



DEBT AND THE MIGRATION EXPERIENCE:

INSIGHTS FROM SOUTH-EAST ASIA



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Cover photo: Former human trafficking victims in Cambodia. © IOM 2016/Muse MOHAMMED

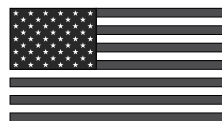
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Former human trafficking victim
engaging in agricultural activities in
Cambodia.

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CONTENTS

Acknowledgements	iii
Figures and tables	vi
Case studies	vii
Acronyms	ix
1. Introduction	1
2. What is sustainable return?	5
3. Research methodology	11
4. The link between debt and migration	15
4.1. Overview.....	15
4.2. Debt as a motivator of migration	17
4.3. Debt as a means of financing migration	24
4.4. Debt in the migration experience.....	26
4.5. The impact of debt on sustainable return.....	29
5. Survey findings	35
5.1. Overview.....	35
5.2. Returned migrants at a glance	35
5.3. Migration costs and the role of debt in financing migration.....	37
5.4. Reasons for return.....	40
5.5. Social and financial challenges on return.....	42
5.6. Differences between indebted and unindebted returnees.....	47
5.7. Financial insecurity among return migrants	52
5.8. Summary of survey findings.....	57
6. Qualitative interview findings	59
6.1. Overview.....	59
6.2. Debt and the migration experience	61
6.3. Documentation-related debt	65
6.4. Investment-related debt.....	69
6.5. Debt associated with regular recruitment	69
6.6. Debt as a barrier to sustainable return	72
6.7. Summary of qualitative interview findings.....	79
7. Towards an intersectional understanding of debt and vulnerability	81
8. The way forward, in theory and in practice	85
8.1. Reducing the costs of migration	85
8.2. Financial literacy	87
8.3. Responsible lending targeting migrant workers	91
9. A multilevel approach: Conclusions and recommendations	95
References	101

FIGURES AND TABLES

Figure 1.	G. Batistella's model of return migration	8
Figure 2.	Average migration cost by country of origin.....	37
Figure 3.	Reasons for return	41
Figure 4.	Plans to remigrate for work within the next two years of the survey	41
Figure 5.	Post-migration savings and asset situation	42
Figure 6.	Financial challenges experienced on return.....	44
Figure 7.	Returnee indebtedness by country of origin.....	44
Figure 8.	Savings situation after migration.....	46
Figure 9.	General financial situation after migration.....	46
Figure 10.	Social challenges experienced by returnees	47
Figure 11.	Financial challenges experienced by returnees, by indebtedness.....	48
Figure 12.	Social challenges experienced by returnees, by indebtedness	49
Figure 13.	Post-migration savings situation, by indebtedness.....	50
Figure 14.	Post-migration asset situation, by indebtedness.....	50
Figure 15.	Post-migration work skill level, by indebtedness.....	51
Figure 16.	Remigration plans, by indebtedness.....	51
Figure 17.	Returnee indebtedness, by primary cause of return.....	55
Table 1.	Microfinance in South-East Asia, 2015.....	18
Table 2.	Dimensions of sustainable return.....	30
Table 3.	Characteristics of return migrants	36
Table 4.	Means of financing migration.....	37
Table 5.	Average migration cost and debt by country of origin and migration channel	38
Table 6.	Debt-financed migration by migration channel (among those with migration loans)	40
Table 7.	Financial insecurity among return migrants.....	52
Table 8.	Percentage of returnees with unpaid migration loans on return, by select characteristic and experience	56
Table 9.	Towards an intersectional understanding of debt and vulnerability	82

CASE STUDIES

Case study: Kyaw Lin (Myanmar).....	61
Case study: Sorya and Phalla (Cambodia).....	63
Case study: Thiri Aung (Myanmar)	66
Case study: Maung Maung (Myanmar).....	67
Case study: Mya Mya (Myanmar)	70
Case study: Srey Mao (Cambodia)	71
Case study: Aung Hla (Myanmar)	72
Case study: Phany (Cambodia)	74
Case study: Htwe Aye (Myanmar)	76
Case study: Ratana (Cambodia)	77



A group of migrants returning to Myanmar via a border crossing on the Moei River.

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ACRONYMS

BRAC	Bangladesh Rural Advancement Committee
CBO	community-based organization
CSO	civil society organization
GCC	Gulf Cooperation Council
IGO	intergovernmental organization
ILO	International Labour Organization
IOM	International Organization for Migration
MFI	microfinance institution
MoU	memorandum of understanding
NGO	non-governmental organization
SDG(s)	Sustainable Development Goal(s)
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development



Families living in makeshift homes
along an incomplete railroad in
Poipet, Cambodia.

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1. INTRODUCTION

Debt and indebtedness are central to the lives of South-East Asian migrants. Indebtedness can motivate the need for migration; migrants regularly use loans to finance costly cross-border moves, and the remittances migrants send home are often used to repay household debt. Yet while debt is frequently linked to migration, we are only now beginning to understand the scope and impact of debt on migrants' lives. Recent studies have identified indebtedness to be responsible for: (a) compelling migration in the first place;¹ (b) causing migrants to go into exploitative work;² (c) making it more difficult for these migrants to leave exploitative work situations (as there are often no other available options);³ (d) causing anxiety and depression;⁴ (e) incentivizing remigration;⁵ (f) increasing the likelihood of forced labour;⁶ and (g) causing migrants to run away from their employment contracts (employee absconding), leading them to lose legal status in host countries.⁷ Apart from these findings, our understanding of how debt and indebtedness shape contemporary migration remains limited. In particular, there are large gaps in our understanding of how indebtedness shapes migration decision-making, remittance-sending behaviour, employment- and work-related choices, perceptions of security, freedom (including freedom of choice) in the migration process, and the sustainability of a migrant's return.

As a first step towards filling these gaps, this report focuses attention on the role of debt and indebtedness in the migration process. It explores the following themes: (a) how indebtedness shapes migration decision-making and experiences; (b) the role of debt in facilitating migration; (c) the lived experiences of indebtedness among migrant workers (also, "labour migrants"); and (d) how debt shapes return decision-making and experiences. The central goal of this report is to expand understanding of how debt and financial insecurity shape the potential for sustainable return in the region. However, it argues that in doing so, it is critical to understand how debt is taken on and used across the migration experience. Indebtedness and other forms of financial insecurity that return migrants face are often related to the specific circumstances of their

¹ M. Bylander, "Borrowing across borders: Migration and microcredit in rural Cambodia", *Development and Change*, 45(2):284–307; J. Ovesen and I.-B. Trankell, "Symbiosis of microcredit and private moneylending in Cambodia", *The Asia Pacific Journal of Anthropology*, 15:178–196; and D. Stoll, *El Norte or Bust! How Migration Fever and Microcredit Produced a Financial Crash in a Latin American Town* (Lanham, Maryland, Rowman & Littlefield, 2013).

² S. Yea, "The art of not being caught: Temporal strategies for disciplining unfree labour in Singapore's contract migration", *Geoforum*, 78(C):179–188.

³ Ibid.; and A.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* (N. De Geova and N. Peutz (eds.)) (Durham, North Carolina, Duke University Press, 2010).

⁴ S.R. Meyer et al., "Labour migration and mental health in Cambodia: a qualitative study", *The Journal of Nervous and Mental Disease*, 202(3):200–208.

⁵ D.L. Rus and J. Rus, "Trapped behind the lines: The impact of undocumented migration, debt, and recession on a Tsotsil community of Chiapas, Mexico, 2002–2012", *Latin American Perspectives*, 41(3):154–177; and L. Schuster and N. Majidi, "What happens post-deportation? The experience of deported Afghans", *Migration Studies*, 1(2):221–240.

⁶ United Nations Inter-Agency Project on Human Trafficking (UNIAP), *Recruitment Agencies and the Employment of Cambodian Domestic Workers in Malaysia* (Bangkok, UNIAP, 2011). Available from http://un-act.org/wp-content/uploads/2015/07/Cambodia_Recruitment_Agencies.pdf

⁷ J. Lindquist, "Labour recruitment, circuits of capital and gendered mobility: reconceptualizing the Indonesian migration industry", *Pacific Affairs*, 83(1):115–132; and A.M. Gardner, "Engulfed".

migration and the forms of debt associated with financing it. Through a better understanding of the relationship between migration and debt, this paper aims to offer feasible recommendations on how to alleviate the burden of debt experienced by migrant workers and return migrants in the region, and to suggest avenues for future research.



Lek Khon with her granddaughter and grandnieces and grandnephews in a small rural village outside of Siem Reap, Cambodia.

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Rukun and her daughter and grandchildren in front of their makeshift shelter in Poipet, Cambodia.

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Basa and Salime Myar of Kawkarate, Myanmar and their children, photographed outside their house in Mae Sot, Thailand: (from top to bottom, left to right) Abdulahim, 14; Salime, 57, carrying Somaya, 3; Hajida, 13; Shakida, 5; Basa, 60; Jamalodin, 9 and Aesha, 5.

2. WHAT IS SUSTAINABLE RETURN?

While return is an intrinsic part of migration for many, it is the least understood aspect of the migration process.⁸ Return migration (or, simply, “return”) is poorly defined, poorly measured and tends to take place with limited State involvement, making it difficult to estimate or track.⁹ Moreover, while both governments and non-governmental organizations (NGOs) are increasingly concerned with supporting positive return experiences, there are few agreed-upon best practices on how to do so.

At any rate, there is a clear need for increased consideration of and attention to the experiences of return migrants. When migrants return home, they face a range of economic, social and psychological challenges, each of which can impact their ability to thrive. Perhaps most critical is the fact that they are often returning to the same contexts that motivated their migration in the first place – for example, economic or environmental insecurity (e.g. poor employment opportunities and poverty), threats to personal safety or well-being, and social (and, often, economic) exclusion. In some cases, they may be returning to the home country but in a new community and are struggling with the basic task of settling in a new home. While migrants may gain new skills abroad, increase assets, and/or return home with savings, it may be difficult in some contexts to put these new forms of human and economic capital to productive use. In cases of failed migration, such as those resulting from crisis leading to involuntary return, return migrants (or, simply, “returnees”) may not have such capital and be in a worse economic position than when they left.

Return can be socially challenging. While it can mean family reunification, it can also strain relationships and family dynamics, particularly between those who have previously experienced long periods of separation. Reintegration can be particularly challenging for children and young people, who may have stronger linguistic, cultural, social and emotional connections to their destination/host countries than to the communities they are returning to. Victims of trafficking may experience particular challenges, including stigma, discrimination and harassment. This is especially true among women who have had experiences of sexual abuse or forced marriage.

Finally, it is important to recognize that the reintegration process is not linear. Thus, a migrant who appears to be economically and socially stable early on in his/her return may still experience a setback, shock or crisis that challenges his/her ability to thrive.¹⁰ In particular, research conducted through IOM suggests that reintegration most commonly takes a W-shaped path, with return migrants experiencing a series of high and low points (a pattern also observed prior to and during the migration project or undertaking.¹¹ To be specific, returnees tend to experience high points immediately upon return (initial jubilation of being reunited with friends

⁸ Samuel Hall and International Organization for Migration (IOM), “Setting standards for an integrated approach to reintegration”, summary report of Mediterranean Sustainable Reintegration (Geneva, IOM, 2017). Available from www.iom.int/sites/default/files/our_work/DMM/AVRR/IOM_SAMUEL_HALL_MEASURE_REPORT%202017.pdf

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

and family), to be later followed by low points, often as a result of unexpected shocks (a health crisis, for instance) or insecure livelihoods and economic prospects.¹² Thus, it may take months – even years – for returnees to navigate the ups and downs of reintegration before arriving at a point of economic, social and psychosocial stability and well-being. In recent years, practitioners in the field of migration have worked to define the concept of sustainable return as an aspirational measure of successful return and reintegration. However, while there is a general consensus that sustainable return is defined by the achievement of economic, social and psychosocial stability and well-being, there are also key disagreements about how it should be measured. In particular, scholars and practitioners disagree on the extent to which sustainable return requires an end to the migration–remigration cycle (either for an individual or a family), or more generally, the extent to which it requires economic and/or social gain through the migration process. There is also disagreement on how to view the voluntariness of return in relation to the potential for sustainable return.

For instance, Koser and Kuschminder (2015) define sustainable return as having been achieved when an “individual has reintegrated into the economic, social and cultural processes of the country of origin and feels that they are in an environment of safety and security on their return.” To measure this, they describe three equally important dimensions:

- (a) **Economic.** This dimension includes criteria such as employment, having diverse sources of income, self-perception of one’s economic struggles, indebtedness, and land/home ownership.
- (b) **Social/Cultural.** This encompasses support networks, transnational networks, participation in local activities, self-perception of one’s personal life, and membership in organizations.
- (c) **Security/Safety.** This dimension covers, for example, sense of safety/security in one’s home and community, trust in the government, access to justice, and whether or not harassment is experienced since returning.

Notably, this conceptualization does not equate sustainable return with a lack of remigration aspirations, in an attempt to recognize the diverse reasons individuals might decide to migrate again. Moreover, Koser and Kuschminder’s definition of sustainable return does not require that migrants’ lives have improved economically or socially through (and because of) the migration experience. Thus, a failed migration undertaking in which a migrant who experiences no real economic gains through the migration process may still achieve sustainable return. Finally, Koser and Kuschminder’s definition offers no discussion of the voluntariness of return, suggesting that it is perhaps unimportant to distinguish between those returning voluntarily and those returning involuntarily in terms of their potential for or achievement of sustainable return.¹³

¹² Ibid.

¹³ To be clear, this study makes no attempt to defend any one definition of sustainable return, but, rather, draw on existing (and contested) definitions to broadly explore return outcomes as they relate to debt (described in Section 4). In doing so, it offers the broadest possible understanding of the ways that debt shapes return experiences, without claiming a particular “ideal” of return.

Alternative conceptions differ in regard to each distinction. Perhaps most critically, some perspectives view remigration as antithetical to sustainable return. For instance, Kleist (2017) suggests three possible trajectories for return migrants: social and economic regeneration, remigration, and continued precariousness – a suggestion implying that return migrants were in a precarious situation to start with and presumably excludes an individual or household where migration continues from being considered socially and economically regenerated. Similarly, Johansson suggests that continued migration aspirations are evidence of a failure to “re-embed” (a term she uses in a similar manner to “reintegrate”). Other frameworks suggest that remigration aspirations are not problematic per se, but only when they are “a matter of choice, rather than necessity,” and if remigration is undertaken through regular channels.¹⁴ Absent in many of these studies is an extended discussion of the eventual or future reliance on the migration of other family members. This issue might be particularly relevant in the Greater Mekong Subregion, where migration and return are often best understood as decisions made to support the household and the extended family. Often, migrants who return home do so at a particular point in their life, and they may return in part because their children are old enough to migrate themselves, earn a living and remit money home.

For some, sustainable return implies an improvement in an individual returnee’s condition vis-à-vis pre-migration. For instance, in Kleist’s framing, returnees are largely considered “successful” if they have achieved an “imagined pathway to ... establish[ing] a better future,” or a promising transformation from their original circumstances.¹⁵ To a degree, this framing makes sense. Migrants typically leave their home communities in an effort to improve their lives – thus, measuring sustainable return in terms of these expectations may be appropriate. Indeed, the fact that migrants often imagine themselves returning home with an improved economic or social status can lead to economic and/or social exclusion if this does not materialize.¹⁶

Finally, while many models of sustainable return ignore the reason for return, other research highlight the serious challenges involuntary return poses for sustainable return. This is particularly important given that an increasing share of return migration is now involuntary.¹⁷ In particular, Battistella suggests return as existing along two continuums or axes: (a) the timing of return, that is, prior to versus at the planned end of the migration project; and (b) the voluntariness of return (see Figure 1). In doing so, he distinguishes between four potential types of return, while recognizing the possibility of overlapping or ambiguous experiences:

- **Return of achievement.** The migrant returns voluntarily, and at the planned end of his/her self-defined migration project.
- **Return of completion (of the labour contract).** The migrant returns after the completion of a migration contract, but the return is not wholly voluntary.

¹⁴ Samuel Hall and IOM, “Setting standards for an integrated approach to reintegration”.

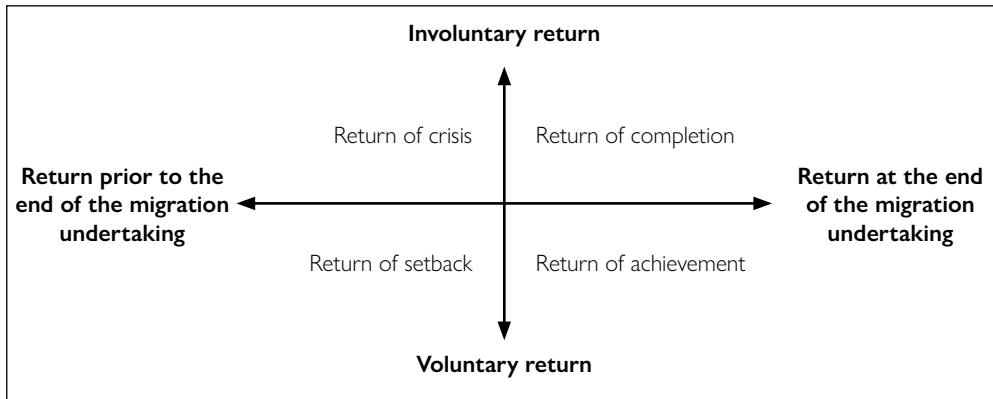
¹⁵ N. Kleist, “Trajectories of involuntary return migration to Ghana: forced relocation processes and post-return life”, *Geoforum*. DOI: <https://doi.org/10.1016/j.geoforum.2017.12.005> (first published 3 January 2018).

