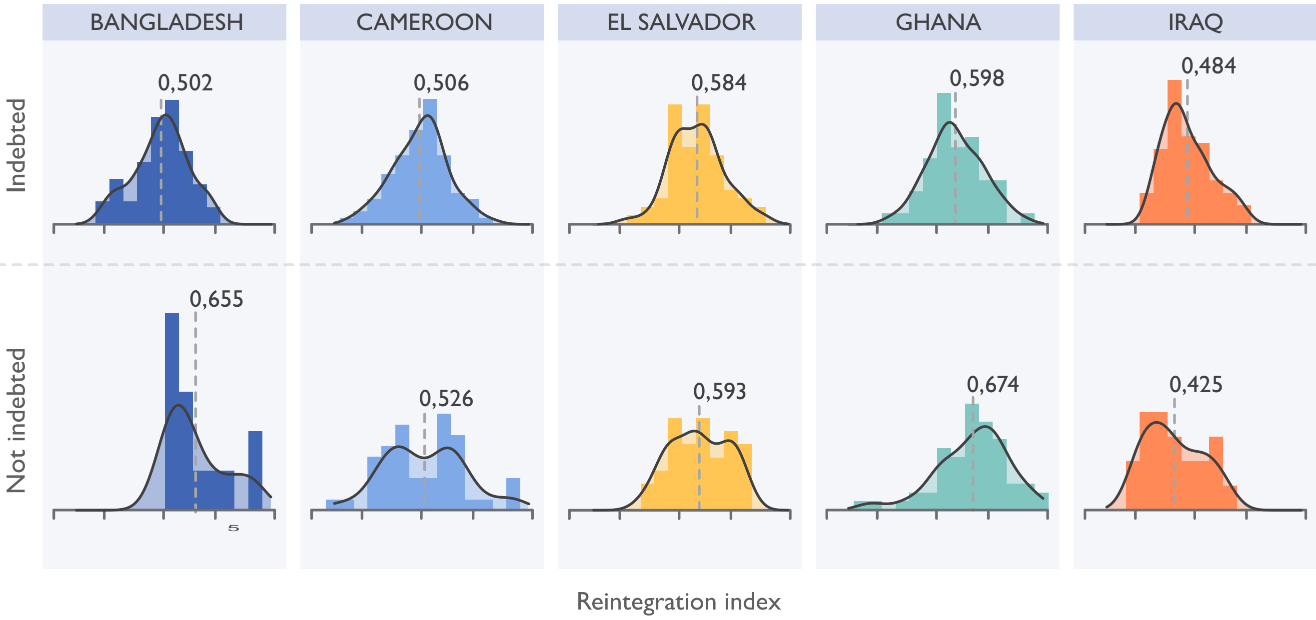
A binary, blanket approach to debt is thus insufficient in explaining reintegration outcomes. Figure 7 depicts this finding by showing the simplified reintegration index per country for those who are not indebted and for those who are indebted. As indicated in this figure and the varying averages reported by indebted status and country of origin, context is an important factor determining the effect of indebtedness on reintegration.

66 This was significant when controlling for sex, age and country of origin, and was significant at $p<.05$.

67 This examination built on previous IOM work and understood reintegration both in its entirety and consisting of distinct parts, namely economic, social and psychosocial reintegration. In this way, the study aimed to identify future indicators which can improve examinations on debt and reintegration. In this study, a distinct survey was thus developed which aimed to specifically hone in on debt and its impact on reintegration outcomes. As a result, a simplified reintegration index was created – this is distinct from the IOM's RSS. The rest of this section refers to this simplified reintegration index. In the index, 1 represents the highest reintegration outcomes and 0 represents the lowest reintegration outcomes.

68 This was significant at $p<.001$.

Figure 7. Simplified reintegration index by country and indebted status



A nuanced approach to debt: Coercive debts and reintegration outcomes

Appreciating the complex impact of debt on reintegration outcomes and that a binary understanding of debt is insufficient, the research developed the coercion index which placed debts on a spectrum of most negatively impacting reintegration to least, based on specific debt characteristics. **When applying the coercion index to reintegration outcomes, the data support that the impact of debt on reintegration depends on the specific characteristics of debt – rather than simply being indebted.** The qualitative data corroborated this and additionally indicated that debt's diverse impacts also depend on the characteristics of returnees and their households and the specific context.

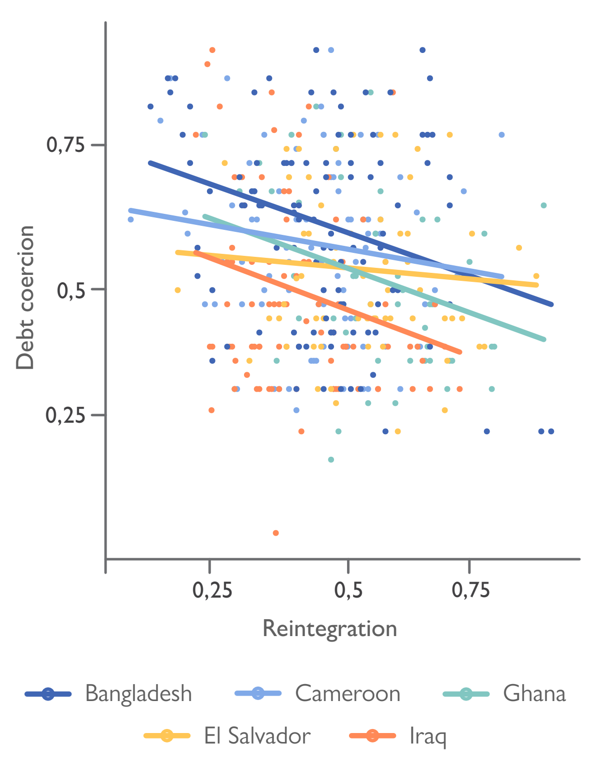
In the quantitative data, as debts became more coercive, reintegration outcomes became significantly poorer – similar to indebtedness.[69] Again, the significance was seen in reintegration generally and in the psychosocial dimension. However, the debt coercion index was clearer at explaining poorer reintegration outcomes than simple indebtedness. The data indicated that while indebtedness could be positive on reintegration under certain circumstances, such as with Type 1 debts, coercive debts do not have a positive impact on reintegration – neither in the quantitative nor qualitative data.

In contrast to simply examining indebtedness, the debt coercion index was negatively associated with poorer reintegration outcomes in all countries and was significant in Bangladesh, Ghana and Iraq. Figure 8 represents this relationship and maps the debt coercion index against the simplified reintegration index per country of origin.[70] This demonstrates that the debt coercion index created is salient across a broad diversity of contexts, although there may be additional variables which should be considered and included when conducting country-specific analyses and research.

69 This was significant when controlling for sex, age and country of origin, and at p<.001.

70 The figure does not include all 545 respondents surveyed as the coercion index is not available for those not currently in debt. The figure thus represents 393 respondents.

Figure 8. The correlation between reintegration and debt coercion indices



Importantly, the quantitative data supports such a nuanced approach to debt given in specific instances debt can be positive for reintegration. In particular, when debt was accrued, a component of the debt coercion index, was a significant predictor of reintegration outcomes. While Type 3 debt significantly negatively impacted reintegration outcomes overall,[71] Type 1 significantly positively impacted reintegration outcomes overall.[72] Such non-coercive debts which are positively correlated with better reintegration outcomes can thus be seen as a sign of financial inclusion which potentially facilitate reintegration. An example of such debts could be loans to start or maintain businesses.

However, **whether a debt is coercive can change over time.** The qualitative data indicated that a debt that can initially be seen as positive can later produce coercive conditions which negatively impact reintegration. For example, a loan to fund a migrant's journey from a family member – an initially productive investment – may only become coercive after the migrant and family were unable to economically benefit from the migration, and the lender demanded the debt be repaid. Repayment conditions can also become more stringent and be accompanied by severe consequences over time, such as violence or ostracization. The data suggest that for non-coercive or 'positive' debts to remain so, they can be informal/formal (albeit not from a predatory source such as a trafficker), but they must have flexible and negotiable conditions for repayment, not have high penalty fees or interest rates, and have clear mechanisms for negotiation or mediation.

Similar to debt practices, the qualitative data indicate that **coercive debts impact different subgroups of returnees differently.** For example, in Bangladesh, women who had disabilities because of their migration reported struggling to secure an income which was sufficient to both cover their basic needs and repay their debts. Additionally, returnees who returned to households which had become indebted in their absence found themselves burdened by multiple loans – as well as those household members being financially restricted in their ability to facilitate their reintegration.

Both the qualitative and quantitative data therefore indicate that **a nuanced, multilevel analysis of debt which places it on a spectrum of facilitating and constricting reintegration in multidimensional ways is required, rather than assuming that all debt – regardless of its characteristics – is either good or bad.** Identifying and examining those factors related to and impacting debt allows for an examination that better captures the relationship between debt and reintegration. This in turn provides more accurate insights for intervening in and preventing cases of highly coercive indebtedness among returnees, their households, and their communities.

71 This was significant when controlling for sex, age and country of origin, and at p<.05.
72 This was significant when controlling for sex, age and country of origin, and at p<.001.

4.2 ECONOMIC REINTEGRATION

KEY MESSAGES

In the quantitative data, indebtedness was not significantly associated with lower economic reintegration outcomes. At times, indebted returnees performed better in terms of economic reintegration than their non-indebted counterparts. The nature of debt, specifically its degree of coercion, thus determined whether debt facilitated or constricted economic reintegration. Three key findings emerged from the data:

- Debt can be a marker of financial inclusion and be associated with higher reintegration outcomes in specific circumstances.
- Debt can restrict the ability of returnees to respond to the economic challenges they face securing a sustainable livelihood specifically when debt is highly coercive, such as when it is collateralized or the indebtedness becomes prolonged.
- Returnees who remain indebted overtime increase their risks for specific harms, such as food insecurity.

The study measured economic reintegration through four key quantitative indicators: post-return borrowing, owning and accessing a bank account, employment status, and savings post-return (see Figure 9 for this information by country and indebted status). The qualitative data added further depth to these indicators, as well as providing additional information on food security.

Debt and positive reintegration outcomes

Although debt's impact on reintegration was mostly negative, there was an indication in the data that in specific circumstances borrowing – a sign of economic reintegration – can be associated with better reintegration outcomes. For example, as previously stated, the quantitative data reveals that borrowing for and post-return (Type 3 debt) is a significant predictor of poorer reintegration outcomes when controlling for sex, age and country of origin.[73] In contrast, Type 1 debt significantly positively impacted reintegration outcomes overall with the same control variables.[74] Such findings emphasize what key informants reported – that having access to loans, and the opportunity to become indebted (regardless of the potential negative consequences thereof) may speak to a degree of financial inclusion which can positively contribute to economic reintegration.

Borrowing post-return may be more often related to crisis borrowing and thus a negative indicator of reintegration – indicating that the manner with which returnees access loans matters more than being simply indebted. For example, 50 per cent of those who borrowed post-return borrowed to cover daily needs compared to only 33 per cent who reported borrowing to start a business. However, there is some indication that Type 3 debts may have more coercive characteristics – regardless of the reasons for borrowing – and thus negatively impact reintegration. For example, Type 3 debt was more likely to have interest rates (47%) and slightly more likely to have fixed repayment dates (65%) than Type 1 debt (35% and 61%) – despite just 3 per cent coming from banks or formal institutions and 11 per cent from MFIs. Thus, efforts should be made not only to mitigate crisis borrowing, but to make Type 3 debt conditions less coercive.

73 This was significant at p<.005.
74 This was significant at p<.005.

Debt as a barrier to economic reintegration

Debt constrained returnees' ability to pursue sustainable livelihoods, at times acting as an insurmountable barrier. Indeed, as debt conditions became more coercive, debt's impact on reintegration became more negative. Prolonged indebtedness specifically elevated the returnees' risks for certain economic deprivations, such as food insecurity.

However, simply being indebted was not a significant predictor of critical economic reintegration outcomes. For example, in the quantitative data indebtedness did not significantly impact employment – likely because the conditions were already so challenging for returnees. Further, indebtedness did not significantly impact having access to and using a bank account.

Indebtedness did nonetheless reduce the spectrum of resources available to returnees for securing sustainable livelihoods. This was indicated in the quantitative data by the inability of returnees to accumulate assets, investments, and savings both during migration and post-return – which can serve as critical start-up capital when establishing businesses. For example, returnees who were not indebted are more than 200 per cent as likely to have personally saved money or belong to a household that has compared to those who were indebted.[75] Further, according to the data, returnees not indebted were almost four times more likely to have returned with savings, assets or investments.[76] In the qualitative data, the reduced spectrum of options available to indebted returnees to secure and maintain sustainable livelihoods was seen via returnees' inability to maintain long-term businesses. At times, debt prevented returnees from reinvesting profits into successful businesses as reported in Bangladesh, Cameroon, and Ghana. Instead, the profits gained often went to pay off debts.

The impact of debt on economic reintegration was also evidenced through remittances. The data revealed active, two-way corridors of financial exchange sustained by migrants and their families; half of the returnees reported that they remitted money while abroad, and almost half (43%) received money from the country of origin while abroad, with a third receiving money at least once a year.

These economic links between countries of origin and destination affected returnees' economic reintegration. For example, sending remittances allows migrants to establish and/or contribute to economic opportunities within their social networks, which they can then benefit from upon return economically. Indeed, when controlling for sex, country, and indebted status, those who remitted regularly (weekly, monthly) were significantly more likely to report better economic reintegration outcomes than those who did not remit regularly.[77] A returnee man from Ghana identified that the economic strength of social networks, to which profitable migration via remittances could contribute, allowed him to cope economically: "Borrowing didn't impact me economically because it is my family, my mother, and siblings who gave me all the support when I returned." Given indebtedness had often constrained respondents from sending regular remittances, indebted returnees may be left scrambling to establish a livelihood only upon return, whereas non-indebted returnees may have begun sowing the seeds for their successful economic reintegration years prior through remittances. **The effect of remittances underlines that to understand debt's impact, reintegration actors must understand the multi-sided experience of debt.**

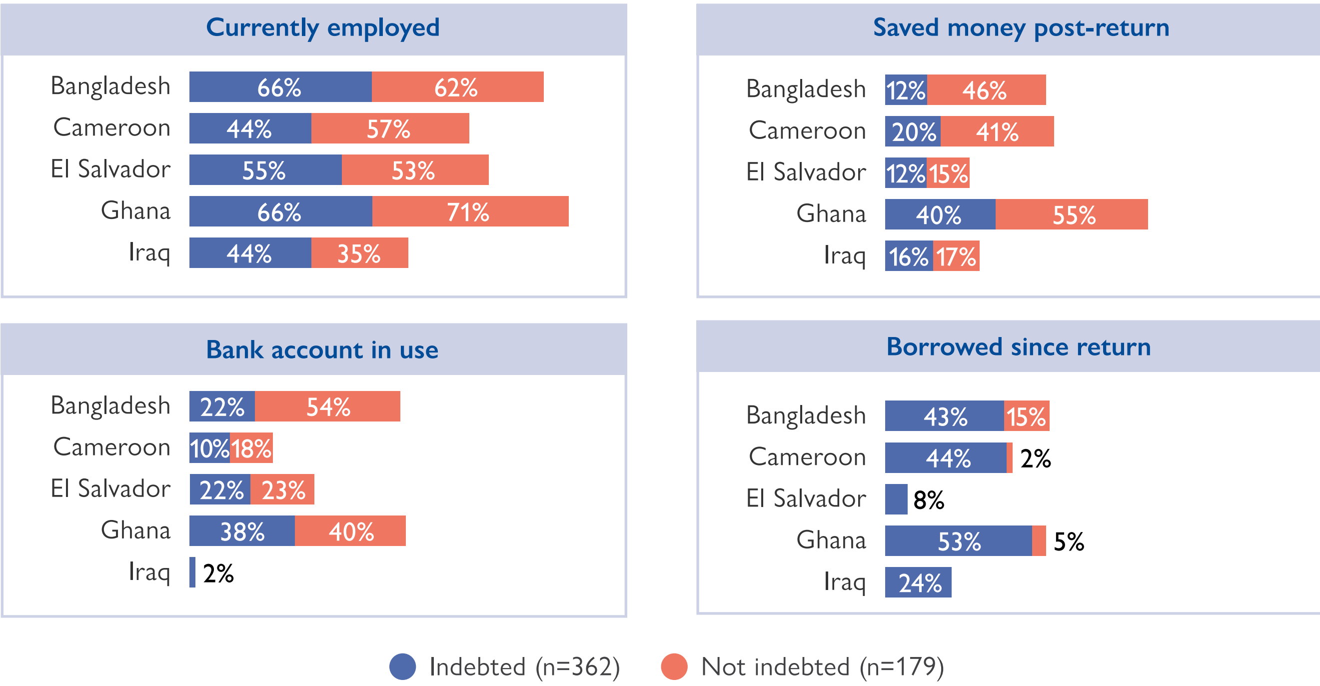
Importantly, **debt's economic impact on reintegration became more severe as its coercion increased.** For example, accessing further loans for those returnees who had already collateralized their debts with their most valuable assets was challenging. Those returnees with collateralized, highly coercive debts, felt they were starting from the negative – rather than zero. The negative impact of chronic unemployment was more detrimental to indebted returnees. The additional pressure to repay debt was a severe disadvantage for indebted returnees with strict repayment terms in the study.

As indebtedness became prolonged, it produced a critical tipping point for specific economic vulnerabilities, such as food insecurity – as indicated

75 This was significant when controlling for sex, age and country of origin, and at $p<.001$.
76 This was significant at $p<.001$when controlling for sex, age and country of origin.
77 This was significant at $p<.001$when controlling for sex, age and country of origin.

by the qualitative data. Some households in the study specifically attributed food insecurity to their prolonged indebtedness. Households had to manage to pay for food with the incessant pressure of paying back high loans. At times, the leniency of the loan conditions enabled returnees to provide food for their families – again indicating the quality of debt impacted its effect on reintegration outcomes.

Figure 9. Economic indicators by country and indebted status



4.3 SOCIAL REINTEGRATION

KEY MESSAGES

In the research, indebtedness was not significantly associated with poorer social reintegration outcomes. However, in the qualitative data, debt led to precarious housing situations and further inhibited returnees' ability to respond to and overcome housing and health challenges. In this regard, two key findings emerged:

- Debt has a more constrained impact on returnees' social reintegration.
- The constrained impact that debt had on social reintegration may indicate the debt's impact on social reintegration is delayed and will become more apparent as returnees' indebtedness becomes more prolonged, and thus coercive.

The study measured social reintegration through four key quantitative indicators: standard of housing, school-aged children in school, possession of at least one identification document, and quality of health care available (see Figure 11 for this information by country and indebted status). The qualitative data added further depth to these indicators.

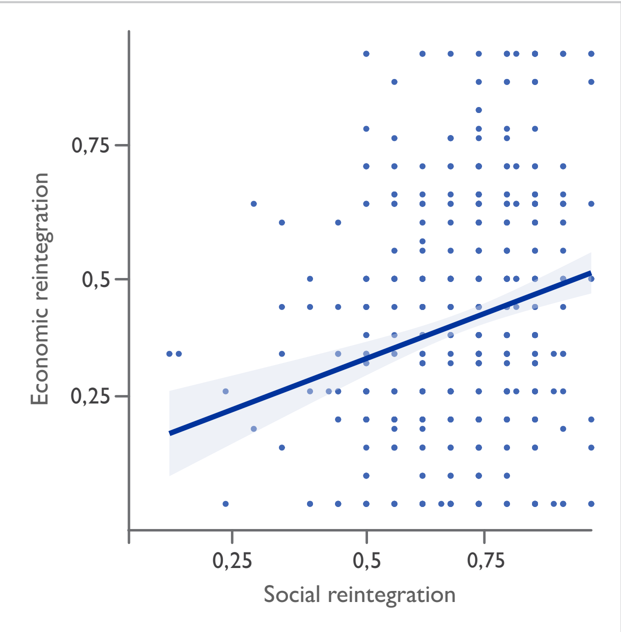
Limited impact of debt

Returnees overall performed well in terms of social reintegration outcomes with indebted status yielding little difference in such outcomes, specifically in terms of access to documentation, enrolment of children in school (discussed in the next chapter), and access to average or better health care. Similar to economic reintegration, this indicates that returnees who have access to borrowing may be better situated than those who have no access and a blanket approach to debt is inadequate for exploring its impact.

Delayed impact of debt

The qualitative data indicate that debt's impact on social reintegration is likely delayed rather than non-existent and increases as debts become more coercive. Figure 10 maps the social reintegration outcomes against the economic reintegration outcomes. The two have a positive relationship in the data. This means that as economic reintegration increases, so does social reintegration. This is particularly important given the impact that coercive debts had on respondents' economic reintegration outcomes compared to debt's more stymied impact on respondents' social reintegration outcomes. It thus may be that prolonged indebtedness from coercive debts may negatively impact social reintegration outcomes over time.

Figure 10. The correlation between economic and social reintegration

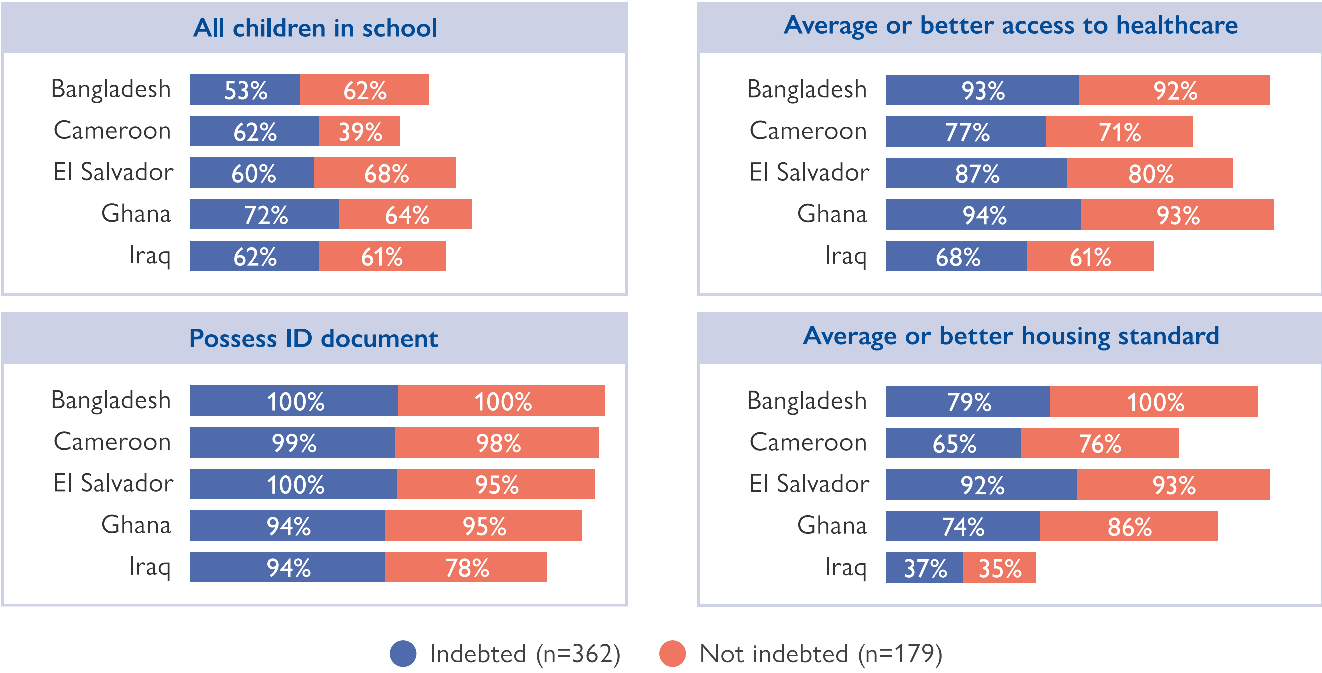


The qualitative data also emphasized that coercive debts and prolonged indebtedness specifically prevented regular and sustainable access to quality health care. For example, oftentimes returnees were left with difficult social choices because of their indebtedness, such as choosing between debt repayment and seeking healthcare. A returnee in Ghana described his choice: "I haven't paid even a part of [the debt]. I have paid nothing at all…If I pay that loan, I wouldn't be able to take my father to the hospital." In the long term as debts become older and increasingly coercive as the pressure to repay heightens, indebted returnees may have to forgo treatment in favour of debt repayment, damaging not only their health-care access but their overall health.