¹⁶ G. Battistella, “Return migration: a conceptual and policy framework”, report (New York, Center for Migration Studies, 2018). Available from <http://cmsny.org/publications/2018smc-smc-return-migration>

¹⁷ W. Bhatt and B.R. Roberts ““Forbidden return”: Return migration in the Age of Restriction”, *Journal of Immigrant and Refugee Studies*, 10:162–183.

- **Return of setback.** The migrant returns voluntarily, but not because he/she has achieved the goals of his/her migration project. Experiences of labour exploitation might prompt this kind of return. Returns shaped by family dynamics or the migrant's pregnancy might also fall under this category.
- **Return of crisis.** The migrant is forced to return. This category includes return due to deportation and environmental, political and other forms of crisis in destination countries.

Figure 1. G. Battistella's model of return migration



Source: Adapted from Figure 1. Return Migration and Return Migration Policies, in: G. Battistella, "Return migration: a conceptual and policy framework".

While others have focused on other, slightly different axes,¹⁸ there is widespread agreement that the degree to which a migrant plans and prepares for return plays a key role in shaping his/her return experience. Battistella's model offers an explicit way to target reintegration support that runs counter to the one-size-fits-all model commonly applied.¹⁹ This model suggests, for instance, that returns of achievement are best supported by entrepreneurship training and resources, while returns of setback or completion are best supported through redeployment or safe migration training in the instance that the returnee decides to remigrate. In contrast, returns of crisis might require more direct assistance – and, often, emergency assistance).

While in the past, reintegration efforts have been narrowly targeted towards victims of exploitation and/or trafficking or failed asylum seekers (i.e. those who often fall under the "return of crisis" category) there is increasing interest among government actors and other stakeholders in supporting the reintegration of migrant workers and those who may be in vulnerable situations that do not fall under the definition of trafficking. These individuals may be more likely to experience returns of achievement, completion or setback, suggesting the need for different types of support. Battistella's model is particularly helpful given this renewed interest in supporting reintegration for a broader range of returnees.

¹⁸ For instance, Cassarino (2004) suggests the dimensions of *preparedness* and *resource mobilization* as being similarly helpful at differentiating return experiences.

¹⁹ See Majidi and Hart (2016) for a critique of the one-size-fits-all model of reintegration support.

While debt is often described as an aspect of financial insecurity that inhibits sustainable return, very little research has actually considered the impact of debt on the potential for or the achievement of sustainable return. At any rate, recent research has raised concern about the levels of debt and financial insecurity among return migrants in the region. In the initial report of the study “Risks and rewards: Outcomes of labour migration in South-East Asia” (hereinafter, “Risks and Rewards”), the International Labour Organization (ILO) and the International Organization for Migration (IOM) suggested that one in six return migrants in the Greater Mekong Subregion were struggling with debt on return.²⁰ In some contexts, the level of debt among return migrants was far higher. Moreover, the study suggested that returning with debts to repay was strongly associated with other negative migration outcomes – suggesting the need for focused attention on indebtedness as it relates to the sustainability of return.²¹ As a first step towards raising awareness about and addressing this issue, the remainder of this report explores the role of debt in the lives of returnees in the Greater Mekong Subregion, with a particular focus on why migrants might return home indebted.

²⁰ B. Harkins, D. Lindgren and T. Suravoranon, *Risks and Rewards: Outcomes of Labour Migration in South-East Asia* (Bangkok, ILO and IOM, 2017). Available from www.ilo.org/asia/publications/WCMS_613815/lang--en/index.htm

²¹ Ibid.

Moung Kyaw, 40, from Yakhing and wife Sane, 57, from Dawei (both in Myanmar) live together in a small hut next to the water.

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3. RESEARCH METHODOLOGY

This study draws on three main sources of data: (a) a literature review on the link between debt/indebtedness and migration; (b) survey data collected between July to August 2016 from 1,808 return migrant workers across the Greater Mekong Subregion; and (c) qualitative interviews conducted in 2018 with current and return migrants in Cambodia, Myanmar and Thailand.

The literature review explores the various ways that debt and migration are linked, with a particular focus on studies from the region. Specifically, the literature review describes the ways that debt can shape migration decision-making; the role of debt in facilitating migration; the impact of debt on migrants' experiences in destination/host countries; and the way that debt shapes return experiences. The primary aim of this study is to give an understanding of the potential of debt to shape the sustainability of return and reintegration, and the study proponents maintain that to effectively do so, it would be necessary to first have a better understanding of the way that debt is used across the migration experience.

The survey data comes from the Risks and Rewards study conducted by the ILO and IOM in coordination with Rapid Asia.²² The study included data from a survey of 1,808 individuals, evenly split between men and women, each of whom recently returned from working in either Thailand or Malaysia. The survey was conducted in 12 sites across four countries: Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam. Return migrants were selected on the basis of the following criteria:

- (a) 18–45 years old;
- (b) Has returned from work in Thailand or Malaysia over the past two years;
- (c) While abroad, was engaged in low-skilled work in fisheries, domestic work, agriculture, manufacturing, construction, hospitality or food services.

Readers interested in a detailed breakdown of the research methodology can find further details in the Risks and Rewards initial research report published in 2017 (see footnote 20 for the full reference citation).

The survey asked questions on a range of topics pertaining to migrants' experiences, including migration costs and financing, challenges encountered throughout the migration process, contracts and contract substitution, working conditions, migrant workers' rights and benefits, labour/workplace exploitation, access to remedies to labour exploitation, and return outcomes (both social and financial). Notably, the survey asked about debt incurred in the migration process and explored both debt and financial insecurity as return outcomes.

²² This report relied on the original dataset from the Risks and Rewards survey, provided to the author by the ILO. While this report and *Risks and Rewards: Outcomes of Labour Migration in South-East Asia* (i.e. the Risks and Rewards report) both used the same dataset, all tables, charts and graphs herein were derived from the author's primary analysis of the raw data. Some of the data presented here was not reported in the Risks and Rewards report and vice-versa, and, further, the author analysed certain data in a different manner than the Risks and Rewards research team.


Given its non-probabilistic sampling method, the Risks and Rewards survey should not be read as being representative of returnees in the region. Moreover, the survey data was not specifically collected for purposes of this current study; thus, it does not address all key questions of interest. Despite these limitations, however, the Risks and Rewards survey results remain one of the better comparative datasets on migration in the region, as they were from a sample size large enough to allow comparison of outcomes across key variables of interest. The analysis of the survey data presented in this report is primarily descriptive and seeks to demonstrate how common both indebtedness and financial insecurity are among returnees, as well as explore the relationship, if any, between debt (and financial insecurity in general) and a range of migration experiences and return outcomes. Because the descriptions and bivariate analyses do not control for other characteristics or variables, they should not be read as establishing either causal links or definitive associations. Rather, they merely offer a preliminary suggestion as to the link between debt and various migration and return experiences, highlight patterns observed, and suggest potential areas for further study.

Finally, qualitative interviews with current and recently returned migrant workers in two sending countries (Cambodia and Myanmar) and one destination country (Thailand) were conducted, mostly in July and August 2018. The author also drew on prior research she herself conducted between January and March of the same year. Given IOM's explicit interest in understanding the barriers to sustainable return among victims and survivors of trafficking and exploitation, we included this population in our study sample as well. We also met with local government officials in Cambodia and Myanmar, as well as civil society organizations (CSOs) and NGOs doing work in the topic area of either migration or debt. Identification of participants in Myanmar and among Myanmar migrants in Thailand was facilitated by IOM Myanmar and IOM Thailand. Identification of participants in Cambodia and among Cambodians in Thailand was facilitated by the personal contacts of the researcher–author. In addition, this report draws broadly on the author's past research on this topic.²³ Primary research was not conducted in Lao People's Democratic Republic, Viet Nam or Malaysia – an additional limitation of the study design. However, the decision not to do so was made after a preliminary analysis of the Risks and Rewards survey data, which highlighted the specific challenges that Cambodians and Myanmar migrants faced on return. Given this, it made sense to focus efforts at understanding the experiences of Cambodian and Myanmar migrants in their primary destination – Thailand.

²³ M. Bylander, "Borrowing across borders"; M. Bylander, "Credit as coping: Rethinking microcredit in the Cambodian", *Oxford Development Studies*, 43(4):533–553; M. Bylander, "Depending on the sky: Environmental distress, migration, and coping in rural Cambodia", *International Migration*, 53(5):135–147; M. Bylander, "Migration disruption: Crisis and continuity in the Cambodian mass returns", *International Migration Review*, Fall 2017:1–32; and M. Bylander et al., "Over-indebtedness and microcredit in Cambodia: moving beyond borrower-centric frames", *Development Policy Review*. DOI: 10.1111/dpr.12399 (first published 20 July 2018).



Every now and then, Sane peels shrimps with the help of her husband, MOUNG KYAW. They earn around THB 2,000 a month doing this kind of work. Their hope for the future is to be healthy and be involved in work outside of the fishing industry.

A woman, Gakyaie, stands in front of a traditional thatched-roof hut. She is wearing a blue floral-patterned short-sleeved shirt and a long, colorful batik-patterned sarong. The ground around her is cluttered with various pieces of trash, including plastic bottles, paper, and old shoes. To her right, there are several potted plants, including a tall one with reddish leaves. The background shows more of the dump site with other makeshift structures and trees in the distance.

Gakyaie, 55, from Laingbwe, Myanmar, has a family of 10. She has been living next to a garbage dump site in Mae Sot, Thailand for 15 years. She earns around THB 1,000 a month picking up garbage around the dump site.

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4. THE LINK BETWEEN DEBT AND MIGRATION

4.1. Overview

The past five years have seen an increase in concern over migrant indebtedness, with a range of studies and reports focusing on the role of debt in financing migration, the degree to which debt shapes migrants' experiences, and the relationship between debt and return.²⁴ Much of this work has focused on Asia, where the costs and debts associated with migration have grown alongside the expansion of migration infrastructure.²⁵

Research in the topic area of migration and debt can be broadly categorized into four thematic groups: (a) the role of debt in migration decision-making; (b) the role of debt in financing migration; (c) the ways debt shapes migrants' experiences; and (d) the impact of debt on migrant return. Altogether, the existing body of research highlights indebtedness as a cross-cutting development issue and as a central concern among migrant communities, with particular focus on the following concerning dynamics: the growing costs of migration and the increasing reliance on debt to finance these costs; the high rates of household debt among migrant-sending families; new forms of distress migration induced by over-indebtedness; the degree to which remittances and migrant earnings are channelled towards the payment of loans; and the emotional and psychological impacts that indebtedness has on migrants. As some have argued, these trends raise concerns that debt may be barring migrant workers from realizing the benefits of their mobility – that is, by creating conditions wherein migration becomes more extractive than developmental.²⁶

²⁴ A.M. Gardner, "Engulfed"; J. O'Connell Davidson, "Troubling freedom: Migration, debt and modern slavery", *Migration Studies*, 1(2):176–195; M.M. Rahman, "Migrant indebtedness: Bangladeshis in GCC countries", *International Migration*, 53(6):205–219; D. Stoll, *El Norte or Bust?*; L. Schuster and N. Majidi, "What happens post-deportation?"; L. Heidbrink, "Collisions of debt and interests: Youth negotiations of (in)debt(ed) migration", paper presented at the 10th Joint Area Centers Symposium: Children and Globalization, University of Illinois at Urbana–Champaign, 10–12 April 2014; M. Bylander, "Borrowing across borders"; C. Loschmann and M. Siegel, "Revisiting the motivations behind remittance behavior: Evidence from debt-financed migration from Afghanistan", *Migration Letters*, 12(1):38–49; S.R. Meyer et al., "Trafficking, exploitation and migration on the Thailand–Burma border: A qualitative study", *International Migration*, 53(4):37–50; L.A. Hoang and B.S.A. Yeoh (eds.) *Transnational Labour Migration, Remittances and the Changing Family in Asia* (London, Palgrave Macmillan, 2015); G. Baey and B.S.A. Yeoh, "Migration and precarious work: Negotiating debt, employment and livelihood strategies amongst Bangladeshi migrant men working in Singapore's construction industry", Migrating Out of Poverty Research Programme Consortium working paper, No. 26 (Brighton, University of Sussex, 2015); S. Yea, "The art of not being caught"; C. Goh, K. Wee and B.S.A. Yeoh, "Who's holding the bomb? Debt-financed migration in Singapore's domestic work industry. Migrating Out of Poverty Research Programme Consortium working paper, No. 38 (Brighton, University of Sussex, 2016), available from https://assets.publishing.service.gov.uk/media/5992fd1040f0b679518fb4f0/WP38_Goh_et_al_2016_Who_s_holding_the_bomb_Debt-financed_migration_in_Singapore_s_domestic_work_industry.pdf; M. Moniruzzaman and M. Walton-Roberts, "Migration, debt and resource backwash: How sustainable is Bangladesh–Gulf circular migration?", *Migration and Development*, 7(1):85–103; and M. Platt et al., "Debt, precarity and gender: Male and female temporary labour migrants in Singapore", *Journal of Ethnic and Migration Studies*, 43(1):119–136.

²⁵ B. Xiang and J. Lindquist, "Migration infrastructure", *International Migration Review*, 48(S1):S122–S148.

²⁶ M.M. Rahman, "Migrant indebtedness"; D. Stoll, *El Norte or Bust?*; and M. Moniruzzaman and M. Walton-Roberts, "Migration, debt and resource backwash".

At the same time, the literature reminds us that migrants eagerly take on financial debt in order to access work opportunities abroad – indeed, many would be unable to migrate otherwise. Thus, debt has countervailing potential. As Julia O’Connell Davidson notes: “... while debt can lock migrants into highly asymmetrical, personalistic, and often violent relations of power and dependency, sometimes for several years, it is also a means by which many seek to extend and secure their future freedoms.”²⁷ Given that debt can both mediate and create risk, it is critical to understand experiences of indebtedness in relation to other forms of precarity and vulnerability. Loans may be enabling and supportive where such debt is taken up proactively, on the basis of fair and transparent terms, and for productive investment or transition into decent work, by migrants working in contexts where information is accessible, labour rights are respected, and where there is freedom of movement. In contrast, where borrowing is used as a coping mechanism or last resort, lenders are predatory or loan terms are poor, labour rights abuses are rampant, information is scarce, and/or freedoms are limited, indebtedness is likely to both heighten existing forms of vulnerability and create new risks for migrant workers.

Finally, it is important to note that indebtedness is not merely a financial status; it must be understood in both social and moral terms. While existing research tends to view indebtedness at the level of the individual, in most of South-East Asia, debt is far better understood as an obligation of the household (and sometimes even the extended household).²⁸ Parents and grandparents commonly borrow on behalf of younger generations, and children may be expected to support the repayment of household debt even where they do not directly benefit from the loan. Moreover, expectations for borrowing and repayment are deeply gendered and shaped by culturally specific assumptions about roles and reciprocity within the household. In many parts of South-East Asia, women are traditionally expected to manage household finances and are thus more likely to borrow, lend, repay and manage household debt. This also means that women may be more likely to experience stress or anxiety in managing repayment. Financial institutions reinforce these gendered norms by targeting women for loans. While financial institutions suggest that lending to women is beneficial because of women’s capacities as household managers and the potential of loans for financial empowerment, scholars have also suggested that financial institutions target women because they are more easily traced and shamed or “disciplined” into repaying.²⁹

²⁷ J. O’Connell Davidson, “Troubling freedom”, p. 1. See also Molland (2012) for a discussion of migrant agency in debt bondage cases.

²⁸ W.N. Green and J. Estes, “Precarious debt: Microfinance subjects and intergenerational dependency in Cambodia”, *Antipode*, 51(1):129–147; and I.V. Small, “Embodied economies: Vietnamese transnational migration and return regimes”, *Sojourn: Journal of Social Issues in Southeast Asia*, 27(2):234–259.

²⁹ A. Rahman, “Micro-credit initiatives for equitable and sustainable development: Who pays?”, *World Development*, 27(1):67–82.