Indebted returnees also faced challenging housing conditions which may be tied to specific terms and conditions, such as collateralized loans. Indeed, in the qualitative interviews, it was reported that returnees from Iraq sold their houses or apartments to fund their migration journey or were living with other family members at the time of interview. Iraq thus demonstrates that collateralized loans via mortgaging or selling housing to fund migration journeys were key risk factors undermining indebted returnees' standard of housing over time. Understanding not just if loans were collateralized – but with what – is critical for understanding when and why debt impacts returnees' social reintegration and underlines the importance of a more granular approach to debt and reintegration.

For returnees, especially those who experienced trauma during their migration journey, long-term indebtedness can eventually reach a tipping point where indebtedness permanently damages their physical health. Prolonged indebtedness, which increases debt coercion, can exacerbate the need for health services while constricting indebted returnees to access such services. Even if respondents seek treatment, they risk immersing themselves in further debt. However, many of these physical conditions require medical treatment. Thus, if returnees continually choose to forgo treatment upon return to pay off debts, there may come a tipping point where their health is irrevocably harmed.

Figure 11. Social indicators by country and indebted status



4.4 PSYCHOSOCIAL REINTEGRATION

KEY MESSAGES

In the research, indebtedness was significantly associated with lower psychosocial reintegration outcomes when controlling for sex, age and country of origin. Indebtedness at times damaged social networks, constricted returnees' ability and willingness to participate in social activities, severely and negatively impacted returnees' mental health, and stunted returnees' place in society. From the study, three key findings emerged:

- Debt directly negatively impacted returnees' psychosocial outcomes which returnees connected to feelings of stress, stigma, and shame.
- Debt damaged or completely eliminated parts of returnees' social networks, constraining the facilitators available to returnees which supported their reintegration.
- Debt restricted returnees' participation in social life, resulting from poor mental health outcomes and a stunted social network.

The study measured psychosocial reintegration through five key quantitative indicators: participation in social activities, household tensions, feelings of shame, feelings of sadness and feeling a sense of belonging (see Figure 12 for this information by country and indebted status). The qualitative data added further depth to these indicators.

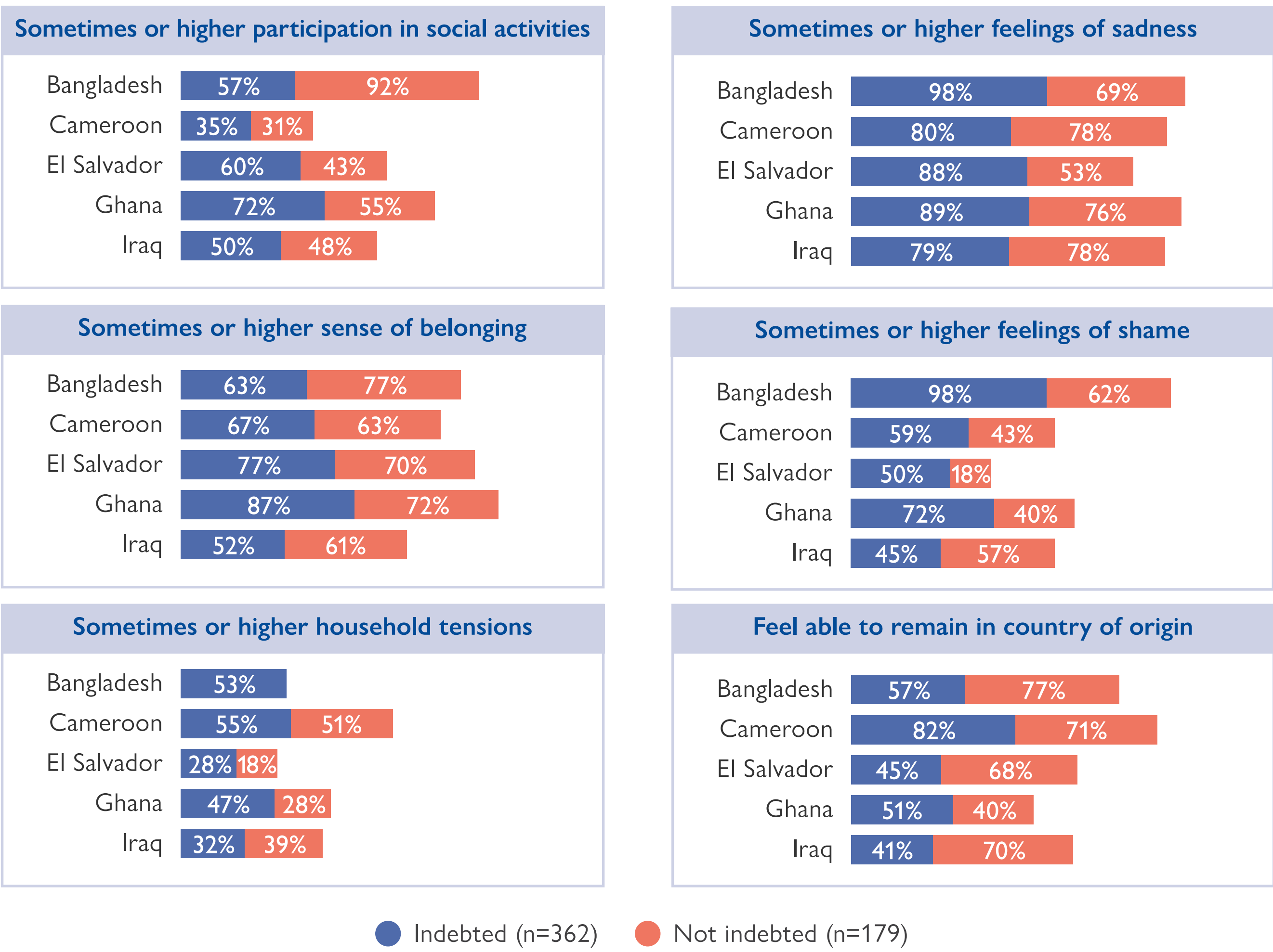
Debt and mental health outcomes

The impact of indebtedness was most pronounced in relation to the mental health of returnees. Feelings of shame, stress, sadness, isolation, depression, humiliation, and rejection were common among respondents. A woman returnee from El Salvador reported common feelings found across genders and country contexts:

> *There have been moments of despair because I've been so desperate. I haven't been able to find a way out, just like [my husband]. When there are debts, it is an affliction.*

In the qualitative data, poor mental health outcomes were linked to returnees being stigmatized upon return. It became clear in the qualitative data that returning with debt necessarily meant being seen as an 'unsuccessful' migrant. In other words, while returnees are not inevitably stigmatized, returning with debt from the migration journey was consistently stigmatized. Type 2 debt thus appeared to specifically negatively impact returnees' psychosocial outcomes in the data. Indebted returnees at times also self-inflicted shame due to an internalized sense of failure. Many struggled with the expectation that they were to bring monetary benefits to their households and communities upon return. However, returning indebted delimited this option. Often returnees and their family members referenced bringing back "nothing". If returnees collateralized their loans, such coercive debts may exacerbate poorer mental health outcomes.

Figure 12. Psychosocial indicators by country and indebted status



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Flowing from a sense of stigma and shame, the social status of indebted returnees stagnated, specifically in West Africa. Having had wives who left them or starting their livelihoods from zero – or a negative point – upon return, West African male returnees felt they were behind compared to their friends who had chosen not to migrate. As many returnees interviewed in West Africa considered themselves and/or others considered them 'unsuccessful,' migration did not represent the passage to manhood it can often be. The phenomenon of feeling socially 'stuck' or immobile was at times seen in other contexts, as well. One returnee woman from Iraq lamented how her friends had jumped ahead of her while she was abroad:

> *All my school friends are going to university now and I'm just home. It really affects me. If I didn't go to Belarus, I would've been there at university with them. I wouldn't be staying at home doing nothing, it's honestly really hurtful.*

Debt damaged social networks, as well. Relationships were strained or had disappeared altogether because of unpaid debts. While this predominantly applied to the extended social network through which returnees borrowed (e.g. uncles, aunts, friends, in-laws), it also at times damaged nuclear relationships, such as those with children. A returnee woman from El Salvador reported that her relationship with her daughter, whom she had borrowed from to finance the journey to the United States of America, was damaged. "[The debt is] affecting me a lot, because even my daughter often throws it in my face. She tells me that I have to work harder to get by…I understand that but even if I wanted to do more, I can't and I ask God for strength [cries]...I feel that even my daughter is turning her back on me." In this way, family and friends as loan sources can have a highly coercive impact on returnees' psychosocial outcomes.

Debt and community life

Damaged social networks and feeling a strong sense of stigma and shame because of their indebted status, indebted returnees were at times unwilling to participate in community life. As debt repayment was a way to strengthen familial ties, lack of repayment and prolonged indebtedness to one's social network led to a sense of isolation, where indebted returnees slowly removed themselves from social activities or purposefully distanced themselves from relatives. The impact of indebtedness on participation in social activities was gendered. Indebted women appear to be more at a disadvantage in terms of social activity participation than indebted men. This ties in with the double stigma identified in the qualitative data where returnee women are stigmatized for being a returnee woman and indebted.

Debt, sense of belonging, and remigration

Despite the poorer mental health outcomes and reduced participation in community life, debt had a more muted impact on returnees' sense of belonging and ability to remain in the country of origin. In the quantitative data, there was no significant difference between those who were indebted and those who were not in terms of sense of belonging. **That indebtedness does not appear to impact sense of belonging also indicates that returnees' social networks are important points of strength, and potential intervention, regardless of indebted status.** Further, both indebted and non-indebted returnees view themselves as being equally able to stay in the country of origin – underlining the importance of encouraging sustainable reintegration even among indebted returnees whose reintegration appears more daunting.

5. DEBT'S IMPACT ON HOUSEHOLDS AND COMMUNITIES

KEY MESSAGES

Although this study focuses on returnees and their households there are also some indicators of community level impacts of indebtedness. These include the potential negative effect of migrant and returnee debt on local economic development and inequalities (associated with a lack of remittances and indebtedness' role in heightening local inequalities, i.e. between borrowers and lenders). The research revealed some key findings in relation to debt's impact at the collective level:

- Households fall further into debt as they engage in 'reverse remittances', investing in the migrants abroad and/or indebted migrants cannot remit while abroad.
- Stigma and shame associated with debt extends beyond the returnee, to their household members.
- Debt's impacts are generational, impacting children's access to education and to their futures.

This chapter presents how debts impact households and communities, and how this in turn facilitates or constrains returnees' opportunities to achieve sustainable reintegration. It then considers the role of community structures and reintegration support in addressing indebtedness.

5.1 HOUSEHOLD-LEVEL INDEBTEDNESS LINKED TO MIGRATION

Returnees' migration journeys and their debts impacted households because: 1) returnees are embedded within household systems, 2) households often have collective responsibility for debts, 3) households take out debts in response to returnees' migration journeys, and 4) the consequences of returnees' indebtedness impact household members, including in gender- and age-specific ways. This section examines such impacts.

Economic impacts

Many returnees in this study had been unable to remit while abroad, which means that their households did not economically benefit from migration, as often originally planned. Only 43 per cent of survey respondents had sent remittances at least once per year. Indeed, family members were often sending money to migrants, as 'reverse remittances'. Thirty-three percent of respondents had received remittances from their family at least once per year, while they were migrants, and an additional 10 per cent had received reverse remittances at least once. For those who had already borrowed from friends and family to finance their migration journey, the borrowing continued during their migration, with 39 per cent of that sub-group receiving reverse remittances at least once a year.

As returnees' migration journeys were often household investments, **a lack of economic 'success' and return on investment negatively impacted the household, pushing some households into further debt.** With a lack of remittances, and one fewer household member of working age, some households lost income while the returnee had been abroad. Some households increased their borrowing in response, while others struggled to make ends meet without becoming further indebted. Often households expected that the member who had migrated would immediately remit. The disconnect between expectations and reality, which was mirrored in returnees' expectations they would have immediately commenced debt repayments upon arrival in the country of destination, caused in some cases family disputes.

Migration-related debts also made it harder for household members to borrow any further money. Respondents told of how costs associated with their migration had exhausted household possibilities for future borrowing from their social networks. As one returnee man in Cameroon explained, his mother-in-law who had borrowed money from a tontine to help him and his wife was no longer welcome as a member as they were unable to repay the debt.

While the returnees had been abroad, and after indebted returnees came home, households often coped by taking on new livelihood strategies. For example, one mother who had retired from her teaching job because of health issues began a water-selling business. Given the debts the household accrued, it became necessary for her to re-enter the labour force. Another woman started her own business. Household members thus responded dynamically and with agency to their returnees' and their indebtedness. As such, household members are agents in addressing post-return indebtedness that policymakers and programmers should consider.

Lack of remittances also may lead to changes in gender dynamics within the household. For example, Fatima, a mother of three, cared for her children alone while her husband was in Libya. Her husband struggled to provide substantial remittances to his family, working to pay off his migration loan first. He also suffered from exploitative work conditions in Libya where he sometimes did not receive payment, making sending remittances with any regularity challenging. Fatima struggled to provide for her children. This forced her to work shortly after she had given birth to her youngest – doing petty trade on the street with a 3-month-old baby. While challenging, this also appeared to be a source of empowerment for her – providing for her family on her own was something she saw as a positive achievement. While her husband was abroad, she took small loans to support herself and eventually started a ceramic plates business. Nonetheless, her family suffered economically and faced severe food insecurity. When there was no food at home, her children only got to eat while at school. Despite her husband having returned, Fatima still clung to the independence she had achieved while her husband was abroad, continuing her ceramic business.

> *I'm still in the business even though my husband is back because I can't be idle while my husband provides for the family.*

While Fatima's story demonstrates that women can at times become newly or re-empowered when their husbands or other male household members migrate, the literature is more mixed, and **the impact of debt and indebtedness on gender relations and women left behind deserves further explicit analysis.** Indeed, another study in India and Nepal suggests that husbands continue to exert patriarchal control over remittance flows, thus limiting women's agency in how these remittances are spent or invested, and their overall role in decision-making.[78] However, a different study in Nepal has indicated that women in migrant households exert more power in decision-making than non-migrant households.[79] Other research suggests women can lose their newly-found status after their husbands return.[80] A previous study by Samuel Hall, on Afghan women left behind in Afghanistan,[81] found that women suffered mentally from the burden of their husband's migration loan. The increased mental burden may mitigate any positive impacts outmigration has on women's empowerment; a finding corroborated by this study.

78 Hom Nath Gartaula, Leontine Visser, and Anke Niehof, "Socio-Cultural Dispositions and Wellbeing of the Women Left Behind: A Case of Migrant Households in Nepal," Social Indicators Research 108, no. 3 (2012): 401–20; Ruchi Singh, "Impact of Male Out-Migration on Women Left Behind: A Study of Two Villages in Uttar Pradesh," *Remittances Review* 3, (May 16, 2018): 75–92.

79 Amina Maharjan, Siegfried Bauer, and Beatrice Knerr, "Do Rural Women Who Stay Behind Benefit from Male Out-Migration? A Case Study in the Hills of Nepal," *Gender, Technology and Development* 16, no. 1 (January 1, 2012): 95–123.

80 Hein de Haas and Aleida van Rooij, "Migration as Emancipation? The Impact of Internal and International Migration on the Position of Women Left Behind in Rural Morocco," Oxford Development Studies 38, no. 1 (March 1, 2010): 43–62; Heidi Kaspar, "'I Am the Head of the Household Now'. The Impacts of Outmigration for Labour on Gender Hierarchies in Nepal," in *Gender and Sustainable Development: Case Studies from NCCR North-South,* ed. Christine Müller and Smita Premchander (Bern: NCCR North South, 2006), 285–303.

81 See Samuel Hall – Photo Story: Women left behind [last accessed 16/9/22].

Indebtedness can spur the onward migration of other household members as a coping strategy to secure more income. To cope with indebtedness, households at times turned to another member to migrate. For example, one household in Ghana reported how the returnees' father had migrated within Ghana (to Accra, the capital city) to find more lucrative work, partially due to indebtedness. The same was reported for another returnee's mother in Ghana who similarly migrated to Accra. Another household in Bangladesh had pulled their son out of schooling and sent him abroad in hopes of securing enough money to repay their debts. However, remigration as a coping strategy to escape indebtedness is a risky strategy. Indebted households' remigration is often funded by more debt, as they have already invested assets in previous attempts. If the new household member similarly fails to have an economically successful migration journey, the household is driven further into debt. The compounding debt of multiple failed migration journeys in one household can lead to increased deprivation and insecurities.

Psychosocial impacts

The shame and stigma of failed journeys extended to household members and were exacerbated by indebtedness. Unable to benefit economically from a relatives' migration journey, particularly one in which they invested, stigmatized the household and its members.

Household members suffered from verbal harassment from lenders. Even when household members did not specifically loan money, they often acted as guarantors. Thus, when returnees could not repay, the lender would at times pursue other household members and harass them. Sometimes, this also happened while the migrant was still abroad. Participants in Bangladesh, Cameroon, and Ghana reported being harassed by moneylenders.

Household members also found their social networks had dissipated because of their household members' indebtedness and failed migration. Similar to returnees, they also struggled to repay these debts and thus suffered from damaged connections with the lenders in their communities, including family.

Emotionally, household members 'left behind' suffered while their family members were abroad. This was evidenced in an increased labour burden on both men and women who remained behind, in the study. For example, one father in Bangladesh described how he struggled to take care of the children while his wife was away: "[When my wife was away], I was depressed. My financial crisis and loneliness aggravated my distress. I had to cook often, and sometimes my boy would give me a hand. My daughter was very young. She did whatever she could. She used to wash dishes. We had to do all household chores. It was stressful." Specifically in Cameroon and Ghana detention was an experience reported by multiple respondents. Knowing their relatives were detained and potentially experiencing deprivations such as torture caused acute stress for many respondents, which in turn impacted the physical health of some.

The emotional well-being of households was intertwined with their financial lives. In response to these psychosocial difficulties, many household members expressed great joy and happiness at the initial return of their family member. However, tensions often began to emerge, and many suffered watching how the returnee struggled post-return. A mother from El Salvador who suffered from ill health described why she believed her daughter's debt negatively impacted her health:

> *Because it is a moral thing and a spiritual thing, to see that my daughter cannot get out of that hole. Sometimes my daughter's tears roll.*

Generational impacts: Children of indebted households

In terms of access to services, there was some indication from KIIs and some case study participants that **schooling may be impacted because of indebtedness,** although this was not borne out in the quantitative data. In the qualitative data, some participants reported removing their children from school, or moving them to government-funded schools, as they became increasingly unable to afford school fees. Another household in Bangladesh, as mentioned, sent their eldest son to migrate to pay off debts, removing him from education.

Further, in Bangladesh and Ghana, **key informants identified that indebtedness may exacerbate the risk of participating in child trafficking and labour.** For example, unable to afford school fees, children may be sent to work. At other times, families in Ghana may send children to work for family members to whom they are indebted; however, while mentioned by key informants, this practice was not apparent from the qualitative case studies. Such coping mechanisms impacting children may occur due to poverty in general, rather than the specific status of being in debt. These are sensitive subjects that require targeted research.

Remittances impact the continuum of care for children. Although care burdens increase when one or both parents migrate, remittances can also alleviate some of this strain. For example, grandparents, single parents, or other family members often take on the sole responsibility of children when a care provider migrates. These guardians then face a tension between providing care for the children and securing enough income to financially support the household. There is a natural time constraint and trade-off involved, but remittances can lower the need to secure employment and income. For example, one woman in Bangladesh described how when her husband was abroad and remitting the household thrived – with remittances, more care can at times be provided to the children. However, when remittances are not sent, households must compensate in other ways. This can result in older children being pulled from school to engage in care, work and sometimes migration.

5.2 COMMUNITY-LEVEL IMPLICATIONS

Communities are critical actors that policymakers and programmers should include and empower when addressing indebtedness. First, indebtedness can impact the communities in which returnees live, but also influence communities' abilities to protect returnees and mitigate the impacts of indebtedness. Second, existing community structures can mitigate or exacerbate debt in unique and profound ways, which are often specific to a country or community context.

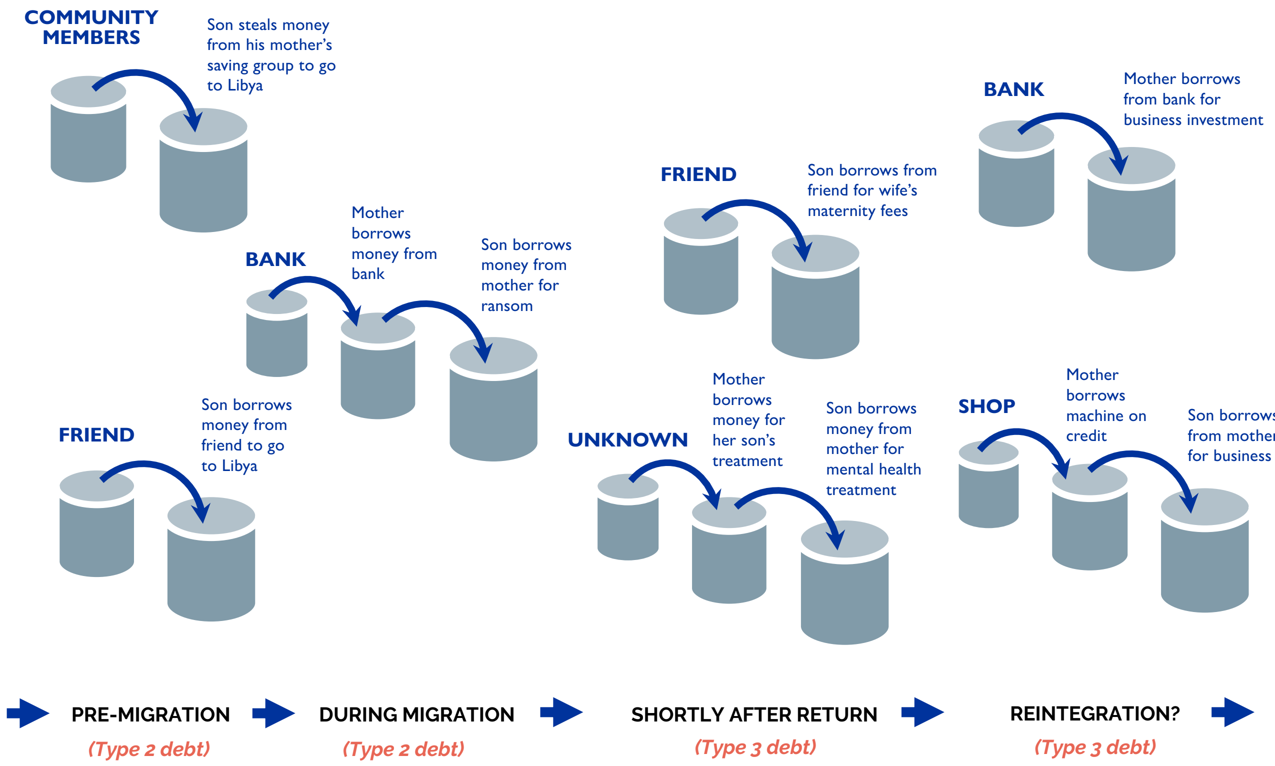
Including debt in the migration-development nexus

Positive outcomes of the migration-development nexus at the community level are largely reliant on remittances and investment in human capital. Debts and unplanned-for returns limit the possibilities of remittances and investment in human capital, with knock-on effects on local economies.[82] The need to repay one's debt before sending remittances slows or stunts the positive impact migration vis-à-vis remittances can have on households and communities at large.

The impact of debt-funded migration on the well-being of communities is even more important given debt and borrowing systems are embedded in wider communities, with neighbours, employers and shopkeepers as well as formal and semi-formal lenders (e.g. MFIs and pawnbrokers in Bangladesh, and tontines in Cameroon) all cited by our qualitative case study participants as acting as moneylenders. Indeed, even when qualitative participants mentioned borrowing from friends and family, when the research team interviewed those friends and family, they had often in turn borrowed from third-party moneylenders (see on the following page).

82 David Graeber, Debt: The First 5,000 Years (New York: Melville House, 2011); W. Nathan Green, "Financing Agrarian Change: Geographies of Credit and Debt in the Global South," Progress in Human Geography 46, no. 3 (June 1, 2022): 849–69.

Figure 13. Following the money (Ghana)



Debts at the community level are more complex than simply 'from the family' or 'from the bank.' This is well-established in the wider literature on debt in lower-to middle-income countries.[83] Migration and return then add to this complexity by including the possibilities of debts to migration-specific actors such as brokers and labour recruiters, lawyers, smugglers, and extortionists (e.g. those demanding release fees or bribes from West African migrants).[84] And, significantly, these debts can also be transnational, linking returnees with people and communities in other countries, and potentially creating new types of precarity, for themselves, their households, and transnational migrant communities.[85] In the data, it appeared that such trans-local debts were bound by nationality or ethnicity (e.g. Salvadorans borrowing from other Salvadorans in the United States).