4.2. Debt as a motivator of migration

For some migrant workers in the region, indebtedness is a primary driver of migration. Debt-induced migration is a concern not only because it suggests a degree of indirect coercion in the migration process, but also because such migration may generate particular vulnerabilities for migrants. As migration and development scholars have repeatedly pointed out, the causes of migration have a clear role in shaping migration consequences.³⁰ Where migration is a coping response to over-indebtedness, migrants are likely to both have different experiences and perceive their experiences differently than they would in a situation where migration is more freely chosen.

The use of migration as a coping response to over-indebtedness is not new.³¹ However, new forms of indebtedness have appeared alongside new forms of credit established across the region in recent decades that have broadly expanded access to finance in rural areas. This transformation is driven by the aggressive growth of microfinance institutions (MFIs), which aim to provide financial services to low-income populations. MFIs offer a broad range of financial services, including savings and deposit accounts, money transfers, ATM cards, and other products, but their primary products are loans, often termed “microcredit.”

Countries across the region have had vastly different experiences of microcredit expansion. For instance, while the International Monetary Fund (IMF) describes the Cambodian experience as “one of the fastest financial deepening episodes by historical cross-cultural standards,”³² credit expansion has proceeded more slowly in Lao People’s Democratic Republic and is just beginning to (rapidly) take off in Myanmar. **In Focus: Microcredit in Asia** describes microcredit in further detail, including its expansion in the region.

In Focus: Microcredit in South-East Asia

Microfinance is typically defined as the provision of financial services to low-income (or formerly unbanked) populations. While microfinance institutions (MFIs) in South-East Asia provide a range of financial services to low-income households, the primary product they offer is loans – often also referred to as “microcredit.”

Microcredit began with socially-minded NGOs offering small, low-interest, collateral-free loans to poor households. Loans were granted to groups of women and were typically only offered to finance income-generating projects. Today, microcredit across the region looks vastly different. Many MFIs in the region are now commercial ventures

³⁰ H. de Haas, “Migration and development: A theoretical perspective”, *International Migration Review*, 44(1):227–264.

³¹ D. Mosse et al., “Brokered livelihoods: Debt, labour migration and development in tribal western India”, *Journal of Development Studies*, 38(5):59–88.

³² International Monetary Fund (IMF), “Cambodia 2015 Article IV consultation—press release; staff report; and statement by the Executive Director for Cambodia”, country report, No. 16/340 (Washington, D.C., IMF, 2016), available from www.imf.org/en/Publications/CR/Issues/2016/12/17/Cambodia-2018-Article-IV-Consultation-Press-Release-Staff-Report-Staff-Statement-and-46478, p. 4; and World Bank, “Cambodia: Sustaining strong growth for the benefit of all: a systematic country diagnostic”, report (Washington, D.C., World Bank, 2017), available from <https://openknowledge.worldbank.org/bitstream/handle/10986/27149/Cambodia-SCD-May-9-SEPCO-05242017.pdf?sequence=5&isAllowed=y>

with clear profit motives. In some contexts, the loans are very large and granted for a range of purposes, including consumption. It is also now common for MFIs to require land titles or other forms of collateral before granting a loan.

Countries in the Greater Mekong Subregion so far have had vastly different experiences of microcredit. Table 1 describes the state of the microfinance sector across Myanmar, Lao People's Democratic Republic and Cambodia in 2015 (data from Viet Nam was not available). While microcredit has expanded very rapidly in Cambodia, where it is now widespread, it is far less common in Lao People's Democratic Republic and Myanmar, with loan sizes in Myanmar particularly low.

Table 1. Microfinance in South-East Asia, 2015^a

	Myanmar	Lao People's Democratic Republic	Cambodia
Total population	52.4 million	6.7 million	15.5 million
Number of active borrowers	883,971	69,067	2,305,903
Number of active borrowers as a percentage of the population	2%	1%	15%
Average loan balance per borrower (USD) ^b	169	1,852	2,283
Average loan balance per borrower/ GNI per capita ^b	15%	128%	240%
Gross loan portfolio	USD 149 million	USD 127 million	USD 5 billion

Source: MIX, Cross-Market Analysis Report, available from www.themix.org/resources/creating-cross-market-analysis-report (accessed July 2017).

Note: ^a Based on data submitted to MIX Market, a clearinghouse providing data on MFIs. MIX Market collects information from some of the largest financial service providers across the sector. Thus, the number of active borrowers, active borrowers as a percentage of the population and the gross loan portfolios are underestimated. All data (including population data) are from 2015.

^b Weighted average, calculated by MIX Market.

While microcredit is not the only form of debt relevant to migrants and their families, it is worth focused attention, as the expansion of microcredit has rapidly changed borrowing behaviour, typical household debt burdens and levels of over-indebtedness in some areas. Moreover, in Cambodia, where microcredit has expanded most rapidly, microcredit has been directly linked to increasing distress migration resulting from over-indebtedness.

To be sure, traditional forms of lending can and are likely to cause distress migration as well. However, there are at least two reasons why microcredit, in particular, poses risks of unwanted migration. First, in most traditional forms of lending, borrowers take out a loan that can be repaid over a long and flexible period. While borrowers might be required to make interest payments on a regular basis, the repayment of the loan principal can often be extended or negotiated. This form of lending works well in rural contexts, where work and income are often irregular. Thus, if a borrower experiences a shock, he/she can postpone repayment for a certain period. Moreover, defaulting is possible in cases of extreme crisis. Because such loans are often non-contractual (and, in some cases, illegal), enforcement is limited, and borrowers may or may not be required to repay them.

In contrast, microcredit imposes inflexible repayment schedules, most often in the form of monthly installments. As such, borrowers often struggle to meet the deadlines in the amortization schedule unless they have salaried work. Because microcredit loans are often collateralized, there are strong incentives for borrowers to earn enough to be able to repay. Where borrowers cannot make repayment deadlines, they often take out additional loans from informal lenders to repay MFIs.³³

In addition, profit-driven MFIs are motivated by incentives for growth – which can lead to aggressive forms of lending. This is particularly true in contexts where fiscal regulation is limited or absent. For instance, in the case of Cambodia, the average MFI loan is now far greater than average income, as borrowers are often encouraged to take very large loans. This is because loan officers often grant loans in an amount based on the appraised value of the loan collateral presented by the borrower (which is often in the form of an asset such as a house or land). This can result in large, unmanageable loans and interest rates. In contrast, informal moneylenders are incentivized to be more risk-averse, as they have no legal claim on loan repayments, often hold no collateral and tend to grant smaller loans. **In Focus: Over-indebtedness among microfinance borrowers in Cambodia** describes the context of over-indebtedness in greater detail.

³³ J. Ovesen and I.-B. Trankell, "Symbiosis of microcredit and private moneylending in Cambodia"; and M. Bylander, "Credit as coping".

In Focus: Over-indebtedness among microfinance borrowers in Cambodia

Over the past decade, both advocates for and critics of microfinance have called attention to the extent of over-indebtedness in Cambodia. Critical scholar Milford Bateman describes Cambodia as an “unfolding calamity” characterized by clients on a “treadmill of increasing debt” as a result of dangerously rapid credit expansion.³⁴ At the same time, industry insider and advocate Daniel Rozas suggests that regulation is needed to “contain the destabilizing force created by the continued and rapid expansion of credit.”³⁵ While there is much disagreement about the root cause of over-indebtedness and how best to address it, there is broad agreement that debt is approaching (or has reached) crisis levels in Cambodia.

In 2012, microfinance investors commissioned the first over-indebtedness study in Cambodia, which found that 22 per cent of clients surveyed in microfinance-saturated areas were insolvent or over-indebted.³⁶ (Over-indebtedness was defined as borrowers having monthly loan installments that were more than 100 per cent of their net monthly income – essentially suggesting a definition of over-indebtedness that equated to insolvency.) More than half of borrowers in the survey said they struggled to repay their loans on time, and 49 per cent had made at least one “sacrifice” over the past year to repay their loans. Such “sacrifices” included:

- (a) Reducing the quality of the household's food (48%)
- (b) Reducing the quantity of the household's food (44%)
- (c) Sending a family member to work outside the village (27%)
- (d) Dipping into and depleting savings (25%)
- (e) Taking out new loans (23%)

A more recent, unpublished study on over-indebtedness³⁷ echoes similar alarming levels of over-indebtedness across the country.³⁸ The report found that 16 per cent of borrowers were *highly* over-indebted, with another 35 per cent *moderately* over-indebted. The findings suggested that more than half of microfinance borrowers were over-indebted (as defined by the sector) to some degree. Borrowers reported similar coping strategies in 2017 as in 2012. Altogether, 65 per cent of borrowers reported using some kind of coping strategy involving a “sacrifice” (similar to the examples listed above)

³⁴ M. Bateman, “The Rise of Cambodia’s microcredit sector: an unfolding calamity”, paper presented at European Association of Development Research and Training Institutes (EADI) Nordic 2017: Globalisation at the Crossroads: Rethinking Inequalities and Boundaries, Bergen, Norway, 21–23 August 2017. Available from www.researchgate.net/publication/323018824_The_rise_of_Cambodia's_microcredit_sector_an_unfolding_calamity

³⁵ D. Rozas, “Living on the edge in Cambodia: Is it worth it?”, MIMOSA Blog, Microfinance Index of Market Outreach and Saturation (MIMOSA) Project, 20 January 2016. Available from <http://mimosaindex.org/living-on-the-edge-is-it-worth-it>

³⁶ D. Liv, “Study of the drivers of over-indebtedness of microfinance borrowers in Cambodia: an in-depth investigation of saturated areas”, final report (Phnom Penh, Oikocredit, BlueOrchard Finance, Incofin and Cambodia Institute of Development, 2013). Available from <https://sptf.info/images/oid-final-report.pdf>

³⁷ Produced by produced by the Microfinance Initiative for Asia, Oikocredit, KfW Development Bank, the German Ministry for Cooperation and Economic Development, and Blue Orchard Finance.

³⁸ The author has a copy of the report and will share it upon request.

in order to repay a debt. Some 22 per cent of borrowers used what they deemed “unacceptable” strategies that enabled them to make loan repayments.

Another recent study, by Foelster and Ilginisova (2017), which surveyed clients of four major Cambodian MFIs, also documented high levels of coping behaviours consistent with subjective definitions of over-indebtedness.³⁹ Among the 1,698 clients in the study, 19 per cent reported selling assets to make payments on a current or prior loan. In addition, one third had borrowed from another source for loan repayment and one third had reduced expenses on daily necessities. Around 15 per cent of the sample resorted to two of these measures, and 9 per cent had resorted to all three pay off their loans. The study also found high levels of these behaviours among households that repaid loans on time.

While over-indebtedness is often framed as a consequence of low financial literacy among borrowers, such framing fails to recognize the importance of other drivers of over-indebtedness, for example, an aggressively expanding commercial lending sector, inappropriately large loan sizes, poor social protections for borrowers and limited government regulation of credit markets.⁴⁰

A range of studies have pointed to the growing link between credit expansion and international migration in Cambodia.⁴¹ In 2011, an IOM study argued that debt was a major push factor for migration, with migrants using work abroad as a way to repay problematic debts.⁴² The study compared migrants and non-migrants in two provinces and found that migrants were: (a) more likely to have household debt, (b) more likely to take on more debt to repay existing debt, and (c) more likely to sell or lose agricultural land (the latter in the case of collateralized debt). Together, these findings not only suggest that debt is a major push factor for migration, but also bring to light the widespread use of migration as an economic coping strategy. Bylander (2014) focused on microfinance debt in north-western Cambodia, where, he argued, that migration was a primary coping strategy for over-indebted microcredit borrowers, and suggested that, for many, debt was a central reason for migration.⁴³ While migration theorists have previously

³⁹ MIX, Cross-Market Analysis Report. Available from www.themix.org/resources/creating-cross-market-analysis-report (accessed July 2017).

⁴⁰ See Bylander et al. (2018) for an in-depth discussion of the causes of over-indebtedness.

⁴¹ M. Bylander, “Borrowing across borders”; J. Ovesen and I.-B. Trankell, “Symbiosis of microcredit and private moneylending in Cambodia”; M. Bylander and E. Hamilton, “Loans and leaving: Migration and the expansion of microcredit in Cambodia”, *Population Research and Policy Review*, 34(5):687–708; M. Bylander, “Credit as coping”; S. Mahanty and S. Milne, “Anatomy of a boom: Cassava as a ‘gateway’ crop in Cambodia’s north eastern borderland”, *Asia Pacific Viewpoint*, 57(2):180–193; W.N. Green and J. Estes, “Precarious debt”; United Nations Office on Drugs and Crime (UNODC), “Trafficking in persons from Cambodia, Lao PDR and Myanmar to Thailand”, report (Bangkok, UNODC, 2017), available from www.unodc.org/documents/southeastasiaandpacific/Publications/2017/Trafficking_in_persons_to_Thailand_report.pdf; and B. Dickson, M. Kavenagh and E. Flynn, “Situational assessment on the health of Cambodian irregular migrants”, report (Phnom Penh, IOM and the Cambodian Ministry of Health, 2011), available from <https://migrationhealthresearch.iom.int/situational-assessment-health-cambodian-irregular-migrants>

⁴² B. Dickson, M. Kavenagh and E. Flynn, “Situational assessment on the health of Cambodian irregular migrants”; and S. Cánc, “Costs and benefits of cross-country labor migration in the GMS: Cambodia country study”, Cambodia Development Research Institute (CDRI) Working Paper Series, No. 44 (Phnom Penh, CDRI, 2009).

⁴³ M. Bylander, “Borrowing across borders”; and M. Bylander, “Credit as coping”.

suggested that expanding access to credit curbs migration out of rural areas, Bylander's work, on the other hand, suggests that expanding access to credit and migration are mutually enabling: as access to formal credit grows, so, too, does out-migration, which serves as the primary strategy to earn enough money to repay loans.⁴⁴ Similarly, research has shown that Cambodian households with formal loans (those from banks or microcredit institutions) are more likely to have migrant household members than those with informal loans, or those who report having no debts.⁴⁵ Studies of over-indebtedness among MFI borrowers in Cambodia confirm the widespread use of migration as a coping strategy in response to debt stress. An expansive study conducted in microfinance-saturated areas in 2013 suggests that 27 per cent of microfinance borrowers managed repayment pressures by sending a family member to work outside the village.⁴⁶ Similarly, a recent UNICEF report confirmed the prevalence of debt-fuelled migration in Cambodia, and showed that such cases share a similar root cause: the need to borrow money for medical expenses.

While a range of studies suggests the importance of debt as a driver of migration, it is unclear whether this pattern is particularly problematic in some parts of the country and/or whether it is growing over time. In part, these gaps stem from the fact that different methodologies have been used to ask about debt in the migration process. For instance, in a 2010 survey of 302 migrant-sending households in the Cambodian provinces of Prey Veng and Kampong Cham, and 210 Cambodian migrants in Thailand, debt was rarely reported as a driver of migration.⁴⁷ Only 3 per cent of migrant-sending households and an even smaller share of migrants reported debt as a primary driver of migration.⁴⁸ Only a year later, an IOM survey of 220 migrants in Cambodia's Svay Rieng and Banteay Meanchey Provinces reported that 63 per cent of migrants from the former and 37 per cent of migrants from the latter noted debt as one reason (among many) for migrating. The disparity could be explained by actual differences between provinces, but it may also be due to differences in question wording. The 2010 survey asked households to give the primary reason for migration (open-ended), whereas the 2011 survey allowed migrants to note multiple reasons and specifically asked about debt. An even more recent IOM survey, from 2016, showed that 41 per cent of recently returned migrants (across the 10 provinces covered) noted financial debt as the *main* reason for leaving Cambodia, suggesting that debt may be an increasingly important driver of migration in comparison to previous years.⁴⁹

⁴⁴ M. Bylander, "Borrowing across borders".

⁴⁵ M. Bylander and E. Hamilton, "Loans and leaving".

⁴⁶ D. Liv, "Study of the drivers of over-indebtedness of microfinance borrowers in Cambodia". This figure includes internal migration.

⁴⁷ B. Maltoni, "Analyzing the impact of remittances from Cambodian migrant workers in Thailand on local communities in Cambodia", report (Phnom Penh, IOM, 2010). Available from www.migration4development.org/sites/m4d.emakina-eu.net/files/Report_on_remittances_finalv_0-4.pdf

⁴⁸ Ibid.

⁴⁹ B. Dickson and A. Koenig, "Profile of returned Cambodian migrant workers", assessment report (Phnom Penh, IOM Cambodia, 2016). Available from www.iom.int/sites/default/files/country/docs/IOM-AssessmentReportReturnedMigrants2016.pdf The survey included responses from 667 returned migrants.