Not surprisingly, given these community-level webs of interaction, indebtedness has implications for the community, as well as individual returnees and their households. It was clear in the qualitative data, that when borrowing from colleagues, friends, and neighbours, as well as family, people were usually borrowing based on repaying after they established themselves at their destination and gained employment. When this did not work out, this had negative effects. Small interpersonal loans between neighbours and acquaintances are often given with the expectation of reciprocity.[86] When migration did not go as planned and a migrant returned indebted this often meant they were not able to reciprocate and loan money to others when they needed it. For example, a returnee in El Salvador relayed how she had borrowed 200 United States

83 Carswell et al, "Good Debts, Bad Debts," 122–42; Guérin and Venkatasubramanian, "The Socio-Economy of Debt." Green and Estes, "Precarious Debt."

84 Priya Deshingkar, "The Making and Unmaking of Precarious, Ideal Subjects – Migration Brokerage in the Global South," *Journal of Ethnic and Migration Studies* 45, no. 14 (October 26, 2019): 2638–54; Sallie Yea, "Prefiguring Stigma in Post-Trafficking Lives."; Henry Kam Kah, "'Blood Money', Migrants' Enslavement and Insecurity in Africa's Sahel and Libya," *Africa Development / Afrique et Développement* 44, no. 1 (2019): 25–44.

85 Maryann Bylander, "Borrowing Across Borders."; Kavita Datta and Camille Aznar, "The Space-Times of Migration and Debt: Re-Positioning Migrants' Debt and Credit Practices and Institutions in, and through, London," *Geoforum* 98 (January 1, 2019): 300–308; Green and Estes, "Precarious Debt."

86 Marcel Mauss, *The Gift: The Form and Reason for Exchange in Archaic Societies,* 2nd edition (London: Routledge, 2001).

dollars from a neighbour towards migration-related costs. At the time of interview, that neighbour needed money desperately because of her own mother's health issues and medical bills. However, the respondent was not able to repay her the original loan, let alone lend her additional money. The returnee's daughter is also in debt to her employer in the United States. Thus, the debt-funded migration of the mother is producing negative consequences both in her local community, and her trans-local community.

Another way in which returnee indebtedness can affect the wider community is in relation to community-level savings and loan schemes such as the tontines in Cameroon. Such schemes are reliant on trust between members, as well as balancing out inputs and withdrawals by members; usually they are intended to facilitate smaller loans than those needed for migration, although migrant remittances can also be an important input into the system.[87] When returnees or their families cannot afford to repay loans from tontines, this affects future borrowers in their community, which is partly why some of our qualitative interviewees in Cameroon who directly (or indirectly via family members) owed money to tontines felt stigmatized and shamed and had had to stop attending tontine meetings. In Bangladesh, a more formalized version of community-based borrowing are loans from MFIs. In theory, one returnee defaulting on a loan will not have a significant impact on future MFI borrowers from their community, but high levels of over-indebtedness (and subsequent under-repayment) could lead to crises such as the 2010 microfinance crisis in Andhra Pradesh, in India, with negative knock-on effects for the wider community.[88]

The migration-development nexus largely relies on the promise and potential of remittances to bring development-oriented activities and investments to communities of origin – which prolonged indebtedness threatens. It is now widely recognised that the development impacts of remittances are not solely related to productive activities and investments but that simply the injection of capital in the form of consumer spending can also have positive multiplier effects on local communities.[89] However, failed migration projects, embodied by interceptions by border forces, deportations and other unplanned-for returns, can restrict the ability of migrants to send remittances, as for many of this study's participants. When this is combined with indebtedness after return, it can be a lose-lose situation for returnees and their households, with direct and indirect multiplier effects for their wider community.

Indebtedness can also cut off access to future remittances. In the qualitative case studies, there were examples of how an inability to pay off past trans-local debts meant that relatives who would have otherwise sent them remittances were now unwilling or unable to. For example, a returnee in El Salvador told of how relatives in the United States used to send him and his family remittances, but now they did not because he still owes them the money they had lent him for his failed migration to the United States. "The way it is, because before the debt we had, our relatives in the United States helped us a little bit. Now it is different, now no longer, they do not help us." This is a potential input into local consumption economies that is now not available because of debt-funded migration where debts remain unrepaid. However, further research is needed to quantify the effect of returnee indebtedness, and related reduction in consumer spending, on local economies.

Furthermore, debt can lead to increased wealth accumulation by certain local elites, with implications for further inequalities within communities, contributing at times to the initial drivers of migration. Some of these trends are further discussed below.

87 Linda Mayoux, "Tackling the Down Side: Social Capital, Women's Empowerment and Micro-Finance in Cameroon," Development and Change 32, no. 3 (2001): 435–64; Alvin Etang, David Fielding, and Stephen Knowles, "Trust and ROSCA Membership in Rural Cameroon," *Journal of International Development* 23, no. 4 (2011): 461–75.

88 See Marcus Taylor, "'Freedom from Poverty Is Not for Free': Rural Development and the Microfinance Crisis in Andhra Pradesh, India," *Journal of Agrarian Change 11*, no. 4 (2011): 484–504.

89 J. Edward Taylor et al., "International Migration and Community Development," Population Index 62, no. 3 (1996): 397–418.

Landlessness, homelessness, and wealth accumulation

Key informants reported that collateralized debts may have disproportionate impacts on rural livelihoods, and housing, when those debts are collateralized via land or housing. For example, in rural communities, it is common for migrants to mortgage land to pay for their journey. In urban and rural communities, migrants may mortgage their houses. As a result, **indebted returnees and their families are at risk of losing land and housing when they do not pay.** Since this study indicates that remaining indebted is overwhelmingly common, indebted returnees and communities of high outwards migration and then return migration may suffer from landlessness and homelessness. In both El Salvador and Ghana, key informants identified enforced landlessness as a potential community-level impact of returnees' indebtedness. One key informant in El Salvador suggested that this could spur a cycle of intergenerational poverty.

On the opposite side of landlessness and homelessness, is the consequential wealth accumulation by local elites. Previous studies have explored this in relation to debt in marginalized communities, including in systems of debt-driven migration, particularly in South Asia,[90] and suggest that growing inequalities as a result of debt-financed migration could negatively impact the migration-development nexus, and have important implications for future policy-oriented work focusing on migrants as facilitators of socioeconomic development. While beyond the scope of this study, wealth accumulation directly linked to the collateralized debt of returnees would be worthy of further research.

One key informant from Central America explained that moneylenders collect property and other collateralized assets in instances of non-repayment. Selling such assets, or holding onto them, can produce wealth inequalities where collateralized assets, such as land or apartments, end up in the hands of the already wealthier elites. As a result, **collateralized loans may be a particular risk factor** for jeopardizing the socioeconomic development of a community and generating greater inequalities.

There exists a strong need to investigate the connection between indebtedness, migration, and socioeconomic development explicitly. Given the impact that prolonged indebtedness may have on asset ownership, and thus inequalities in a community, the larger impact of migration on socioeconomic development needs to be re-examined – with a deeper appreciation for how indebtedness constrains returnees' opportunities to act as agents of change in their communities.

5.3 THE ROLE OF COMMUNITY STRUCTURES

Community elders, local government officials, and other community-centred leaders emerged as potential key players in debt mediation. Given unpaid debts have negative consequences on communities, there exists a need to focus on how debts can be repaid. This can involve negotiation of terms and conditions, as well as amount. However, as a KII from the Prottasha project in Bangladesh indicated, such mediation is challenging:

> *It requires multiple sessions, and sometimes it is really difficult to convince the money lenders that it is beneficial for them as well. Our approach is we try to make them understand that at least they will get something if they negotiate. We try to sensitize them and tell them it's a win-win situation for you and for the returnee, because at least we'll get some money back.*

Often within communities, there are already existing structures which can mediate indebtedness, such as in Bangladesh. Indeed, as moneylenders may also be elders or respected leaders in the community, as one key informant indicated was so in Central America, incorporating them into debt mediation is critical. Capitalizing from such structures thus can increase the legitimacy of an already challenging debt mediation process, thus increasing its chances of success.

90 Carswell et al, "Good Debts, Bad Debts"; Deshingkar, "Cultural Capital and Constrained."; Guérin and Venkatasubramanian, "The Socio-Economy of Debt."; Green and Estes, "Precarious Debt."

The community can also exacerbate the challenges of indebtedness. For example, community perceptions impacted returnees' experience with indebtedness through the stigma attached to 'failed' migration and, on the other side, the immense value placed on 'successful' migration. As one key informant in Ghana stated:

> *Most migrants travel by taking loans. And sometimes cultural practices also influence those decisions. For example…maybe my cousin has taken a loan and is travelling. He's doing well. He's sending money back home. Your parents look at you and they ask, "What are you sitting in the house doing? Look at your other cousin. He has struggled and look at the property he is [owning], look at what support he has given to his family." So that pressure also comes on you. If you want money to start a business, they will not give you but if you want the money to travel, they will find a way to get a loan for you with that expectation that when you go, you will come back and pay the loans and things will be okay for the family.*

When the success of others in the community is readily visible, this can exacerbate stigma further. For example, in Bangladesh, successful migrants in one community were denoted by the colourful houses of their family members whom they were remitting to. Such expectations, which are rooted both in the family and in the community, and at times visible representations of success, heavily impact returnees' reception upon a 'failed' migration attempt. The views of family and community were often intertwined for this study's respondents, particularly when it came to issues of stigma and (perceived) failed expectations. For example, one returnee in Cameroon described how indebtedness led his family to turn to others for advice rather than him; another in Ghana recounted a similar experience. A woman returnee in Ghana reported how the family had shunned her when her husband was abroad and she became indebted. Another in El Salvador described how she felt her daughter had turned her back on her after she had failed to join her, living and working in the United States. Such reactions by family members to indebtedness – often shaped by community processes – heighten the difficulties returnees experience post-return.

5.4 REINTEGRATION SUPPORT AND DEBT

One KII from a family mediation programme from Mali, which included mediation on debt, described how returnees often resisted going back to their families because of their indebtedness, something also seen in previous studies.[91] They said that some returnees felt more able to return after they had used some of the reintegration support they had received to pay some or all of their debts – this gave them the courage to return home.

> *Either people had stolen money from their parents, and then disappeared and they had that debt with their parents, or they had disappeared without telling their parents. So they had a moral debt. Often, they had [also] borrowed from people within their community. And some people had borrowed a lot because they tried to migrate by plane. Other people had borrowed less, just because they were migrating on foot. But the fact of returning home with absolutely nothing meant that they could not actually return home…they didn't have the courage to return home without some assistance.*

This was reinforced by a returnee in Cameroon who described how he "hadn't set foot in my family because I have debts with my cousin […] well, they know I'm in Cameroon, but physically we haven't seen each other yet." Given the role of family in indebtedness and reintegration, family thus emerged as a potential site of programmatic intervention, alongside the support of individuals and the wider community.

Some qualitative case study participants in this study, also returnees in Cameroon, described how they had used reintegration support money to pay off debts, or to try and negotiate a loan. For example, one man said he had ended up using his reintegration support money to pay off debts from a relative's hospital fees. Another said he had used the promise of eventual reintegration support from the IOM to negotiate a business loan from an acquaintance, but was still waiting for the reintegration grant and his acquaintance was now asking him to repay the money.

91 Samuel Hall & University of Sussex, "Mentoring Returnees: Study on Reintegration Outcomes Through a Comparative Lens, Commissioned by IOM Geneva and Funded by the FCDO" (Geneva: IOM, 2020); Schuster and Majidi, "Deportation Stigma and Re-Migration."

These are not the intended usage of reintegration grants; however, if they are supporting returnees to get out of indebtedness then perhaps this should be seen as 'repurposing' rather than 'misusing' and could be seen as a positive case for un-tied monetary support to returnees. Another type of support that has been proposed in an IOM knowledge paper,[92] is microcredit specifically tailored to returnees, particularly for returnees interested in entrepreneurial activities. However, as the knowledge paper suggests, any such scheme needs careful safeguards in place to ensure borrowers are not put in a situation of unmanageable indebtedness and trapped in a debt cycle – a criticism of microcredit schemes that has been made by multiple sources.[93]

6. CONCLUSIONS

Debt and indebtedness are a common experience for returnees. While previous studies, and key informant interviews, show that those assisting returnees are mostly well aware that returnees often face debt-related problems, this study illustrates the extensive implications of debt – particularly coercive debt – in reintegration. Its impact is multidimensional and multilevel, impacting economic, social, and psychosocial reintegration in dynamic and nuanced ways, with direct and knock-on effects on households and communities.