To date, there is less information about the role of debt in migration decision-making elsewhere in the region. However, reports are increasingly documenting anecdotal evidence of debt-induced migration in Myanmar.⁵⁰ For instance, a recent report by the State Enterprises Workers' Relations Confederation identified indebtedness as a primary reason for migration in Myanmar, and noted in particular that households in debt were more likely to have a migrant than households facing other shocks.⁵¹ Recent reports from the ILO and UNODC have also described debt as a motivator of migration for some,⁵² and a recent survey in two regions of Myanmar suggest that debt is positively correlated with both international and internal migration.⁵³

To understand the causes of debt-induced migration in the region, it is necessary to also understand the causes of over-indebtedness. While a thorough discussion of the causes of over-indebtedness is beyond the scope of this study, it is important to note that over-indebtedness is not simply the consequence of poor financial decisions at either the individual or household level. There are precise ways that economic and environmental pressures shape financial outcomes such as over-indebtedness.⁵⁴ As Parsons aptly notes, it is often the case in rural South-East Asia that “the only means to mitigate one sort of risk is to expose one’s household to several others.”⁵⁵ Debt is one such risk management strategy, and households routinely take on debt to cover routine expenses (such as education) and cope with acute crises and pressures, including environmental changes, floods and droughts, illness, landlessness, commodity price shocks, the aggressive expansion of the microfinance sector, credit regulation, predatory and high-interest lending, corruption and the broader livelihood pressures faced by rural families (such as failed harvests).

⁵⁰ UNODC, “Trafficking in persons from Cambodia, Lao PDR and Myanmar to Thailand”; A. Hein et al., “Safe migration knowledge, attitudes and practices in Myanmar”, report of the Tripartite Action to Protect the Rights of Migrant Workers within and from the Greater Mekong Subregion (GMS TRIANGLE Project) (Bangkok, ILO, 2015), available from www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_340260.pdf; A. Ma, “Labor migration from Myanmar: remittances, reforms, and challenges”, *Migration Information Source*, 18 January, available from www.migrationpolicy.org/article/labor-migration-myanmar-remittances-reforms-and-challenges; and M. Griffiths and M. Ito (eds.), *Migration in Myanmar: Perspectives from Current Research* (Social Policy and Poverty Research Group, Yangon, 2016), available from www.lift-fund.org/sites/lift-fund.org/files/publication/Migration%20in%20Myanmar-Perspectives%20from%20Current%20Research.pdf

⁵¹ M. Griffiths and M. Ito, *Migration in Myanmar: Perspectives from Current Research*.

⁵² A. Hein et al., “Safe migration knowledge, attitudes and practices in Myanmar”; UNODC, “Trafficking in persons from Cambodia, Lao PDR and Myanmar to Thailand”.

⁵³ Livelihoods and Food Security Trust Fund (LIFT), *A Country on the Move: Domestic Migration in Two Regions of Myanmar* (Yangon, LIFT, 2016). Available from www.lift-fund.org/sites/lift-fund.org/files/publication/Internal%20Migration%20FINAL%20ENG.pdf and A. Ma, “Labor migration from Myanmar”.

⁵⁴ L. Parsons, “Under pressure: Environmental risk and contemporary resilience strategies”, in: *Handbook of Contemporary Cambodia* (K. Brickell and S. Springer, eds.) (New York, Routledge, 2017).

For more on over-indebtedness and its causes, see Bylander et al. (2018).

⁵⁵ *Ibid.*, p. 149.

4.3. Debt as a means of financing migration

There exists a large body of work documenting the role of debt in financing migration. Both across South-East Asia and globally, migrants routinely borrow money to pay for migration costs. While this pattern is not new,⁵⁶ the past two decades have seen a clear increase in migration costs in many parts of the world, including South-East Asia. Meanwhile, there has been a shift across the region from a model where employers typically covered the costs of labour recruitment, to one where migrants bear these costs almost exclusively.⁵⁷

Two forms of debt-related migration are common in the region: (a) migration financed through wage deductions and (b) migration financed through loans.⁵⁸ Where migration is financed through wage deductions, workers pay no upfront costs and, instead. This is best understood as an “advance sale” of labour, although it is not clear whether such deductions are always legal.⁵⁹ In contrast, migration financed through debt involves would-be migrants and/or their families taking out independent loans to cover the costs of their migration and/or recruitment. While some households may be able to access interest-free loans from friends and/or family, others take out high-interest loans from informal moneylenders. Where readily available, microfinance is also a source of migration loans; in some cases, recruitment agencies direct would-be migrants to specific MFIs to obtain loans.⁶⁰

Forms of debt migration are clearly gendered in many parts of South-East Asia.⁶¹ For instance, women moving abroad to engage in domestic work typically finance their migration through wage deductions – Platt (2017) refers to this as “silently incurred debt.” In contrast, men moving to the same destination contexts, but into other forms of labour, may be more likely to need to pay up-front costs prior to migrating – and so it is more likely for them to borrow money prior to the move. However, not all migration channels differentiate between men and women, and there is diversity even among recruitment companies operating in the same corridors. For instance, some legal recruitment companies in Cambodia that send migrants to Thailand use wage deductions, while others require that migrants pay all costs up front, and still others offer schemes that combine upfront payments and wage deductions.

⁵⁶ A. McKeown, *Melancholy Order: Asian Migration and the Globalization of Borders* (New York, Columbia University Press, 2011); S.S. Amrith, *Crossing the Bay of Bengal: The Furies of Nature and the Fortunes of Migrants* (Cambridge, Massachusetts, Harvard University Press, 2013); and T. Sobieszcyk, “Risky business: Debt bondage international labour migration from northern Thailand”, paper presented at the IUSSP Regional Population Conference on “Southeast Asia’s Population in a Changing Asian Context”, Bangkok, 10–12 June 2002.

⁵⁷ C. Goh, K. Wee and B.S.A. Yeoh, “Who’s holding the bomb?”; L.A. Hoang and B.S.A. Yeoh, *Transnational Labour Migration, Remittances and the Changing Family in Asia*; and M.M. Rahman, “Migrant indebtedness”.

⁵⁸ M.M. Rahman, “Migrant indebtedness”. Rahman calls these “debt bondage migration” and “debt migration.”

⁵⁹ Thailand’s Labour Protection Act (Article 76) only allows salary deductions for: “(a) payment of income tax in the amount stipulated by law to be paid by an employee, or other fees stipulated by law; (b) payment of labour union dues according to the regulations of the labour union; (c) payment of debts owed to a savings cooperative or other cooperatives of the like, or debts for services that solely benefit the employee, with the employee’s prior consent; (d) payment as a deposit under Section 10 or as compensation to the employer for damage caused by the employee, either wilfully or with gross negligence, with the prior consent of the employee; and (e) payment as contributions under an agreement relating to a provident fund.”

⁶⁰ Based on findings from the author’s fieldwork in Cambodia.

⁶¹ J. Lindquist, “Labour recruitment, circuits of capital and gendered mobility”; M.M. Rahman, “Migrant indebtedness”; M. Platt et al., “Debt, precarity and gender”; and C. Goh, K. Wee and B.S.A. Yeoh, “Who’s holding the bomb?”

To be sure, not all aspiring migrants require loans to finance their migration. In particular, a migrant who moves independently, without the services of a broker or recruitment agency, or those who migrate with friends or family, may be less likely to require a loan to finance his/her migration, as the cost of such a move is often quite low.⁶² Otherwise, given the high and growing costs of migration in the region, migrants can now often expect to finance their move through either loans or wage deductions.⁶³ Indeed, a recent study in Myanmar notes the close correlation between the cost of migration and the likelihood of needing a loan to finance it, suggesting a transition point at around USD 520, above which taking out a loan is particularly likely.

The use of loans to finance migration poses two primary concerns, each applicable to migration financing either through wage deductions or loans. Perhaps the more widely articulated concern is that high migration costs, coupled with precarious and poorly regulated labour in destination countries, result in debt that is difficult, and sometimes impossible, to repay. For instance, studies of Bangladeshi migrants in the Gulf suggest that migration loans now take multiple years to repay, and that repayment takes significantly longer than most migrants predict. This not only limits the potential benefits that migration brings; it also means that workers may sometimes be pressured to stay for longer periods of time and/or may be unable to return home until debts are paid off.⁶⁴ Second, indebtedness can increase vulnerability throughout the migration process, and this potential exists regardless of whether a migrant has moved through regular or irregular channels. Research in the region has demonstrated that debts owed to informal brokers can be “sequentially and systematically” linked to subsequent labour exploitation.⁶⁵ At the same time, legal recruitment companies in the region have been charged with practices akin to debt bondage and trafficking.⁶⁶ The following section describes the challenges associated with debt in the migration experience, while recognizing that migration-related debt is an important component of the total debt that migrants hold while abroad.

⁶² A. Hein et al., “Safe migration knowledge, attitudes and practices in Myanmar”.

⁶³ Ibid.

⁶⁴ M. M. Rahman, “Migrant indebtedness”; G. Baey and B.S.A. Yeoh, “Migration and precarious work”; M. Moniruzzaman and M. Walton-Roberts, “Migration, debt and resource backwash”.

It is worth noting that in some contexts, employers and/or migration brokers may bear the greater risk of loans where they are paid off through wage deductions. For instance, C. Goh, K. Wee and B.S.A. Yeoh (2016) argue that in Singapore, migrants have significant power as debtors (cf. Graeber, 2011). They can leave prior to the costs of their migration being repaid, if they so desire – shifting the unpaid debt burden onto employers and/or brokers. While this is true in some cases, employers often have coercive power to make migrants either stay or pay – despite the qualitative research conducted for this study suggesting that they should (both legally and ethically) absorb the risk of migration-related loans (see the case study of Mya Mya in Section 5).

⁶⁵ S.R. Meyer et al., “Labor migration and mental health in Cambodia”.

⁶⁶ UNIAP, *Recruitment Agencies and the Employment of Cambodian Domestic Workers in Malaysia*.

4.4. Debt in the migration experience

While relatively few studies have focused exclusively on experiences of indebtedness among migrant workers, a range of studies on related topics highlights the role of debt in generating or heightening vulnerability among migrants,⁶⁷ its role in limiting the potential of migration to support development outcomes,⁶⁸ its importance as a source of stress and anxiety,⁶⁹ and its potential to increase the risk of falling into forced labour.⁷⁰ These risks may be present regardless of the reason that debt is acquired.

The way that debt shapes the vulnerability of a migrant is at least partly related to the kind of debt that he/she holds. As such, wage deductions may engender certain unique risks, as they consolidate employers' power to control, immobilize and coerce workers. In particular, where wage deductions are used to repay migration costs, an employer (or broker) would typically hold onto the documents of an indebted worker until the debt is repaid.⁷¹ As a result, the indebted worker is usually inhibited from changing jobs or leaving his/her employer, even when experiencing rights violations or faced with a compelling need to return home.⁷² In some cases, migrant recruitment debt has been linked to forced overtime work, leading to either acute or chronic health disadvantages.⁷³ Similarly, where migrants are indebted to their employers, they may have little bargaining power to negotiate for better employment terms and working conditions, or to exercise control of their working situation. For instance, in Singapore, where guest worker programmes tie workers to a single employer, Baey and Yeoh (2015) observe that debt limits workers' bargaining power vis-à-vis their employers'. They note that indebted workers "sometimes choose to endure harsh and/or unsafe working conditions rather than risk the [premature] repatriation" should they make the mistake of raising certain concerns with their employers. In this way, debt works in tandem with other forms of precarity that exacerbate existing forms of vulnerability that migrant workers are exposed to.⁷⁴ Similarly, indebtedness can pressure migrants to enter unfair agreements that might limit their ability to fight rights abuses.⁷⁵ In the most extreme cases, migration financed through wage deductions can lead to forced labour or debt bondage.⁷⁶ Wage deduction schemes can also lead to situations of illegality or irregularity, for example, where a worker absconds and leaves his/her

⁶⁷ S. Yea, "The art of not being caught"; D. Murphy, "Hidden chains: Rights abuses and forced labor in Thailand's fishing industry", Human Rights Watch, 23 January 2018, available from www.hrw.org/report/2018/01/23/hidden-chains/rights-abuses-and-forced-labor-thailands-fishing-industry; and G. Baey and B.S.A. Yeoh "Migration and precarious work".

⁶⁸ M.M. Rahman, "Migrant indebtedness"; D. Stoll, *El Norte or Bust!*; and M. Moniruzzaman and M. Walton-Roberts, "Migration, debt and resource backwash".

⁶⁹ L.A. Hoang, "Governmentality in Asian migration regimes: The case of labour migration from Vietnam to Taiwan", *Population, Space and Place*, 23(3):e2019, available from <https://onlinelibrary.wiley.com/doi/full/10.1002/psp.2019>; and S.R. Meyer et al., "Labor migration and mental health in Cambodia".

⁷⁰ D. Murphy, "Hidden chains"; and Amnesty International, "Turning people into profits: Abusive recruitment, trafficking and forced labour of Nepali migrant workers", report (London, Amnesty International, 2017), available from www.amnesty.org/en/documents/asa31/6206/2017/en

⁷¹ D. Murphy, "Hidden chains"; and M. Eberle and I. Holliday, "Precarity and political immobilisation: Migrants from Burma in Chiang Mai, Thailand", *Journal of Contemporary Asia*, 41(3):371–392.

⁷² D. Murphy, "Hidden chains"; L.A. Hoang and B.S.A. Yeoh, *Transnational Labour Migration, Remittances and the Changing Family in Asia*; and E. Surtees et al., "At home: Family reintegration of trafficked Indonesian men", *Anti-Trafficking Review*, 10:70–87.

⁷³ Amnesty International, "Turning people into profits".

⁷⁴ H. Lewis et al., "Hyper-precarious lives: Migrants, work and forced labour in the Global North", *Progress in Human Geography*, 35(5):580–600.

⁷⁵ S. Yea, "The art of not being caught".

⁷⁶ D. Murphy, "Hidden chains".

personal documents with his/her employer, in order to find a decent and better-paying job, and/or to avoid debt repayment.⁷⁷

Debt-financed migration is also associated with certain specific risks, although these vary to a degree based on the form of loan taken. For instance, Buckley (2012) argues that poor migrants from Kerala become locked in cycles of debt as a result of the high interest rates imposed by informal moneylenders.⁷⁸ Because poorer Kerala households could offer no collateral to secure lower-interest loans, they incur large and growing debts. In contrast, research in Guatemala and Cambodia has suggested that formal debt is particularly problematic for migrant workers – precisely because their collateralized nature creates significant economic (and related social/psychological) stressors.⁷⁹ The potential to lose a home or land can create tremendous pressures for repayment and lead would-be migrants to make risky choices, and can create an urgency that is unique to this form of borrowing. It is perhaps for these reasons that a recent UNODC report on the region raises the question of whether and how microfinance debt may contribute to the risk of trafficking.⁸⁰

Indebtedness is particularly problematic when coupled with other forms of precarity, an idea discussed further in Section 7.⁸¹ For instance, an ILO report on the global construction sector describes debt as one of three “interlocking forms of risk and insecurity” shaping migrant vulnerability.⁸² Debt, precarious legal status and information deficits work together to shape the opportunities and economic security of migrant labourers in the sector.⁸³ Each of these dynamics can deepen the vulnerabilities produced by indebtedness. Similarly, Kothari (2013) suggests that specific spatial practices of confinement, in concert with debt contracts, compound the degree of unfreedom that migrant workers face. In the South-East Asian context, we might underscore additional interlocking forms of risk: the poor regulation of migrant recruitment and labour, the ever-changing regulations and unexpected costs to become/remain legal, and employer-controlled systems of migrant recruitment that create an unbalanced power dynamic between workers and employers.

The nature of the global economy generates another layer of vulnerability. Migrants tend to earn in a foreign currency, but hold debt in a local currency, making it difficult to repay debt when exchange rates shift in an unfavourable direction.⁸⁴ Moreover, a range of economic, environmental and political crises have plagued South-East Asia in recent years, disrupting migration patterns.⁸⁵ Debt can make negotiating these crises particularly challenging. Bylander

⁷⁷ Arisman and R.K. Jaya, *Protection of Human Rights and Labour Migration for Employment Purpose across ASEAN* (Jakarta, Center for Southeast Asian Studies, 2018); and P. Wickramasekara and N. Baruah, “Fair recruitment for low-skilled migrant workers: issues and challenges”, in: *Safeguarding the Rights of Asian Migrant Workers from Home to the Workplace* (Tokyo, Paris and Bangkok, Asian Development Bank Institute, Organisation for Economic Co-operation and Development (OECD), and ILO, 2017).

⁷⁸ M. Buckley, “From Kerala to Dubai and back again: Construction migrants and the global economic crisis”, *Geoforum*, 43(2):250–259.

⁷⁹ D. Stoll, *El Norte or Bust!*

⁸⁰ UNODC, “Trafficking in persons from Cambodia, Lao PDR and Myanmar to Thailand”.

⁸¹ J. O’Connell Davidson, “Troubling freedom”; M. Buckley et al., *Migrant Work & Employment in the Construction Sector* (Geneva, IOM, 2016); and U. Kothari, “Geographies and histories of unfreedom: Indentured labourers and contract workers in Mauritius”, *Journal of Development Studies*, 49(8):1042–1057.

⁸² M. Buckley et al., *Migrant Work & Employment in the Construction Sector*.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ M. Bylander, “Migration disruption”.