The study also revealed that not all debts are the same. As such, it is critical to understand debt's impact on a scale of facilitating or restricting reintegration and returnee well-being – rather than simply being good or bad. The study identified key characteristics which both individually and combined impacted how debt affected reintegration outcomes: 1) when the debt was accrued, 2) the age of the debt, 3) the source of the debt, and 4) the terms and conditions (e.g. interest rates, if collateral was involved, fixed repayment dates). Specific attention should also be paid to gender and the manner of migration which the data reveal impact the risk of coercive debt practices. Debt's impact also depended on returnees and their households, and impacted relationships, often in a gendered and generational pattern.

Debts arise in migrants' lives for a range of structural reasons. This report highlights how the migration experience in its entirety perpetuates and creates coercive conditions for debts which negatively affect reintegration. Identifying such situations of coercive debt becomes critical for those planning programmes and policies to support returnees' reintegration and intervene to combat such negative forms of indebtedness.

While debt is context-specific, there are lessons to be drawn across the country contexts which are broadly applicable. Figure 14 provides a snapshot of debt and its impact according to these dimensions in each of the country contexts.

92 IOM, "The Use of Microcredit Schemes in Migrant Reintegration Context," Knowledge Paper, Sustainable Reintegration Knowledge Paper Series (Geneva, 2021).

93 Bylander, "Debt and the Migration Experience"; Hulme, "Is microdebt good for poor people?"; Ali, "Blaming the Poor"; Green and Estes, "Precarious Debt."

Figure 14. Country snapshots

BANGLADESH	The **age of the debt** was a critical factor across the contexts influencing debts' impacts. Often as returnees' indebtedness became prolonged, their well-being and reintegration outcomes suffered. **High interest rates** often contributed to such prolonged indebtedness.	"Sabrina struggled to repay her high debts. Her migration journey left her with physical disabilities and she later had a stroke – which she related to financial stresses she endured. Her blood sugar levels and blood pressure had both increased, as well and she had hand and leg tremors. She took out loans to seek health services. She thus found herself in a vicious debt cycle which her poor prevented her from escaping, but also contributed to.
CAMEROON	Debt for and post-return was negatively associated with reintegration outcomes across countries. **Previous indebtedness** often prevented loans for entrepreneurial activities to be successful post-return.	"Eugène migrated after he was unable to repay a loan he had taken to expand his cocoa business, he decided to travel to Algeria and then Morocco. He took out multiple debts from family to do so. He took out more loans upon his return to cover his daily needs and to start a small business. The debts created tensions in his household. Indebted and struggling to secure a livelihood, his wife abandoned him and took his daughter with her – partly because of his unpaid debts.
EL SALVADOR	At times, a loan source which provided **flexible repayment conditions** was a lifeline for returnees. While this can be formal or informal, it is critical returnees' are supported in their mediation efforts.	"Maria, her husband, and her daughter were deported from the United States. Both parents were unemployed and were struggling to provide food for their family, which consisted of three children. They had borrowed money from a friend of her father-in-law and had continued to borrow from neighbours and relatives after returning. She believed their reason they have survived thus far was because of the moneylender's patience.
GHANA	Friends and family as the loan source can have damaging consequences for returnees' social networks as non-repayment can lead to tensions among friends and family and in the household.	"Peace, a returnee woman from Egypt exemplified this risk. Her family's relationship to her uncle, from whom her father had borrowed to finance the migration journey was severely damaged because of non-repayment. Her own relationship with her father also suffered as a result, as well. At the time of interview, unable to reside with her family, she was struggling to pay rent and was facing eviction.
IRAQ	**Selling key assets** and **collateralizing loans** exposed returnees to severe risks. Specifically, selling one's home or mortgaging it for the migration journey damaged returnees' ability to secure safe and stable housing.	"Sarah had attempted to migrate to Europe. After returning with her family to Iraq she found herself residing with her in-laws. Her in-laws were unsupportive and abusive towards her children. However, unable to secure a sustainable livelihood and thus afford their own housing, her and her children were forced to remain in the abusive housing situation.

Drawing from these contexts and the overall findings, the research found that:

1. **The more coercive the debt conditions were, the poorer the reintegration outcomes.** This effect was driven largely by coercive debt's impact on psychosocial reintegration outcomes, although there was evidence that coercive debts exacerbated indebted returnees' economic challenges and its impact on social reintegration outcomes may be delayed. Given that 66 per cent of returnees were indebted at the time of the research and the vast majority still had to repay their debts, debt's impact on reintegration outcomes will continue to grow and should continue to be monitored as interventions are designed.

2. **Debt incurred for and post-return (Type 3 debt) was significantly negatively correlated with reintegration outcomes.** This contrasts with the current understanding of post-return debt which views it as a positive indicator of reintegration. However, as returnees continue to reintegrate, it is critical to transform such debts, which are negative for reintegration outcomes, into more positive debts. That debt prior to migration was positively correlated with reintegration outcomes underlines that debt has the potential to facilitate reintegration and can be a sign of financial inclusion. Such interventions should focus on facilitating flexible terms and conditions and repayment mediation for both formal and informal loan sources. Doing so can prevent returnees from slipping into prolonged indebtedness and damaging debt cycles.

3. **Indebtedness acts as a tipping point into further vulnerabilities.** In the study, food insecurity and pulling children from school were important and negative secondary and tertiary consequences which indebtedness exacerbated. Given indebtedness can also exacerbate poverty, greater attention should be paid to debt's impact on trafficking and labour exploitation.

4. Importantly, **returnees' debt practices and reintegration were embedded in households and communities.** Households and communities also had rich financial lives, which were separate from and impacted by migration and which impacted returnees' reintegration outcomes. Explicitly examining the larger community structures influencing migration, reintegration, and debt is thus required for a more holistic picture of indebtedness.

Addressing debt and indebtedness thus requires a structural response in all migration and reintegration programmes.

The expert meetings for this study reveal the need to help people, policymakers and practitioners understand what makes debt coercive, and advocate laws, practices and costs that can ensure that problematic debts are curbed. If some debts are inappropriate, unfair or unjust, advocacy should be targeting better practices in the migrants' and returnees' ecosystem. The recommendations therefore start from:

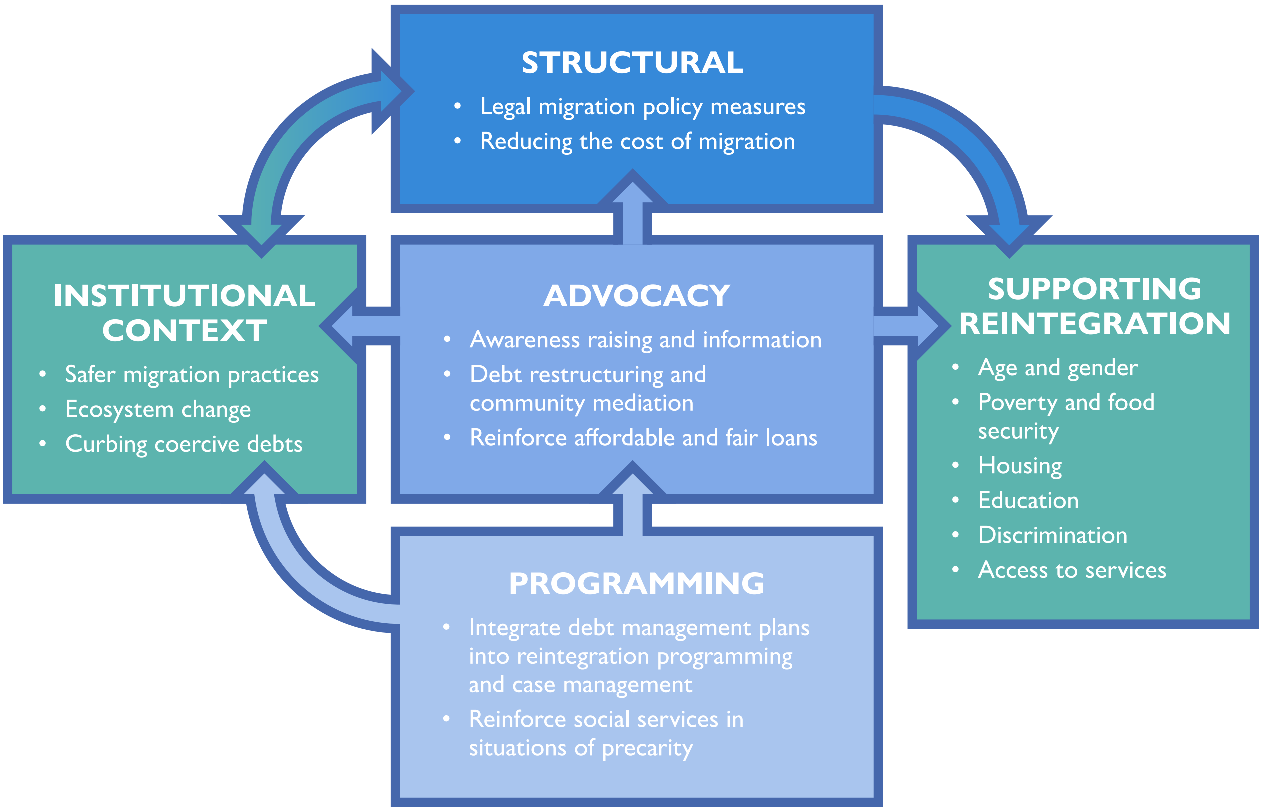
1. **Structural recommendations** that can address the inequalities in migration (such as recommending a guest worker programme in countries of emigration and return to avoid these practices in the first place), as well as the need to target the negative impact of coercive debt on poorer reintegration outcomes. These recommendations will focus on the legal aspects of change to be sought.

2. **Advocacy on debt and coercive debt,** to share more knowledge and information about these practices. These will also need to include community-level recommendations, to help operationalize community mediation to address the issues of stigma and secrets of debt. Mediation can link back to the fact that the problematic debt patterns are related to structural constraints, rather than an individual's own doing.

3. **Programmatic recommendations,** building on the IOM case manager's relationship of trust, and the ability to integrate debt into existing reintegration counselling and support.

7. RECOMMENDATIONS

Recommendations Emerging From the Research



Structural changes to ease the burden of debt on migrants, returnees, and their reintegration

There is a need to acknowledge the importance of debt in financing migration. Debt is most often incurred to finance the migration journey – including costly, lengthy and risky irregular migration journeys. **Legal migration policy measures** such as guest worker programmes, and implementation of bilateral labour agreements can reduce the reliance on debt, and formalise a more protected migration journey, that can lead to investment into return and reintegration, when migrants choose to return to their home countries.

Most returnees' current debts were taken out for, or during, migration. As indebtedness is significantly associated with poorer reintegration outcomes, particularly in the psychosocial dimensions of reintegration, a **reduction in the costs of migration** could lead to better, more sustainable, reintegration outcomes. While this is beyond the control of any stakeholder, key actors, such as IOM and local and national governments, should highlight the debt implications of costly migration in their global advocacy for humane migration, as well as in community awareness-raising campaigns. This can be complemented through **making positive loans more readily available** and opening up opportunities for sustainable livelihoods, as well as reducing the demand for high-cost, coercive migration debts. Further, such actors can work to create more affordable, and thus sustainable, pathways for migration, such as more accessible pathways for labour migration.

Advocacy on debt and coercive debt at community levels

Targeted advocacy and outreach focusing on age, loan source, terms and conditions, and the migration stage can be a powerful tool for reducing the likelihood of debt negatively impacting reintegration outcomes, and instead allowing debt to facilitate reintegration. This can focus on context-specific information campaigns informing potential migrants of the dangers of indebtedness, as well as working with local formal and informal money lending institutions to develop less coercive loan conditions. Importantly, the latter should reinforce the capacity of community leaders and work within systems – not create parallel ones.

Integrating debt into awareness raising and sensitisation through community discussions and workshops can ensure that communities also play a role in **planning debt restructuring and relief through community mediation.**

As extensively discussed in an IOM publication in Bangladesh,94 the "magnitude of migrants' widespread indebtedness requires a major overhauling of the migration process," including how households and communities can play a role in restructuring debt and mediating debt relief. The same lens has to be applied to the return and reintegration processes, with pre-return counselling to focus on a discussion around debt coercion in both countries of destination and countries of origin.

The mediation and restructuring will need to pay attention to the factors outlined in this study – namely the age of debt, the source, terms and conditions, and the type of debt returnees and their households have. **Before their return,** returnees and their households' debt profiles should be understood. Upon return, there should be a triaging of needs when returnees arrive in the country of origin to identify specific programmatic interventions according to the nature and type of debt accrued.

Programming interventions will have to be adapted to the debt profile of returnees. For example, while entrepreneurship was prioritized in all contexts studied, returnees' and their households' debts often prevented them from reinvesting their profits into their businesses – rather the profits went straight to repay debt. Coercive debts need to be addressed alongside the provision of business support.

Given returnees' indebtedness impacts and originates in their wider ecosystems, **advocacy should capitalizse off the existing structures with which returnees and their households already interact – namely the family and the community. Community elders, family members, and local informal and formal judicial structures** emerged as promising areas through which future interventions can implement debt mediation mechanisms. Involving community representatives in the discussion before/upon return can further ensure a space for dialogue that will facilitate mitigation mechanisms longer term.

94 IOM 2022, "Debt, Reintegration and Socioeconomic Sustainability of Migrants' Households."

Programming to integrate debt

Debt programming should be mainstreamed into case management training and counselling. This should be highly individualized and should extend beyond financial literacy. Returnees and their households were often highly financially literate. Rather, returnees should be equipped with the resources necessary to implement their financial skills and knowledge – such as cash-based assistance and/or untied monetary support. Support will need to be further disaggregated by gender and age, and adapted to each context, as discussed below.

The recommendations below outline specific steps which can be taken to mainstream debt into reintegration case management.

Integrating debt management plans as part of the case management approach: Enhancing counselling on debt prior to, during migration, and upon return

Prolonged indebtedness can lead to dangerous tipping points, producing medical ailments and economic deprivations such as food insecurity, or lead households to put their children to work. As such, debt management plans need to be part of the pre-departure and immediate post-return counselling and case management support.

Based on debt practices globally, debt management plans (DMPs) can allow breathing space for returnees to be able to re-establish themselves in their communities before having to start repayment, then commit to a regular payment schedule.

- DMPs are an informal agreement that can be facilitated through reintegration case managers, between the returnee, the household and the creditors, for paying back debts that have some acknowledged flexibility. Part of the case manager's role can be to assist the returnee to mediate with the creditors and develop a planning process to deal with creditors and create a planning process that can be delayed to start only several months after return, so that the returnee can first focus on finding a source of livelihood, housing and education for their children, before thinking of repayment obligations.
- DMPs are – universally, in various contexts from high-income countries like the United Kingdom of Great Britain and Northern Ireland to developing contexts – not legally binding and can be cancelled anytime. However, they are a positive option in cases where returnees may need to have a neutral mediator involved. Part of the DMP can include discussions around freezing the interest and charges on the debt, if possible.
- DMPs can allow the returnee and their household to sort out priority and non-priority debts, in cases of accumulated debt. DMPs are useful in cases where debts are particularly coercive, where the amounts are high, and when they might be multiple sources of debt to manage.

A. Financial planning for returnee households: Given the household implications of indebtedness, household members should be included in debt programming. This can include family mediation, interventions designed to support children of indebted households, and household-level livelihood strategies.

B. Specialized support for indebted female returnees: Given women suffered from more coercive debts and were at times less able to cope with indebtedness, indebted women need to receive specialized support, such as in the form of specialized training to facilitate sustainable livelihoods. Women may be particularly at risk of prolonged indebtedness and destitution. Rigorous financial planning with women, as well as negotiation with money lenders can help reduce the coercion of such debts and increase the likelihood of repayment.

C. Monitoring children's schooling in indebted return households: Given children in indebted households are impacted by debt, they should receive child-specific support. Highly coercive and prolonged debts can lead children to be pulled from school and/or lead the household to engage in child labour. Indebtedness thus threatens the well-being of such children. Tailored support, such as covering the cost of school fees and related materials, could prevent some negative coping strategies from impacting children.

Reinforcing social services to prevent situations of precarity

The social reintegration of returnees may decrease as their indebtedness becomes prolonged. Social services should thus be reinforced to prevent situations of precarity.

A. Debt profiling and housing support: Given returnees struggled to maintain housing and address their indebtedness, programming should help returnees bridge the gap until their debt has been repaid. This can be achieved through special rental agreements, housing stipends, or mediation between landowners. The nature of the debt should guide the intervention required. For example, collateralized debts via housing which went unrepaid may push returnees into homelessness. Interventions designed to secure housing for the returnee and their household should thus be prioritized. Programming which appreciates that not all debts are the same will produce more impactful outcomes.

B. Debt profiling and health support: Given the negative impact indebtedness has on the physical and psychosocial health of returnees, interventions should strengthen positive family and community structures, as these social networks can bolster returnees' resiliency. Public awareness campaigns on indebtedness and family and community mediation are examples of such programmes which can strengthen the families' and communities' ability to foster opportunities for sustainable reintegration.

Future directions for research

Given the multilevel character of indebtedness and reintegration, there is a need for further research on the impact of indebtedness on the community level, particularly regarding wealth accumulation and increasing landlessness. How this impacts the migration-development nexus should also be further explored. Such data can be used to inform public awareness campaigns on the profitability of debt-funded migration.

Given debt and indebtedness are inherent to the broader phenomenon of migration, research should also adopt the approach this study took which anchored returnees' debt experiences in returnees' larger migration experience. It is therefore important to anchor this study in the broader context of migration and look at the root causes behind people's decision to migrate. These vary, sometimes significantly, across countries, and can help better understand why migrants and their households choose to get indebted in the first place. Such research should be careful to disaggregate beyond the typology used in this report.

A man runs a small workshop to repair shoes in Sheik Zayid, at the suburbs of Cairo, Egypt. © IOM 2014 / Albert Gonzalez FARRAN IBRAHIM

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ANNEX 1 – GLOSSARY

Assisted voluntary return and reintegration

Administrative, logistical, financial and reintegration support to rejected asylum seekers, victims of trafficking in human beings, stranded migrants, qualified nationals and other migrants unable or unwilling to remain in the host country who volunteer to return to their countries of origin.[95]

Host country

A host country is the country to which a person or a group of persons migrates, irrespective of whether they migrate regularly or irregularly. In the context of returns, the term is used, as opposed to country of origin and as an alternative to country of destination or sending country to provide clarity in the identification the various countries involved.[96]

Country of origin

In the migration context, a country of nationality or of former habitual residence of a person or group of persons who have migrated abroad, irrespective of whether they migrate regularly or irregularly.[97]

Country of transit

In the migration context, the country through which a person or a group of persons pass on any journey to the country of destination or from the country of destination to the country of origin or the country of habitual residence.[98]

Debt

In monetary terms, debt is understood to be the sum of all outstanding credit instalments. However, debt can also be non-monetary. Non-monetary support provided with the expectation that it will be paid back in-kind or with money thus can also constitute a debt. The study understands debt to be anything borrowed, either money, services, or goods, with the expectation by one, some, or all parties to the debt that the money, service, or good is repaid in kind or with money.

Debt dondage

The status or condition arising from a pledge by a debtor of his [or her] personal services or those of a person under his [or her] control as security for a debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.[99]

Economic dimension of reintegration

The Economic dimension covers aspects of reintegration that contribute to re-entering the economic life and sustained livelihoods.[100]

Exploitation

The act of taking advantage of something or someone, in particular the act of taking unjust advantage of another for one's own benefit.[101] This is an operating definition used by IOM, however there is no internationally recognised definition of 'exploitation'.

95 "Glossary on Migration" (Geneva, Switzerland: International Organization for Migration (IOM), 2019).
96 "Glossary on Migration."
97 "Glossary on Migration."
98 "Glossary on Migration" Citing the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (adopted 18 December 1990, entered into force 1 July 2003) 2220 UNTS 3, Art. 6(c).
99 "Glossary on Migration" Citing the Supplementary Convention on the Abolition of Slavery, the Slave Trade and Abolition of Practices Similar to Slavery (adopted 30 April 1956, entered into force 30 April 1957) 266 UNTS 3, Art. 1(a).
100 IOM, "Reintegration Handbook: Practical Guidance on the Design, Implementation and Monitoring of Reintegration Assistance" (Geneva: IOM, 2019), 13.
101 "Glossary on Migration."

Family

Persons married to a migrant or a national, or having with them a relationship that, according to applicable law, produces effects equivalent to marriage, as well as their dependent children or other dependent persons who are recognized as members of the family by applicable legislation or applicable bilateral or multilateral agreements between the States concerned, including when they are not nationals of the State.[102]

Financial inclusion

Financial inclusion is the set of measures put in place to fight against banking and financial exclusion. It encompasses a whole range of financial and non-financial products and services made accessible to poor populations.[103]

Forced

All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself/herself voluntarily."[104] This does not include the following: compulsory military service, national civil obligations, work resulting from a conviction in a court of law, and work exacted in cases of emergency.

Forced return

The act of returning an individual, against his or her will, to the country of origin, transit or to a third country that agrees to receive the person, generally carried out based on an administrative or judicial act or decision.

Gender

A social and cultural construct, which distinguishes differences in the attributes of men and women, girls and boys, and accordingly refers to the roles and responsibilities of men and women. Gender-based roles and other attributes, therefore, change over time and vary with different cultural contexts. The concept of gender includes the expectations held about the characteristics, aptitudes and likely behaviours of both women and men (femininity and masculinity). This concept is useful in analyzing how commonly shared practices legitimize discrepancies between sexes.[105]

Integrated approach to

The complex, multidimensional process of reintegration requires a holistic and a need-based approach: one that takes into consideration the various factors impacting an individual's reintegration, including economic, social, and psychosocial factors across individual, community, and structural dimensions.[106]

Indebtedness

The condition of being in debt.

Microfinance

Historically, microfinance mainly refers to micro-credit. A micro-loan, as its name suggests, corresponds to a loan of a small amount intended primarily for people with low incomes.[107]

Microfinance institution

Like a bank, a microfinance institution is a provider of credit. However, the size of the loans are smaller than those granted by traditional banks. These small loans are known as microcredit. The clients of an MFI are often microentrepreneurs in need of economic support to launch their business. This type of client is considered too risky by traditional banks because they cannot provide real collateral and because they tend to work in the informal sector of the economy.[108]

102 "Glossary on Migration" Citing the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (adopted 18 December 1990, entered into force 1 July 2003) 2220 UNTS 3, Art. 4.
103 ADA Microfinance, "Definition of Financial Inclusion".
104 "Glossary on Migration" Citing the Convention (No 29) concerning Forced or Compulsory Labour (adopted 28 June 1930, entered into force 1 May 1932) 39 UNTS 55, Art. 2(1).
105 UNICEF Regional Office for South Asia, "Gender Equality: Glossary of Terms and Concepts," November 2017.
106 Nicola Graviano et al., "Towards an Integrated Approach to Reintegration in the Context of Return" (Geneva, Switzerland: The International Organization for Migration (IOM), 2017).
107 ADA Microfinance, "Definition of Microfinance".
108 ADA Microfinance, "Definition of Microfinance Institution (MFI)".