(2017) found, for instance, that during the 2014 Cambodian mass returns, indebted migrants were more likely to remain in Thailand rather than return home, despite widespread concern over the potential for a violent crackdown on irregular migrants. Rather than flee Thailand and face potential financial risk, many such indebted migrants remained in what were at the time perceived as physically risky situations. Studies on the same mass returns have also suggested that debt was nevertheless a particular concern among those who did return, as the need to leave abruptly required some Cambodians to take on new debt to finance the move back home.⁸⁶ Similar arguments have been made with regard to recent financial crises, suggesting that indebtedness may also be a factor limiting the potential of voluntary return during such times. For instance, South Asian migrants in the Gulf who lost their jobs during the global financial crisis of 2007–2008 did not return home for fear of being unable to repay migration-related debts.⁸⁷ Similarly, in the United States, Mexican migrants facing unemployment after the global financial crisis suggested that debt was the primary reason they did not want to go back home.⁸⁸ They feared that returning home would result in the loss of collateral, while if they stayed on in an attempt to continue earning money to repay their loans, lenders could be persuaded not to foreclose on their properties. Although these kinds of crisis events are extraordinary by nature, scholars have argued that in the current global system, economic and political crises causing large-scale migrant retrenchment and involuntary return are becoming increasingly common.⁸⁹

Finally, debt can shape the potential of migrants to earn, save and remit money home – thus impacting on the potential of migration to support development in origin communities. For instance, evidence suggests that debt may, in fact, determine how, whether and when migrants remit money home.⁹⁰ Although indebtedness is rarely discussed in mainstream debates on migration and development, ethnographic work points to cycles of debt that can be engendered through migration. Indeed, more than 15 years ago, D. Mosse (2002) observed that for some internal migrants in India, migration was a forced choice in response to debt stress. He suggested that in such cases, migration may “serve to perpetuate debt and dependency.”⁹¹ Where migrants were responsible for repaying substantial or high-interest debts, their earnings were diverted in ways that offered little potential for them to save money, improve their livelihoods or return home. As such, in these cases, migration may have provided migrants the potential to service debt and avoid more extreme forms of dependency, but it did not improve their livelihoods or savings over time.⁹² These early arguments are strikingly similar to more

⁸⁶ A. Beesey, S. Limsakul and E. McDougall, “Hazard exposure and vulnerability of migrants in Thailand: A desk study for the capacity-building programme “Reducing the Vulnerability of Migrants in Emergencies””, report (Geneva, IOM, 2016). Available from https://micicinitiative.iom.int/sites/default/files/resource_pub/docs/micic_thailand_desk_study_web.pdf

⁸⁷ S.I. Rajan and D. Narayana, “The financial crisis in the Gulf and its impact on South Asian migration and remittances”, in: *Migration and Remittances During the Global Financial Crisis and Beyond* (I. Sirkeci, J.H. Cohen and D. Ratha, eds.). (Washington, D.C., World Bank, 2012). Available from www.researchgate.net/publication/282217561_Migration_and_Remittances_during_the_Global_Financial_Crisis_and_Beyond

⁸⁸ D.L. Rus and J. Rus, “Trapped behind the lines”.

⁸⁹ D. Spitzer and N. Piper, “Retrenched and returned: Filipino migrant workers during times of crisis”, *Sociology*, 48(5):1007–1023.

⁹⁰ C. Loschmann and M. Siegel, “Revisiting the motivations behind remittance behavior: evidence of debt-financed migration from Afghanistan”, *Migration Letters*, 12(1):38–49.

⁹¹ D. Mosse et al., “Broken livelihoods”.

⁹² Ibid.

Interestingly, in response to this study, Mosse suggests the need for low-interest microfinance – which is now being accused of causing some of the very same circumstances of over-indebtedness and distress migration.

recent studies of migrant indebtedness, which likewise suggest that where migrant earnings are primarily diverted to debt repayment, migration may be more extractive than developmental.⁹³

While research a decade ago offered little evidence that remittances were primarily being used to repay their debts, more recent research demonstrates that, in at least some contexts (particularly in Cambodia), this dynamic has grown considerably. For instance, in an ILO study by Jampaklay et al. published in 2009, less than 7 per cent of Cambodian and Myanmar migrants reported using remittances to repay their debts, and less than 1 per cent of Laotians surveyed likewise did so. In comparison, recent survey data from Cambodia has found that debt repayment is the most common use of remittances, with more than 40 per cent of rural remittance-receiving households reporting that remittances were used to pay off debts.⁹⁴ The survey data presented in this report confirms and expands upon these findings (see Section 5).

4.5. The impact of debt on sustainable return

Both globally and within the South-East Asian context, little research has considered the role of debt in shaping sustainable return. What we know primarily comes from studies that were either broadly concerned with debt and indebtedness, or narrowly focused on other socioeconomic issues, but which tangentially mentioned issues of debt. At any rate, recent work flags the growing importance of these questions for further study. For instance, the recently published ILO–IOM Risks and Rewards report argues that indebtedness has a powerful association with other negative return outcomes, essentially suggesting that migrants who returned home in debt experience worse return outcomes across other indicators than those who faced similar problems but were not indebted on return. The same was true for being unemployed. As the report notes, while the “number of migrants who experienced these two issues was relatively small ... for those who did, the negative effect was quite large.”⁹⁵

While data remains limited, there are good reasons to suspect that debt is of critical importance in shaping sustainable return, as it shapes outcomes across economic, social and psychosocial dimensions, and also has clear potential to shape remigration aspirations. Conceptualizations of sustainable return routinely include some measure of debt and indebtedness in their discussions of the economic dimension of sustainable return, as having a high debt balance (relative to income) is itself an indicator of financial vulnerability. High debt burden may make it difficult to establish secure livelihoods, cause returnees to take up less desirable (but more immediately available) work, or incentivize the sale of productive assets, thereby drawing down resources that might otherwise be put to more sustainable, income-generating projects.

⁹³ D. Stoll, *El Norte or Bust?*; M.M. Rahman, “Migrant indebtedness”; and M. Platt et al., “Debt, precarity and gender”.

⁹⁴ OECD and Cambodia Development Research Institute (CDRI), *Interrelations between Public Policies, Migration and Development in Cambodia* (Paris, OECD, 2017). Available from www.oecd-ilibrary.org/development/interrelations-between-public-policies-migration-and-development_9789264265615-en

⁹⁵ B. Harkins, D. Lindgren and T. Suravoranon, *Risks and Rewards*, p. 24.

Moreover, debt is also clearly connected to the social – and psychosocial – dimension of sustainable return. Across the region, there is clear evidence that debt can increase conflicts and strain within families and relationships,⁹⁶ incentivize children to leave school or enter the labour force early,⁹⁷ and limit participation in social life. Debt may also make it difficult to pursue legal claims where there are considerable monetary or time costs involved in doing so, thus limiting access to justice. Similarly, while research on the impact of debt on mental health is in its infancy in the region, there is clear evidence that debt is associated with stress, anxiety and other detrimental physical and mental health outcomes.⁹⁸ Given the negative cultural and religious associations with indebtedness across South-East Asia, migrants who return home with debt may be more likely to experience shame, embarrassment, gossip and/or discrimination in the communities they return to. They may also experience direct harassment, threats, abuse and/or violence from lenders in case they struggle to repay loans. The social and psychosocial impacts of debt may be particularly challenging for women, who are often responsible for household finances and budgets. Women are also more likely to be primary borrowers (and lenders) in their households, even as debts are shared. Thus, women may be more likely to experience the stress and/or anxiety associated with debt repayment and are more likely to experience harassment and abuse from lenders. As borrowers, women are also often targeted for interventions and training, adding to the burden of unpaid work that they are often asked to do by development organizations.

Table 2. Dimensions of sustainable return

Dimension	Possible indicators	Possible risks associated with indebtedness on return
Economic	<ul style="list-style-type: none">• Employment or source of income• Reliability of income• Risk diversification• Self-perception of economic struggles• Asset ownership (e.g. home and/or land)• Debt-to-income ratio• Food security	<ul style="list-style-type: none">• Creates an incentive for “quick money” rather than waiting for the right opportunity• Draws down resources that might otherwise be put into more sustainable, income-generating projects• Incentivizes the sale of productive assets• May lead to an increase in or recycling of debt, particularly prior to establishing employment• May lead to a reduction in the quality or quantity of food consumed• May limit the ability to negotiate other crises

⁹⁶ E. Surtees et al., “At home: Family reintegration of trafficked Indonesian men”.

⁹⁷ The Asia Foundation and ILO, *Migrant and Child Labor in Thailand’s Shrimp and Other Seafood Supply Chains: Labor Conditions and the Decision to Study or Work*, final report (Bangkok, The Asia Foundation and ILO, 2015), available from <https://asiafoundation.org/resources/pdfs/MigrantChildLaborinThailandShrimpandOtherSeafoodSupplyChains.pdf>

⁹⁸ J. Jarl, “Trauma and poor mental health in relation to economic status: the case of Cambodia 35 years later”, *PLoS ONE*, 10(8):e0136410, available from <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0136410>; S.R. Meyer et al., “Labor migration and mental health in Cambodia”; and E. Sweet et al., “The high price of debt: Household financial debt and its impact on mental and physical health”, *Social Science & Medicine*, 91:94–100.

Dimension	Possible indicators	Possible risks associated with indebtedness on return
Social/Cultural	<ul style="list-style-type: none"> • Support networks • Participation in local activities • Self-perception of personal life • Adequate housing • Access to social protection and other public services • Access to justice and effective legal remedies • Access to health services • Access to education for school-age children 	<ul style="list-style-type: none"> • Increases the likelihood of conflict within families or relationships • Incentivizes the sale of assets/properties (such as a home or land) • Incentivizes child labour • Limits children's access to education • Limits participation in social life • Limits the potential to pursue legal claims
Psychosocial	<ul style="list-style-type: none"> • Perceived safety in one's home • Perceived safety in one's community • Trust in the government • Non-discrimination • Depression, anxiety or distress (if any) 	<ul style="list-style-type: none"> • Feelings of shame or embarrassment • Discrimination from and gossiping by community members • Potential for harassment and/or abuse from lenders
Intrapsychic	<ul style="list-style-type: none"> • Aspirations to remigrate • Possibility of remaining in the country of origin • Intention to remigrate safely and with dignity 	<ul style="list-style-type: none"> • Incentivizes remigration, including through irregular channels (due to the lower cost) • May compel migration

Source: Based on K. Koser and K. Kuschminder (2015), Samuel Hall and IOM (2017), and Kleist (2017).

Finally, to the extent that return migration – or compelled return migration – is antithetical to sustainable return, indebtedness may also pose a direct challenge to sustainable return. For instance, in Afghanistan, Schuster and Majidi found that among deportees from Europe, reintegration is made “difficult, if not impossible” in part by the difficulty of repaying migration-related debt, coupled with a lack of economic opportunities back home.⁹⁹ As the authors state, the combination of deportation and debt generates “a crisis that must be resolved” – often through remigration.¹⁰⁰ Given the lack of economic opportunities in their origin countries, if deportation occurs when migrants and asylum seekers are still indebted for migration costs, there are powerful incentives for remigration, even where it means taking on more debt – and doing so under risky conditions. These findings have resonance in South-East Asia, despite the significant differences in context. Although Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam are experiencing strong economic growth, decent work is often inaccessible to returnees in rural areas. Where migrants return to economically marginalized and environmentally precarious rural areas with large debts, there are strong incentives for remigration, or for the subsequent migration of other family members.

⁹⁹ L. Schuster and N. Majidi, “What happens post-deportation?”

¹⁰⁰ See also: I.V. Small, “Embodied economies”.

The economic, social and psychosocial aspects of indebtedness may work together to exacerbate the negative outcomes of debt. Returnees struggling to pay off their debts may experience social marginalization that limits their potential to find decent work in their home communities. Similarly, in cases where debt produces a high degree of psychological stress (e.g. anxiety or depression), individuals may find it doubly hard to extricate themselves from debt. Even where individuals receive assistance from government- or NGO-run reintegration programmes, debt can pose a persistent challenge to financial stability.¹⁰¹

¹⁰¹ For an example, see: D. Spitzer and N. Piper, "Retrenched and returned".



Aunt Aye Aye had to leave her job because of the 55 year-old age limit. Her husband passed away last year and her father this year. Due to a health problem, Aunt Aye Aye now relies solely on her long-time friend who lives next door. Her neighbours often share their food with her each day.

A big sister to three and mother to one, 18-year-old Thida lives with her family on a palm plantation in Ranong, Thailand. The family of six lives on THB 3,500 earned by her mother each month. Her father now lives in Kawthaung, as he is over 55 and cannot be employed in Thailand anymore. Once her 6-month-old son is old enough, Thida dreams to get a job which allows her to use the Thai and Burmese languages.

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5. SURVEY FINDINGS

5.1. Overview

This section of the report details findings from the Risks and Rewards study, highlighting empirical patterns related to themes presented in the literature review. Notably, the survey did not ask about the initial reasons for migration, thus the extent to which migrants across the region may be migrating in response to over-indebtedness is not answerable through the Risks and Rewards data. However, the data illustrate the high costs of migration, the prevalence of loans to finance migration costs and the degree to which these two are related. The findings also underscore the specific challenges that migrants using regular recruitment channels face. On average, regular migrants take out larger loans and with less favourable terms. Such loans are also associated with longer repayment timelines. Moreover, the data illustrates the frequency with which return migrants continue to cope with migration-related debt; the broad forms of financial and social insecurity returnees face; the contexts where migrant debt is most problematic; and the relationships between indebtedness and other aspects of sustainable return. In Section 6 of the report, we build upon and expand these findings through the presentation of case studies of migrants and returnees.

5.2. Returned migrants at a glance

Table 3 shows some characteristics of the returnee sample. Just under half (approx. 49%) of returnees surveyed were women, and all were between the ages of 18–45. Notably, the sample excluded young adults, children and older workers, who make up a large share of the migrant population in Thailand. The sample has even representation from each of the four origin countries, but is heavily drawn from migrants returning from Thailand, who make up more than three quarters (approx. 79%) of the sample. Half (50%) of all returnees reported working in either manufacturing or construction, with smaller populations working in hospitality, agriculture, fisheries/fish processing and domestic work. The vast majority (73%) of returnees migrated through irregular channels (by either using informal brokers or migrating independently, or by following friends and family), with the remaining 26 per cent using regular recruitment channels (i.e. through recruitment companies, or as direct hires by employers in destination countries). In the remainder of this report, we use “regular migration” and “regular migrant” to describe those who migrated through legal, formalized channels, and “irregular migration” and “irregular migrant” to describe those who migrated through otherwise means. The nexus between migration channel and legal status, however, are not always neat. In theory, all regular migrants should have legal status to both stay and work in their destination countries. However, there have been cases of legal recruitment companies sending workers abroad without appropriate documentation, using fake passports, invalid work visas and the like in lieu. Similarly, not all irregular migrants are undocumented. In fact, many aspiring migrants cross borders on tourist visas, with border passes or through other legal means, with appropriate documentation. Thus, they may have legal status for an initial period, minus the right to work.

In addition, given amnesty programmes in destination countries, some “irregular migrants” can gain (or regain) the appropriate documents and legal status (see **In Focus: Routes to legal status in Thailand** in Section 6).

Table 3. Characteristics of return migrants

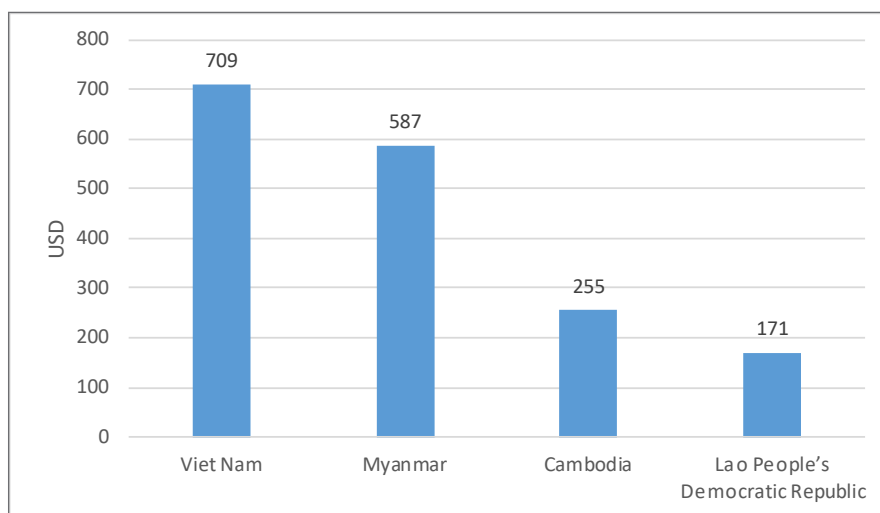
	Percentage of respondents (N = 1,808)
Female	48.8
Age	
18–20	6.6
21–25	19.8
26–30	25.4
31–35	21.0
36–40	15.5
41–45	11.7
Country of origin	
Cambodia	25.3
Lao People’s Democratic Republic	24.9
Myanmar	24.9
Viet Nam	24.9
Destination	
Thailand	78.5
Malaysia	21.5
Work sector	
Domestic work	10.6
Fisheries/Fish processing	10.1
Agriculture	13.1
Manufacturing	29.2
Construction	20.9
Hospitality/Food service	16.0
Migration channel	
Regular	26.8
Irregular	73.2

Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

5.3. Migration costs and the role of debt in financing migration

The costs of migration in the region range widely, with some channels reaching concerning levels (Figure 2). Across the four sending contexts, Vietnamese paid the highest migration costs, with the average migrant paying USD 709. In contrast, the average cost reported by Myanmar migrants was USD 587; the average cost paid by Cambodian migrants, USD 254; and the average cost among Laotians, only USD 170. In general, migrants paid these costs with savings, by selling or pawning assets, by taking out loans, by opting for a wage deduction payment scheme, or some combination of these (Table 4).