Migrant

An umbrella term, not defined under international law, reflecting the common lay understanding of a person who moves away from his or her place of usual residence, whether within a country or across an international border, temporarily or permanently, and for a variety of reasons. The term includes several well-defined legal categories of people, such as migrant workers; persons whose types of movements are legally defined, such as smuggled migrants; as well as those whose status or means of movement are not specifically defined under international law, such as international students.[109]

Migration cycle

Stages of the migration process encompassing departure from, in some cases transit through one or more States, immigration in the State of destination and return.[110]

Moneylender

A moneylender is a person or group who typically offers small personal loans at high rates of interest. The high interest rates charged by them is justified in many cases by the risk involved. They play an active role in lending to people with less access to banking activities, such as the unbanked or under-banked or in situations where borrowers do not have good credit history. They sometimes lend to people like gamblers and compulsive shoppers who often get into debt.[111]

Psychosocial dimension of reintegration

The Psychosocial dimension encompasses the reinsertion of returning migrants into personal support networks (friends, relatives, neighbours) and civil society structures (associations, self-help groups, other organizations and civic life generally). This also includes the re-engagement with the values, ways of living, language, moral principles and traditions of the country of origin's society.[112]

Reintegration

A process which enables individuals to re-establish the economic, social and psychosocial relationships needed to maintain life, livelihood and dignity and inclusion in civic life.[113]

Remittance

Personal monetary transfers, cross border or within the same country, made by migrants to individuals or communities with whom the migrant has links.[114]

Resilience

In the context of humanitarian, development, peacebuilding, and security policies and operations, the ability of individuals, households, communities, cities, institutions, systems, and societies to prevent, resist, absorb, adapt, respond and recover positively, efficiently, and effectively when faced with a wide range of risks, while maintaining an acceptable level of functioning and without compromising long-term prospects for sustainable development, peace and security, human rights and wellbeing for all.[115]

Return (migration)

Refers broadly to the act or process of going back. This could be within the territorial boundaries of a country, as in the case of returning IDPs [internally displaced persons] and demobilized combatants; or from a host country (either transit or destination) to the country of origin, as in the case of refugees, asylum seekers, and qualified nationals. There are subcategories of return which can describe the way the return is implemented, e.g., voluntary, forced, assisted, and spontaneous return; as well as subcategories which describe who is participating in the return, e.g., repatriation (for refugees).[116]

109 "Glossary on Migration."
110 "Glossary on Migration" Citing the International Organization for Migration, Migration Governance Framework (2015) C/106/40, 1; Office of the United Nations High Commissioner for Human Rights, Migration and Human Rights – Improving Human Rights Based Governance of International Migration (2013) p. 9.
111 United Nations Economic and Social Commission for Western Asia, "Moneylenders," January 4, 2015.
112 IOM, "Reintegration Handbook: Practical Guidance on the Design, Implementation and Monitoring of Reintegration Assistance," 13.
113 "Glossary on Migration."
114 "Glossary on Migration."
115 "Glossary on Migration."
116 "Glossary on Migration."

Sex

Refers to the biological and physiological reality of being males or females.[117]

Smugglers

A person who commits or intends to commit the crime of smuggling" and the crime of smuggling can be defined as "The procurement of migrants, in order to obtain, directly or indirectly, a financial or other material benefit, of the irregular entry of a person into a State Party of which the person is not a national or a permanent resident.[118]

Social dimension of reintegration

The Social dimension addresses returning migrants' access to public services and infrastructure in their countries of origin, including access to health, education, housing, justice and social protection schemes.[119]

Sustainable reintegration

Reintegration can be considered sustainable when returnees have reached levels of economic self-sufficiency, social stability within their communities, and psychosocial wellbeing that allow them to cope with (re)migration drivers. Having achieved sustainable reintegration, returnees are able to make further migration decisions a matter of choice, rather than necessity.[120]

Traffickers

Any person who commits or attempts to commit the crime of trafficking in persons or any person who participates as an accomplice, organizes, or directs other persons to commit the crime of trafficking in persons.[121]

Victim of trafficking

Any natural person subject to trafficking in human beings, regardless of whether the perpetrator is identified, apprehended, prosecuted or convicted.[122]

Voluntary return

The assisted or independent return to the country of origin, transit or another country based on the voluntary decision of the returnee.[123]

Vulnerability

Within a migration context, vulnerability is the limited capacity to avoid, resist, cope with, or recover from harm. This limited capacity is the result of the unique interaction of individual, household, community, and structural characteristics and conditions.[124]

117 "Glossary on Migration."

118 "Glossary on Migration" Citing the from Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime ([adopted 15 November 2000, entered into force 28 January 2004] 2241 UNTS 507) Art. 3(a).

119 IOM, "Reintegration Handbook: Practical Guidance on the Design, Implementation and Monitoring of Reintegration Assistance," 13.

120 Nicola Graviano et al., "Towards an Integrated Approach to Reintegration in the Context of Return" (Geneva, Switzerland: The International Organization for Migration (IOM), 2017).

121 "Glossary on Migration."

122 "Glossary on Migration."

123 "Glossary on Migration" Citing the International Organization for Migration, Assisted Voluntary Return and Reintegration Handbook (internal publication, unpublished 2010), p. 10.

124 "Glossary on Migration."

ANNEX 2 – DETAILED METHODOLOGICAL NOTE

Sampling

Data collection was carried in five countries (Bangladesh, Cameroon, El Salvador,[125] Ghana and Iraq) between May and July 2022. As described in the main body of the report, research consisted of: 1) surveys with returnees, 2) case studies with returnees and an adult, household co-decision maker (ideally) of different gender, 3) KIIs, and 4) programmatic KIIs. We also conducted 10 scoping KIIs prior to the research to inform the approach the study took. Table 1 provides detailed information on the locations and sample size of each tool, per country. Table 1 presents the location of the quantitative respondents per country.

Table 1. Sample by country and tool

COUNTRY	BANGLADESH	CAMEROON	EL SALVADOR	GHANA	IRAQ
Survey					
Respondents	104	131	100	105	105
Location	Cumilla, Dhaka, Munshiganj, Shariatpur, and Tangail	Douala and Yaoundé	Entire country	Ashanti, Bono, Bono East, Central, Eastern, Greater Accra, Western North, and Western	Baghdad, Dohuk, Erbil, and Sulaymaniyah
Case studies					
Participants	10	12	8	12	10
Location	Munshiganj	Yaoundé and its surroundings	San Salvador and Chalatenango	Kumasi	Dohuk
KIIs					
Participants	6		6	5	6
Location	Dhaka	Yaoundé and worldwide	The entire country and worldwide	Accra and Kumasi	Dohuk and worldwide
Programmatic KIIs					
	Bangladesh	**Mali**			
Participants	1	1			

125 Given the security situation in El Salvador, the research team reduced the qualitative sample size in El Salvador by one household.

Limitations

Flowing from the sample and constraints encountered in the field, the research team experienced important limitations. They are full enumerated below:

- **Difficulties in receiving access to different gender, adult household co-decision makers**. While the research team strove to always conduct the case studies with persons of different genders, which in the study were always either identified as men or women, at times returnees who took the survey were only able to grant access to the research team to participants of the same gender. The research team decided to continue in such instances. This is a finding of itself, as it at times spoke to fractured households. For example, a few men returnees in Cameroon and Ghana reported that their spouses had left them – in part because of debt.

- **Contacting female returnees.** Female respondents constituted a smaller proportion of the survey respondents because they often constituted a smaller segment of the returnee population in the countries of research. The research team thus encountered difficulties surveying a large sample of female returnees. The goal per country was 30. This was reached in all countries except Ghana and Iraq, where the research team surveyed 27 per country.

- **Security challenges in El Salvador.** El Salvador is experiencing a period of heightened insecurity. In response to this, the research team decided to conduct eight case studies rather than 10 to reduce the risk for the case study participants and the research team.

- **Interviewing predominantly urban and peri-urban populations.** For logistical reasons, the case studies took place in urban and peri-urban areas in all five countries. The qualitative participants are thus skewed towards more urban populations. This may impact the challenges reported. For instance, proximity to an urban area can make access to services easier. These participants may thus report fewer challenges regarding social reintegration than those in rural areas.

- **Gender and sex data.** During the data collection, in all countries but El Salvador, the research team sampled from IOM beneficiary lists. The lists provided to the research team contained sex data rather than gender. Given the sensitivities of gender identities in the countries in which research was conducted, the research team thus relied upon sex data for the survey and gender data for the qualitative case studies. The gender analysis in the quantitative data thus relies upon sex data. However, in the country contexts, gender and sex are tightly connected with a person's gender expression as one's gender identity is socially and culturally expected to match the sex given at birth. As a result, while a limitation, it does not prohibit gender analysis.

Detailed information on tools

The section below provides further detailed information on two key tools used in the data collection, namely the survey and the case studies. The tools were piloted in each country and modifications made when necessary and recommended by the local research team.

Phone surveys

On the quantitative side, we carried out phone surveys that focused specifically on debt and reintegration. The survey looked at when the purpose of the debt was accrued according to the IOM typology: types of lenders (formal financial institutions, informal moneylenders, social networks, family and friends etc.); whether the debt is associated with a collateral (e.g. mortgaging land or a house); the reimbursement terms with a particular focus on the coercive nature of the debt; and whether returnees feel they must still pay back what they borrowed.

To assess the influence of debt on sustainable reintegration, key indicators from the RSS questionnaire were included for each dimension – economic, social, and psychosocial. This allowed for continuity and coherence with previously administered RSSs. However, because the survey had to remain short as it was conducted over the phone, the RSS was reduced to a mini-RSS rather than its fully elaborated version. Table 2 presents the survey information by gender and indebted status.

Table 2. Survey data by gender and indebted status

TYPE	BANGLADESH	CAMEROON	EL SALVADOR	GHANA	IRAQ	TOTAL
Total respondents	**104**	**131**	**100**	**105**	**105**	**545 (100%)**
Total females	**36 (35%)**	**35 (27%)**	**53 (53%)**	**27 (26%)**	**27 (26%)**	**178 (32%)**
Borrowed	101 (97%)	84 (64%)	65 (65%)	57 (54%)	86 (82%)	**395 (72%)**
Borrowed AND must pay back (=indebted)	91 (88%)	82 (63%)	60 (60%)	47 (44%)	82 (78%)	**356 (64%)**

Individual Case Studies W-model

The case studies used a W-model to gather in-depth information about how returnees and their households experience debt throughout their migration and reintegration process.

The W-model consisted of three components:

- The W-model started with a cognitive approach. The research team prompted respondents to discuss and present their definitions of debt and indebtedness. This helped frame the subsequent discussion.
- The research team then drew and walked the respondents through two W-models.
  - The first W-model covered the 12 months prior to the most recent migration journey and the returnees' migration journey, beginning from when the returnee first incurred debt during this time frame until right before return.
  - The second W-model was more time-constrained and focused solely on the period since the returnee returned to the country of origin. This facilitated a more focused conversation on how debt has influenced returnees' and their households' experiences since return.

Table 3 presents the case study data by gender.

Table 3. Case study participants by gender and country

TYPE	BANGLADESH	CAMEROON	EL SALVADOR	GHANA	IRAQ	TOTAL
Total respondents	20	13[126]	8	12	10	**52**
Total female returnees interviewed	3	1	2	1	5	**12 (46%)**
Total females interviewed	5	3	5	5	5	**23 (44%)**

[126] The recording for one case study participant was damaged. As a result, one case study participant's interview couldn't be transcribed and thus analysed. We have thus removed this participant from our overall count

ANNEX 3 – SIMPLIFIED REINTEGRATION INDEX

During the study, the research team deployed a simplified and shortened version RSS in examining returnees' reintegration outcomes. Given the shortened version of the RSS, and that additional questions were included which are not typically used in the RSS, a simplified reintegration index was created. This reintegration index included a min-max normalization of indicators, an aggregation of indicators done as averages, and equal weights applied to the economic, social, and psychosocial sub-indices.

Table 4. Reintegration index indicators

DIMENSION	QUESTION
Economic	Do you, either by yourself or together with someone else, currently have an account at a bank that you have put money in or taken money out of in the last 12 months?
Economic	Are you currently working?
Economic	Have you or your household been able to save money since you returned?
Economic	I see the money borrowed as an opportunity more than as a burden.
Social	How would you rate the standard of housing you live in today?
Social	Are all school-aged children in your household currently attending school?
Social	Do you have at least one identification document?
Social	What is the quality of health care available to you?
Psychosocial	How often are you invited or do you participate in social activities (celebrations, weddings, other events) within your community?
Psychosocial	How frequently do you feel a strong sense of belonging in your current community?
Psychosocial	How frequently have you experienced important tensions or conflicts between you and your family since you returned?
Psychosocial	How frequently do you feel sad?
Psychosocial	How frequently do you feel shame?

Returnee in Cameroon. © IOM 2022 / Beyond Borders Media

Samuel Hall

Samuel Hall is a social enterprise that conducts research, evaluates programmes and designs policies in contexts of migration and displacement. Our approach is ethical, academically rigorous, and based on first-hand experience of complex and fragile settings. Our research connects the voices of communities to changemakers for more inclusive societies. With offices in Afghanistan, Germany, Kenya and Tunisia and a presence in Somalia, Ethiopia and the United Arab Emirates, we are based in the regions we study. For more information, please visit www.samuelhall.org.

EU-IOM Knowledge Management Hub

The development and production of this research study is supported by the EU-IOM Knowledge Management Hub (KMH), which was established in September 2017 under the Pilot Action on Voluntary Return and Sustainable, Community-based Reintegration, funded by the European Union. The KMH aims to strengthen learning across return and reintegration programmes, and support the harmonization of approaches, processes and tools under the EU-IOM Actions addressing migrant protection and sustainable reintegration in Africa and Asia and beyond.

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Project funded by the European Union
Project implemented by IOM