Figure 2. Average migration cost by country of origin



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Table 4. Means of financing migration

Means	Percentage of respondents (N = 1,808)
Loans	42
Savings	52
Wage deductions	12
Selling or pawning assets	7
Others	5

Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Note: Respondents could report more than one means of financing migration; thus, the total does not equal 100 per cent.

These averages obscure important distinctions between migrants using different migration channels, and in different migration destinations and sending contexts. For instance, migrating to Malaysia was generally costlier than migrating to Thailand (regardless of migration channel). This explains the high migration costs paid by Vietnamese migrants, who were more likely to migrate to Malaysia than migrants from other countries. Similarly, moving through regular channels was far costlier than migrating through irregular channels (Table 5). On average, a Myanmar migrant moving through regular channels would pay USD 794, while the same migrant moving through irregular channels would only pay USD 536. The difference was even larger among Cambodian and Vietnamese migrants. On average, regular migrants from Cambodia paid USD 425 more than those moving through irregular channels, and Vietnamese regular migrants paid USD 969 more than those moving through irregular channels. The only exception to this pattern was Laotian migrants, who paid similar costs through either type of channel. This may be due to the relatively higher share of Laotians who are directly recruited by employers. Of the 19 Laotians (out of a total of 450 migrants) who reported migrating through regular channels, 15 were directly recruited by employers.

Table 5. Average migration cost and debt by country of origin and migration channel

	Myanmar		Cambodia		Lao People's Democratic Republic		Viet Nam	
Migration channel	Regular	Irregular	Regular	Irregular	Regular	Irregular	Regular	Irregular
Average migration cost (USD)	794	536	548	123	164	171	1,172	203
Percentage who used loans to finance migration	46.1	36.7	42.3	50.5	5.3	28.5	91.1	9.8
Percentage who used wage deductions to finance migration	18.0	14.6	45.8	7.0	79.0	11.8	0.0	0.0
Percentage who used <i>either</i> wage deductions or loans to finance migration	60.7	49.5	72.5	55.2	84.2	40.4	91.1	9.8
N	89	362	142	315	19	431	235	215

Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Table 5 highlights several ways that migration financing varies across contexts; such differences are a function of varying degrees of access to credit, costs of migration and recruitment standards. For instance, in Myanmar, taking out a loan to finance migration was slightly more common among regular migrants, while wage deductions were used in similar frequencies by regular and irregular migrants. In Cambodia, both loans and wage deductions were about equally common options among migrants using regular channels. On the other hand, Cambodian migrants moving irregularly rarely opted for wage deductions, but routinely took out loans.

Laotians moving through regular channels primarily opted for wage deductions and rarely took out loans, and even those moving through irregular channels took out loans at lower rates than their Myanmar and Cambodian counterparts. Vietnamese migrants reported no use of wage deductions, but among those moving through regular channels, loans were nearly universal. In comparison, Vietnamese irregular migrants rarely financed their migration through loans. Across the four countries of origin, migrants who took out loans to finance their migration were most likely to source such loans from friends, family and informal moneylenders. However, a significant proportion of Cambodian migrants who took out migration loans sourced them from MFIs (14%, not shown).

Table 6 further details differences in borrowing behaviour between regular and irregular migrants. At the regional level (not shown), the data suggests that migrants who moved through regular channels were significantly more likely than those who moved irregularly to take out a loan (65.2% versus 33%). Among those who took out a loan, regular migrants borrowed substantially greater amounts and with less favourable terms than irregular migrants did. Those who borrowed money to finance regular migration reported a median loan amount of USD 1,119. In contrast, irregular migrants who took out loans reported a median loan amount of USD 184.¹⁰² Regular migrants were also more likely to agree to less amenable loan terms. While the typical irregular migrant took out a loan with zero interest (often from friends and family), the regular migrant typically took out a loan at a much higher interest rate (the median annual interest rate was 21%).¹⁰³ Regular migrants were also more likely to take out loans requiring collateral, particularly in the form of homes and land. Finally, loans taken out by regular migrants took far longer to repay. For instance, the typical irregular migrant repaid his/her loan in three months, while the typical regular migrant took 11 months to accomplish the same.¹⁰⁴ In both groups, a small percentage of those who took out loans reported returning home prior to their full repayment – a situation more commonly reported by irregular migrants (11% versus 6% of regular migrants).

¹⁰² The distribution of the total amount borrowed is negatively skewed among migrants who used regular channels (a small proportion paid almost nothing, bringing the average down), and positively skewed among migrants who used irregular channels (a small proportion paid very high costs, bringing the average up). Given this, the median offers a better snapshot of the “typical” loans taken by migrants within each group. Among those borrowing to finance migration, the mean loan amount taken by migrants who used regular channels is USD 933, and the mean amount borrowed by migrants who used irregular channels is USD 291.

¹⁰³ Interest rates are strongly positively skewed, making the average interest rates misleading in terms of typical experiences. For instance, the average interest rate among irregular migrants is 64 per cent, nearly twice as high as the average interest rate reported by regular migrants. However, this figure is skewed by a small fraction of individuals (less than 3%) who reported interest rates of over 200 per cent, and a larger (but still small) percentage reporting interest rates of over 100 per cent up to 200 per cent. The distribution of loan interest rates among regular migrants is less strongly skewed, with a small percentage of migrants (10%) reporting loan interest rates of over 100 per cent.

¹⁰⁴ On average, regular migrants repaid their loans in 11 months, while irregular migrants repaid theirs in five months. The latter distribution is positively skewed, making the median a more illustrative measure of central tendency.

Table 6. Debt-financed migration by migration channel (among those with migration loans)

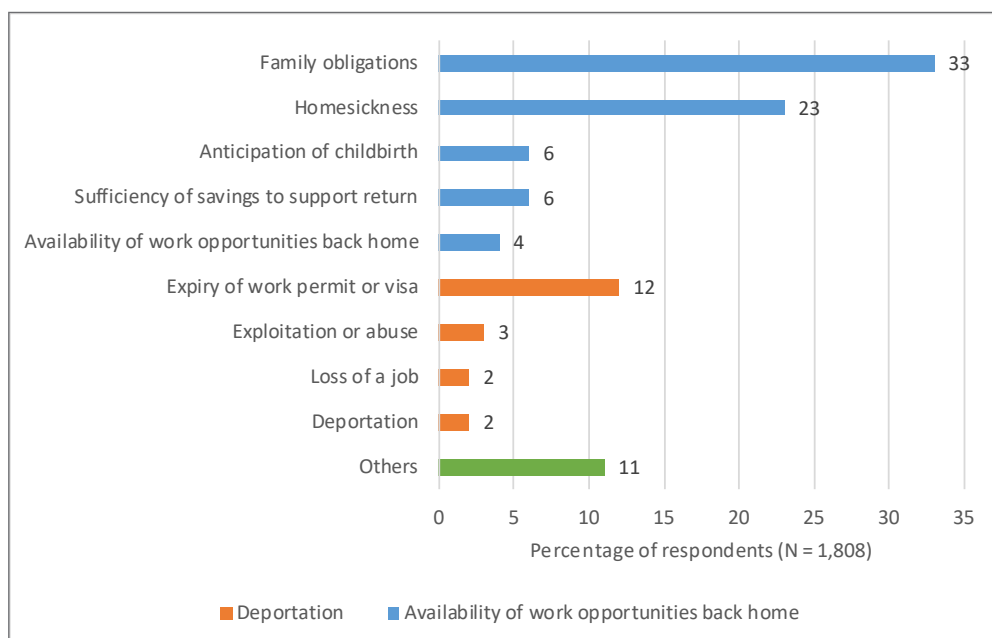
	Migrated via regular channels	Migrated via irregular channels
Median amount borrowed (USD)	1,119	184
Percentage of loans with an interest	55.4	44.0
Median annual interest rate (%)	21	0
Percentage who gave collateral (house or land) on a loan	26.0	7.8
Percentage who gave collateral (any) on a loan	28.2	12.6
Median time it took to repay a loan (months)	11	3
Percentage who returned prior to repayment of the migration loan	6.0	11.2
	N = 316	N = 436

Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

5.4. Reasons for return

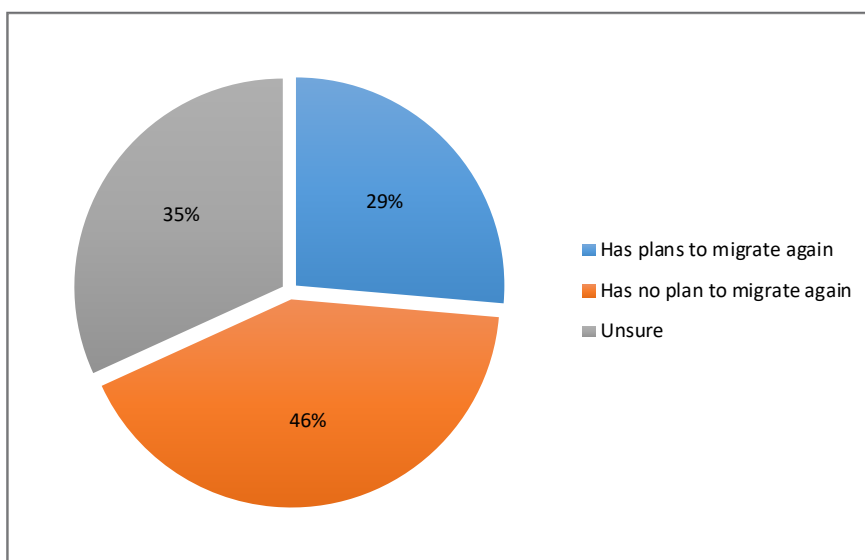
Broadly speaking, the Risks and Rewards study suggests that migrants return for personal, family and situational reasons, and often have aspirations for remigration (Figure 3). Only 10 per cent of returnees reported returning home because they had either saved enough money (6%) or had work opportunities back home (4%). In contrast, the most common reasons for return were social and psychological. A full third of returnees reported that their primary motivation for returning home was “family obligations,” with another 23 per cent reporting homesickness for the same. More than one in six returnees reported involuntary return, most commonly due to the end of their work permits and/or visas (12%). Only 2 per cent returned due to deportation, while another 5 per cent returned due to the loss of a job or exploitation and/or abuse.

Figure 3. Reasons for return



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Figure 4. Plans to remigrate for work within the next two years of the survey



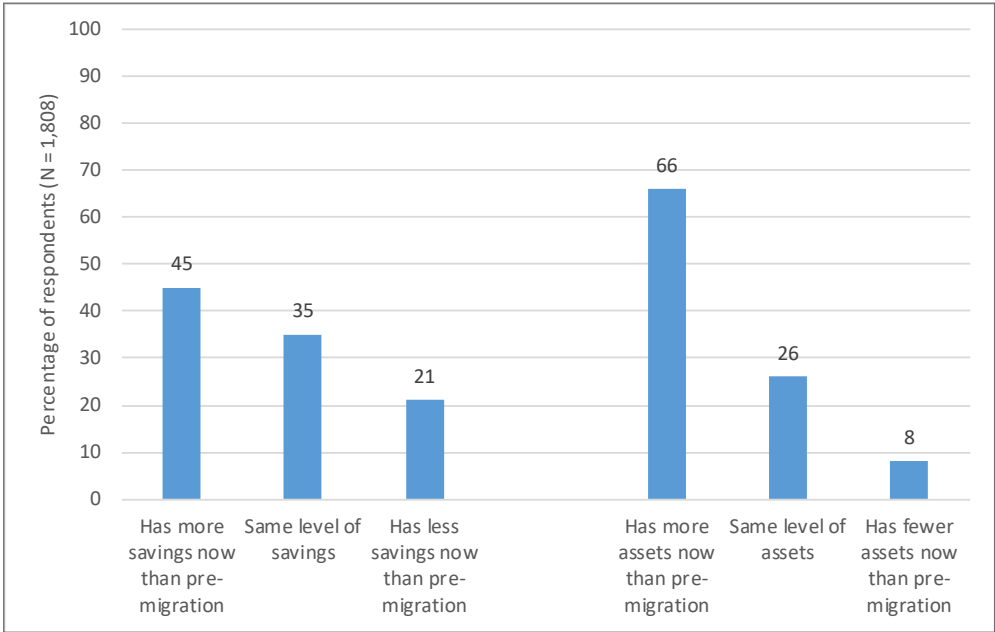
Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Just under half of those surveyed (46%) reported having no aspirations to migrate again for work within the next two years of the survey (Figure 4); 29 per cent reported having clear aspirations for remigration; and 35 per cent were unsure. While involuntary returnees, on the whole, were no more or less likely to report a plan to migrate again, there is some data to suggest that some reasons for return are associated with lower levels of remigration aspirations. For instance, among those returning due to the availability work opportunities back home, 74 per cent reported having no intentions of remigrating (not shown). Those most likely to report having remigration aspirations were returnees who had come home due to a lost job, 60 per cent of whom desired to migrate again (not shown).

5.5. Social and financial challenges on return

Return migrants experienced uneven gains from migration (Figure 5). For instance, while a sizeable share of return migrants (45%) reported having increased their savings through migration, the majority reported either no change in their savings level (35%) or a decline in their savings since migrating (21%). This finding raises concerns about the potential of migration to support development in a more sustained manner. A larger share of return migrants reported increasing their assets through migration (66%), with 26 per cent reporting no change, and 8 per cent reporting a decrease in their assets since migrating.

Figure 5. Post-migration savings and asset situation



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

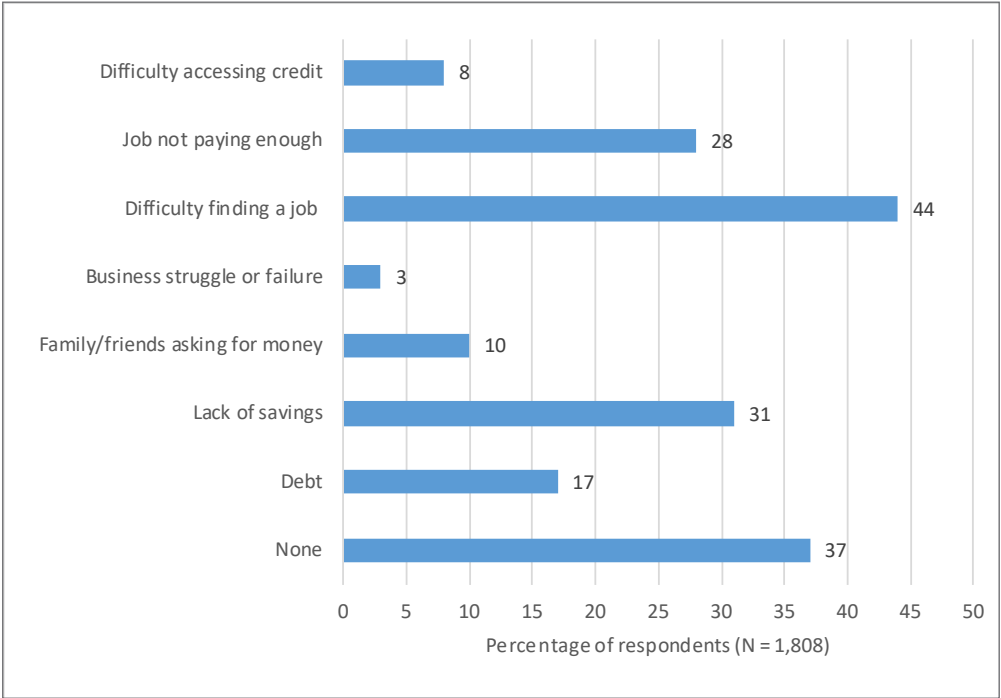
Returnees reported a wide range of economic challenges post-migration (Figure 6). Some 63 per cent of returnees reported one or more financial challenges post-return, including the difficulty of finding a job (44%), inadequate earnings (38%), a lack of savings (31%) and being in debt (17%). Smaller numbers of returnees faced difficulty accessing credit, struggling or failing businesses, and requests for money from friends and family. These financial difficulties were notably not evenly distributed among returnees. For example, there were wide differences among returnees from the four origin countries, with returnees from Cambodia and Myanmar reporting significantly more financial challenges than their counterparts from Lao People's Democratic Republic and Viet Nam (Figure 7). While only 17 per cent of all respondent returnees were indebted, 35 per cent of Cambodian returnees returned indebted, compared to 14 per cent of returnees from Myanmar and 9 per cent from either Viet Nam or Lao People's Democratic Republic. Similarly, Cambodian returnees were most likely to report a lack of savings on return. Overall (i.e. considering all four origin countries), 31 per cent of returnees reported a lack of savings on return, with 57 per cent of Cambodian returnees reporting the same.¹⁰⁵ Myanmar returnees were only moderately more likely to report having debts (as compared to Laotian and Vietnamese returnees); however, they appeared to return home in more financially insecure positions. Nearly half (49%) of migrants from Myanmar reported returning home with lower levels of savings than they had prior to migrating.¹⁰⁶ It is worth noting that these figures paint quite a different picture than the recently published IOM flow monitoring survey data,¹⁰⁷ collected at the Thailand–Myanmar border between June and August 2018. **In Focus: Insights from IOM's flow monitoring surveys (round 1) at the Thailand–Myanmar border** outlines these data and highlights key findings pertaining to Myanmar return migrants. Overall, IOM's flow monitoring data suggest a more optimistic picture of Myanmar migration, with lower reported migration costs and a lower incidence of self-reported financial insecurity on return. For instance, while the Risks and Rewards data suggest that 49 per cent of Myanmar returnees experienced a decrease in savings post-migration, IOM's flow monitoring data reported only 8 per cent of return migrants in this situation. While it is possible that these surveys captured systematically different return populations, it may also be the case that return migrants, in general, were in fact able to save and improve their financial standing by the time of return, only to deplete these gains in the months following their return (when the Risks and Rewards study was conducted). The disparities between these data sources highlight the need for a better understanding of return, reintegration and financial security that accounts for changes over time.

¹⁰⁵ B. Harkins, D. Lindgren and T. Suravoranon, *Risks and Rewards*, p. 82.

¹⁰⁶ *Ibid.*, p. 78.

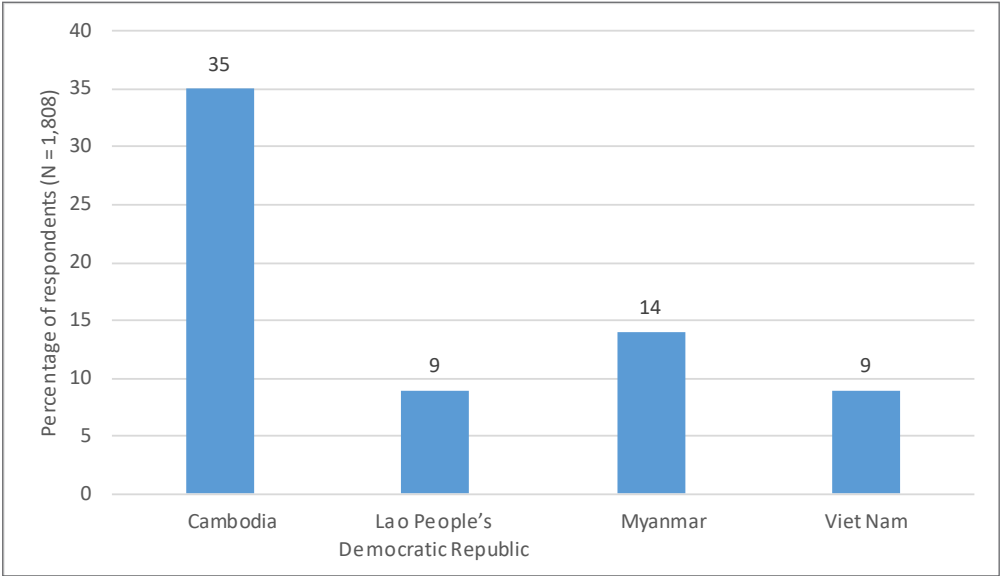
¹⁰⁷ IOM, "Flow monitoring surveys: Insights into the profiles and vulnerabilities of Myanmar migrants to Thailand", report (Bangkok, IOM, 2018), available from <https://thailand.iom.int/flow-monitoring-surveys-insights-profiles-and-vulnerabilities-myanmar-migrants-thailand>

Figure 6. Financial challenges experienced on return



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Figure 7. Returnee indebtedness by country of origin



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

In Focus: Insights from IOM's flow monitoring surveys (round 1) at the Thailand–Myanmar border

Between June and August 2018, IOM Thailand surveyed 1,046 returning Myanmar migrant workers at the Thailand–Myanmar border during the first round of data collection. In many ways, these initial flow monitoring survey data highlight similar themes as the Risks and Rewards data. On average, these returning migrants had paid USD 282 for their migration,¹⁰⁸ with the majority financing these costs through personal savings (38%), wages or income (32%), or loans from friends and family in Myanmar (28%). A smaller number borrowed from moneylenders (11%), friends and family in Thailand (7%), recruitment agencies (6%) or brokers (4%). In addition, 7 per cent sold assets to finance migration costs. Only a small fraction had moved under a Thailand–Myanmar MoU employment contract¹⁰⁹ (10%) and nearly half (49%) had no documentation whatsoever.

Almost half of returning migrants (49.4%) reported that they earned less than the median minimum wage while in Thailand, and 20 per cent reported facing at least one problem in the workplace. The most commonly reported workplace problems were psychological stress (27%), long working hours (15%) and unsafe working conditions (11%). Women were less likely than men to earn at least the median minimum wage.

The majority of returning Myanmar migrants reported that their savings had increased and that their financial situation had improved from pre- to post-migration. However, a minority of returning migrants reported that their financial situation had worsened, and that they had less savings post-migration than pre-migration (refer to Figures 8 and 9). Sectors where migrants most often reported that their financial situation had worsened include agriculture and forestry, followed by domestic work and construction work. Among those reporting that their financial situation had worsened (8% of the sample, with multiple answers possible):

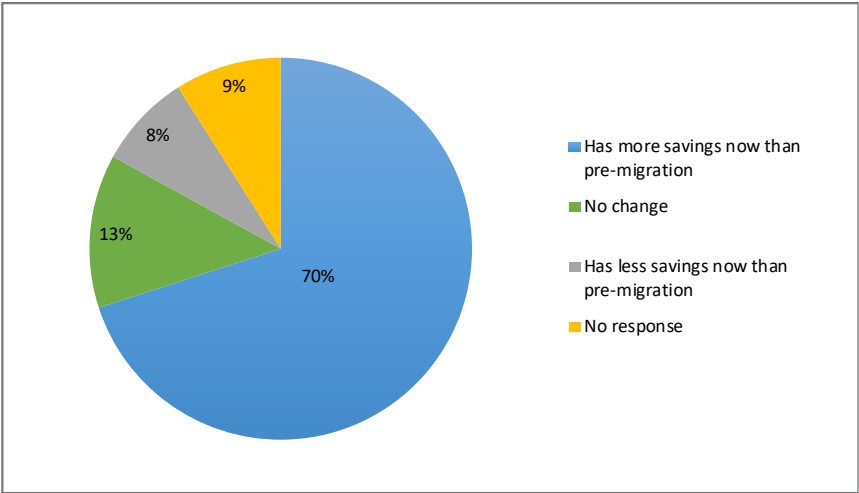
- (a) 78 per cent stated that they were not able to make enough money during their migration project
- (b) 16 per cent stated that they were not able to find a good job
- (c) 13 per cent said they had debts upon their return

In addition, more than a third (35%) of returnees expected to face challenges on return, and 41 per cent reported aspirations to migrate again.

¹⁰⁸ IOM, "Flow monitoring surveys," p. 139.

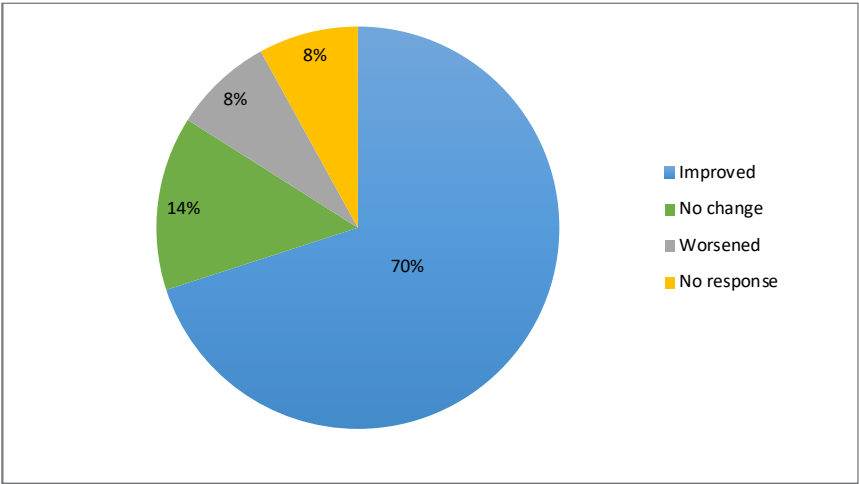
¹⁰⁹ The 2016 Memorandum of Understanding (MoU) between the Government of the Kingdom of Thailand and the Government on the Union of Myanmar on Cooperation in the Employment of Workers was signed by the two countries in an effort to expand bilateral labour cooperation and facilitate Thailand's recruitment of workers from Myanmar. Both sides have put necessary measures to ensure that recruit and employment processes, including the repatriation of workers to Myanmar at the end of their contract terms, are carried out appropriately, and that these workers are provided with protection under Thai labour law. The full text of the agreement is available from www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/genericdocument/wcms_160932.pdf

Figure 8. Savings situation after migration



Source: IOM Thailand, Flow monitoring surveys (round 1).

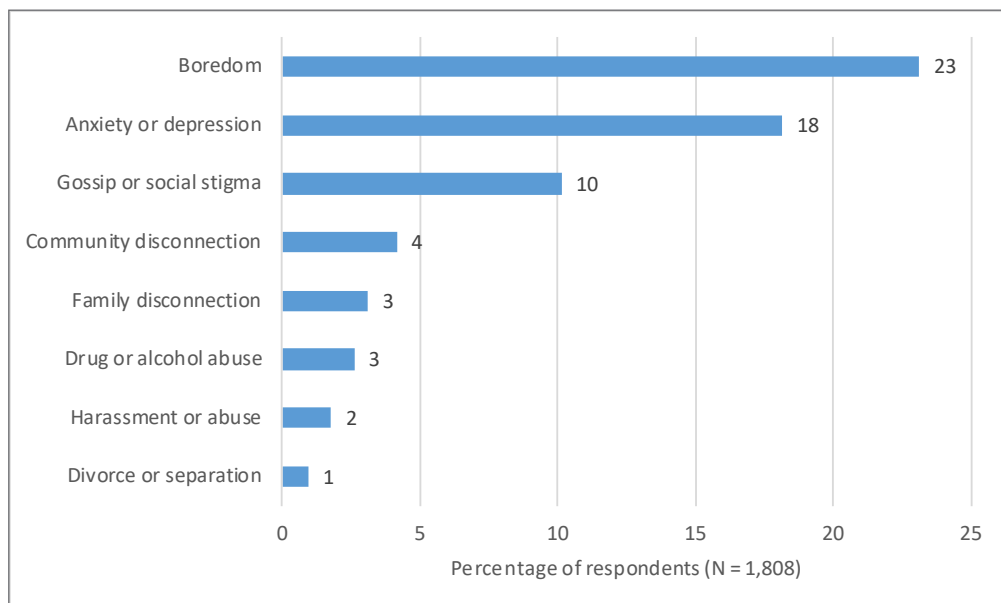
Figure 9. General financial situation after migration



Source: IOM Thailand, Flow monitoring surveys (round 1).

In addition to asking about economic challenges, the Risks and Rewards survey asked returnees about a range of social and psychological challenges (Figure 10). Approximately one in three returnees reported experiencing social and psychological challenges – far less commonly than they reported experiencing economic challenges –the most common being boredom (23%) and anxiety or depression (18%).

Figure 10. Social challenges experienced by returnees

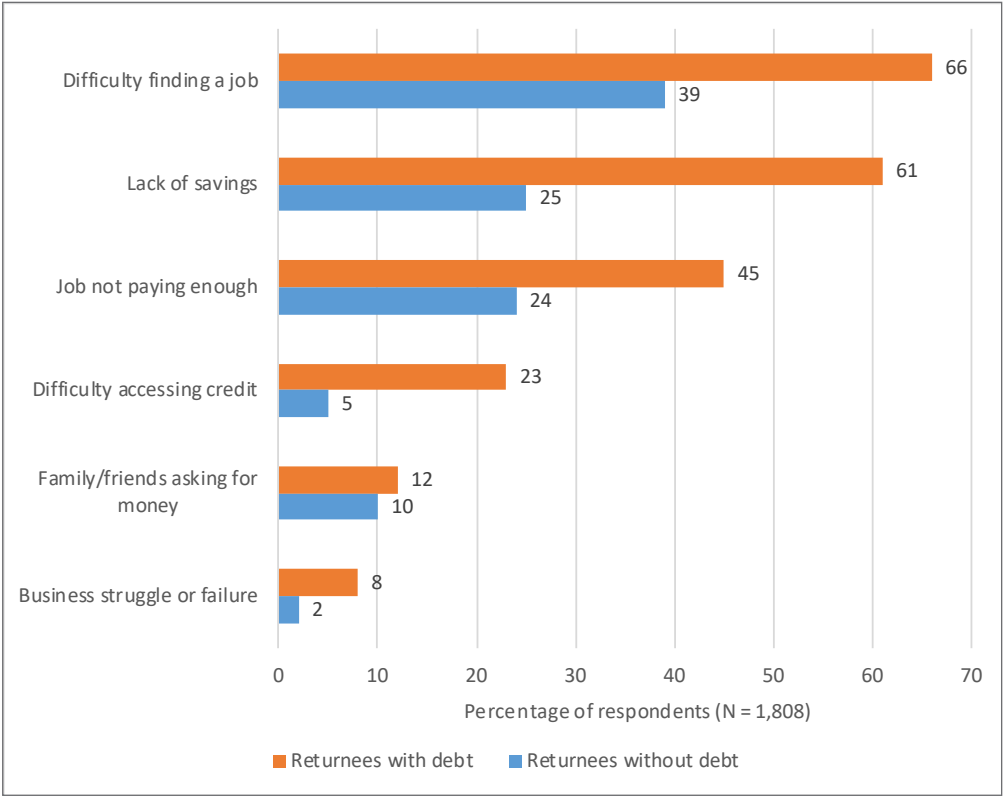


Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

5.6. Differences between indebted and unindebted returnees

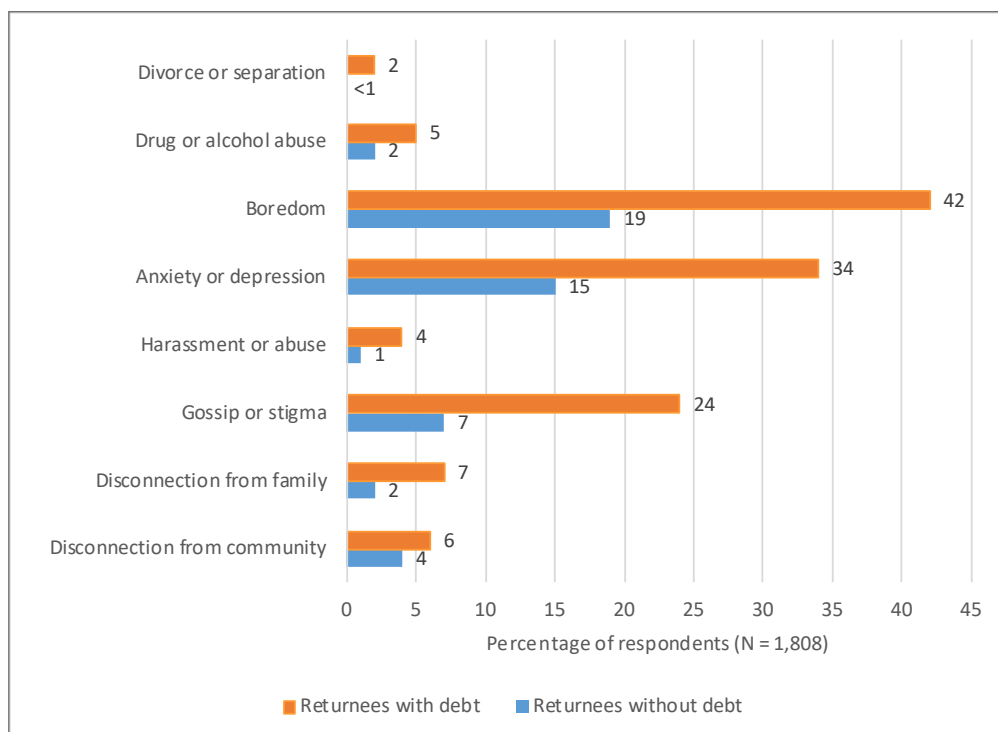
Indebted returnees were significantly more likely to report nearly every type of social or economic challenge asked about in the survey, suggesting that debt is related to other struggles (Figures 11 and 12). Indebted returnees were more likely to report that they lacked savings; felt that their job was inadequately paid; were having difficulties finding a job and accessing credit; or were running a struggling or failing business. The finding on credit access is particularly important, and the reported difficulty may have less to do with credit availability per se than with personal credit histories and lenders' perceptions of borrowers' creditworthiness. These patterns should not necessarily be read as causal. While it may be that debt negatively impacts the success of a business venture or the potential to find decent work, it is just as likely that, conversely, debt is the result of other struggles. For instance, business failure could necessitate taking on debt; likewise, struggling to find a job may result in borrowing.

Figure 11. Financial challenges experienced by returnees, by indebtedness



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Figure 12. Social challenges experienced by returnees, by indebtedness

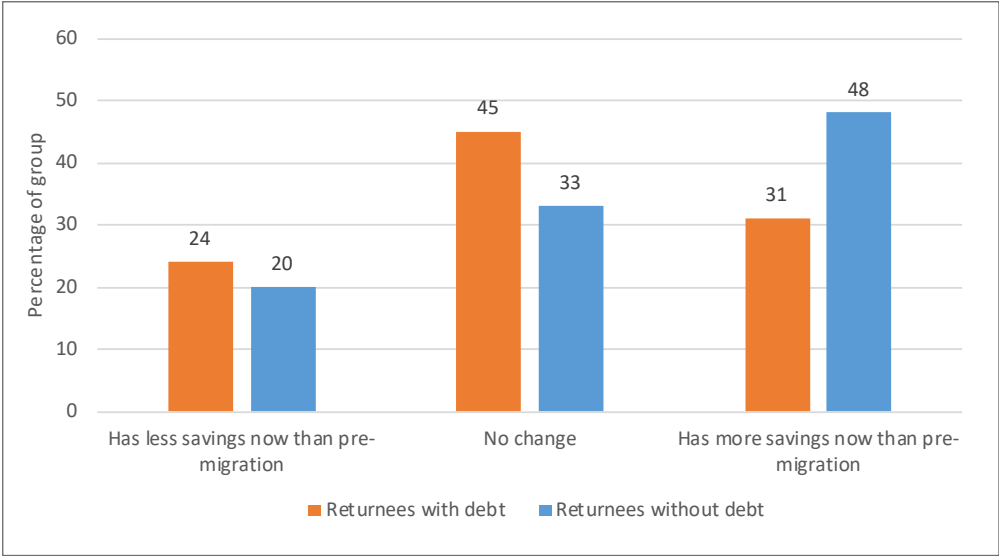


Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Indebted returnees were more likely to report social and psychological struggles on return. In comparison to returnees who did not report having any debt, 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 in the home; suffering from boredom; abusing drugs and/or alcohol; or undergoing divorce or separation. Indeed, the only social outcome where there was no difference among indebted and non-indebted returnees was physical disability (zero respondents; not shown in Figure 12).

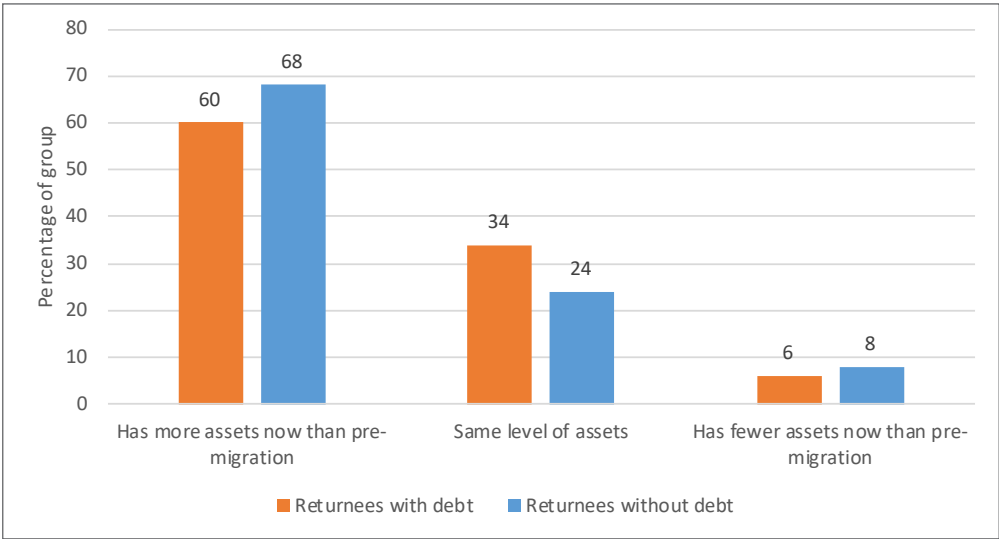
In addition, the data suggests that indebted returnees are worse off than their unindebted counterparts across a range of other indicators. For instance, indebted respondent returnees were less likely to report increases in either savings or assets, compared to pre-migration levels (Figures 13 and 14). Similarly, indebted respondent returnees were less likely to working in a higher-skilled job than they held prior to migration (Figure 15). These findings could relate to debt pressures, which may incentivize finding work quickly over finding the best employment or livelihood fit. Indebted returnees were also significantly more likely to report planning to migrate again within the next two years of the survey compared to non-indebted returnees (41% versus 27%, respectively (Figure 16)).

Figure 13. Post-migration savings situation, by indebtedness



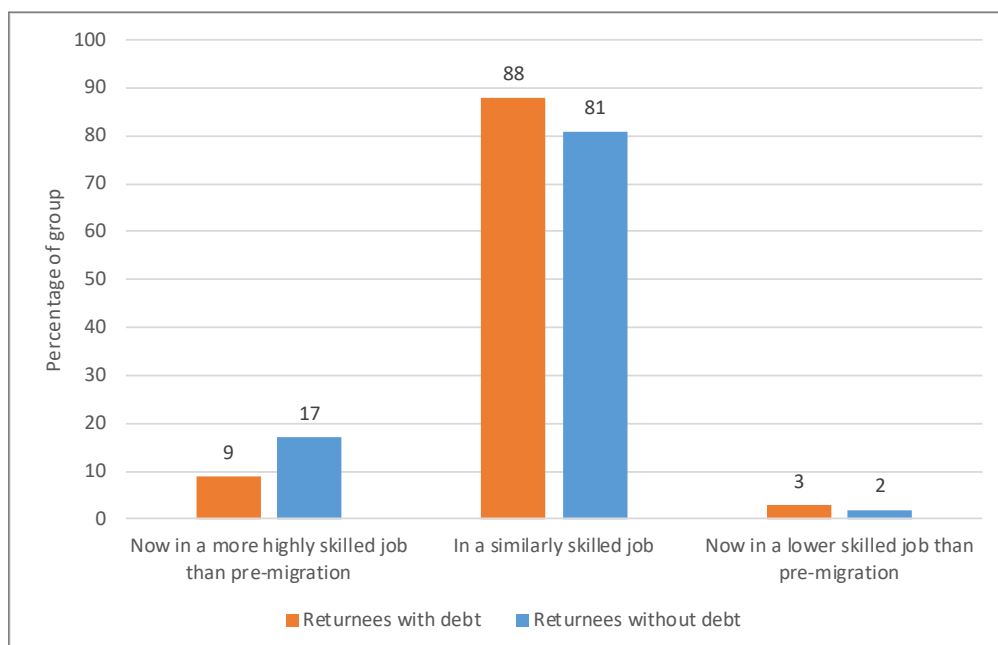
Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Figure 14. Post-migration asset situation, by indebtedness



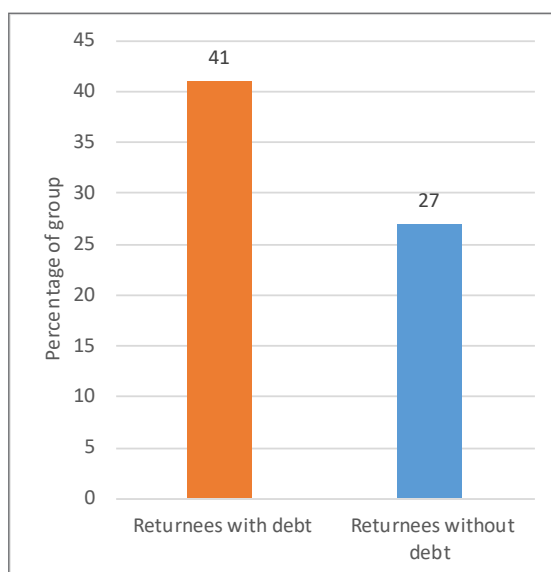
Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Figure 15. Post-migration work skill level, by indebtedness



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Figure 16. Remigration plans, by indebtedness



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

5.7. Financial insecurity among return migrants

Table 7 explores patterns of financial insecurity disaggregated by selected characteristics (namely, gender and country of origin) and key aspects of the migration experience (country of destination, migration channel, primary cause of return and source of migration financing). The various categories of return migrants (i.e. migrants grouped based on their characteristics and aspects of their migration experiences) are compared in terms of the percentage that had: (a) debts on return, (b) a lack of savings on return and (c) lower levels of savings on return than prior to migrating. Some 19 per cent of women return migrants reported being indebted on return (the remaining 81% did not). By comparison, 15 per cent of men reported being indebted on return, suggesting that women were only marginally more likely than men to report being indebted on return. Men and women were similarly likely to report a lack of savings (32% of women versus 31% of men) or a lower level of savings post-migration (19% of women versus 23% of men). Together, these data suggest a lack of clear gender differences in the financial insecurity of returnees.

Table 7. Financial insecurity among return migrants

Migrant group, by selected characteristics and aspects of the migration experience	Percentage of respondents who...		
	...returned in debt	...lacked savings on return	...had less savings than pre-migration
Gender			
Female	19	32	18
Male	15	31	22
Country of origin			
Cambodia	35	57	19
Lao People's Democratic Republic	9	24	14
Myanmar	14	33	49
Viet Nam	9	12	0
Country of destination			
Thailand	17	33	21
Malaysia	18	26	18
Migration channel			
Regular	21	31	17
Irregular	16	32	22
Situation of return			
Crisis	40	55	26
Non-crisis	15	30	20

Migrant group, by selected characteristics and aspects of the migration experience	Percentage of respondents who...		
	...returned in debt	...lacked savings on return	...had less savings than pre-migration
Migration financing			
Wage deductions	21	40	29
Loans	28	38	18
Neither wage deductions nor loans	8	25	21
All	17	31	21
N = 1,808			

Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Differences among returnees grouped by country of origin appear to be far more notable. In particular, Cambodian respondent migrants were far more likely than other nationalities to report being in debt on return (as discussed previously), as well as lacking savings. While 57 per cent of Cambodians said they had no savings at the time of return, only 33 per cent of returnees to Myanmar, 23 per cent of Laotian returnees and 12 per cent of Vietnamese returnees reported the same. Myanmar returnees more frequently reported being in debt and lacking savings at the time of return than their Laotian and Vietnamese counterparts. Moreover, nearly half of Myanmar migrants (49%) reported returning home with less savings than they had prior to migration. Across indicators, Vietnamese returnees reported the lowest levels of financial insecurity: Only 9 per cent reported having debt; 12 per cent reported a lack of savings; and none reported returning home with decreased savings.

Interestingly, despite notable differences between returnees from Thailand and returnees from Malaysia, there were no systematic differences between them in terms of the aforementioned indicators of financial security. Among returnees from Malaysia, 18 per cent reported being in debt on return, while 17 per cent of returnees from Thailand reported the same. Similarly, 33 per cent of returnees from Thailand reported a lack of savings on return, while the figure is 26 per cent for returnees from Malaysia. Some 21 per cent of Thai migrants reported returning home with less savings than they had prior to migration, while 18 per cent of Malaysian migrants reported having this outcome. These differences are not substantively large.

Similarly, there were only minor differences among groups of returnees grouped by migration channel and voluntariness of return. Regular migrants were slightly more likely to report being in debt on return (21%, compared to 16% of irregular migrants), but were similarly likely to report a lack of savings, and slightly less likely to report a decline in savings on return.

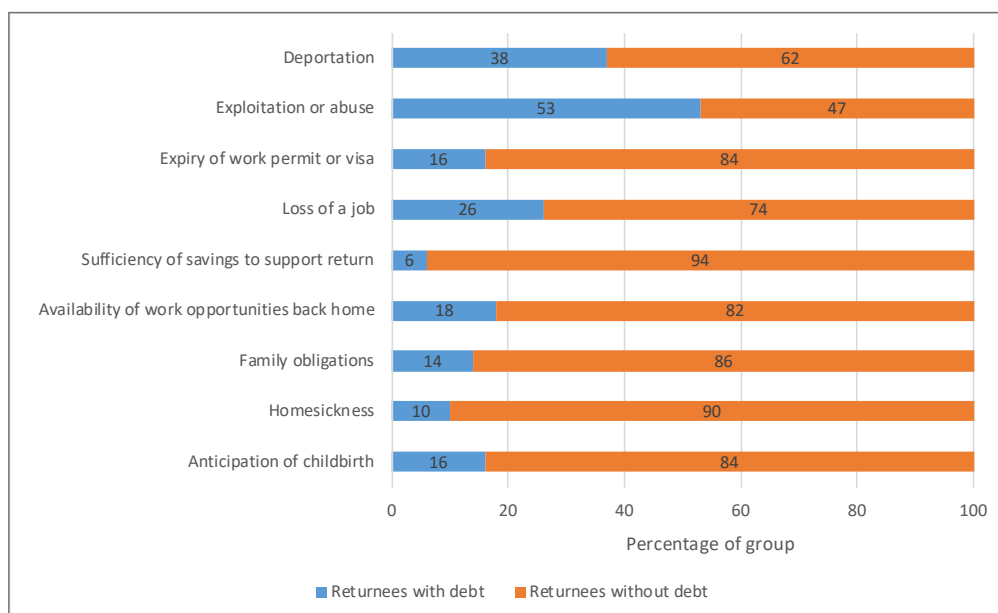
Theoretically, there is good reason to suspect that some forms of return are particularly likely to produce financial insecurity and/or debt. Where return is planned and voluntary, at what an individual perceives as the end of his/her migration project, he/she is likely to have greater capacity to navigate return than if the return occurs at the end of the employment contract,

as necessitated by an unwelcome situation or event, or where it is forced. While Risks and Rewards data asked a singular question about return decision-making, there is some evidence to support this idea. For instance, 7 per cent of returnees reported that they returned due to: (a) deportation, (b) harassment/abuse or (c) job loss – all of which suggest the return was a response to an unexpected crisis or disruption. Among these “crisis returnees,” 40 per cent reported struggling with debt upon return. In comparison, among returnees who reported other reasons for their return, only 15 per cent reported having any debt on return.¹¹⁰ Similarly, “crisis returnees” were more likely to have less or lack savings altogether on return. It is worth noting as well that migrants who moved through irregular channels were not more likely to be crisis returnees.

The possible relationship between primary cause of return and indebtedness is clearer in Figure 17, which considers the share of returnees who reported to be in debt, by the primary cause of return. Among those who were deported, 38 per cent reported being in debt on return; among those who returned due to exploitation or abuse, 53 per cent reported being in debt on return. Those who returned due to a lost job were also more likely to report being in debt on return. These findings highlight that unwanted and/or unexpected return may play a role in shaping the financial precarity of returnees. At any rate, debt may nevertheless be a struggle for returnees with identified economic prospects back home. For instance, 18 per cent of those who returned home because of an available work opportunity still reported indebtedness.

¹¹⁰ This categorization is admittedly imperfect, as other reasons for return may also have elements of involuntariness, unexpectedness or crisis. Conversely, these return contexts may not be perceived as crises among returnees. However, we see these three reasons for return as categorically distinct from other response categories offered, and the data bears this out in terms of their relationship to financial insecurity on return. Notably, many migrants responded “other” (i.e. in case return was prompted by some other reason(s)) to the question on the reason(s) for return, and this was particularly common among regular migrants. Future research should consider asking further details about the reason(s) for return, including the degree to which the return was planned and voluntary.

Figure 17. Returnee indebtedness, by primary cause of return



Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Finally, there is some suggestion that migrants who use loans and wage deductions to finance migration costs are more likely to experience financial insecurity on return than those who finance migration through other ways (but rely on neither loans nor wage deductions). For instance, whereas 28 per cent of those who reported opting for wage deductions, and 21 per cent of those who reported taking out a loan reported being in debt upon return, only 8 per cent of those financing migration in other ways did so. Those who financed migration through neither wage deductions nor loans were also less likely to report a lack of savings upon return. Migrants who opted for wage deductions to finance their migration were most likely to report returning home with less savings than pre-migration.

The data in Table 7 suggests a context-dependent nature of return. Looking regionally, there are few clear trends in the data. Financial insecurity does not appear to be gendered in clear ways and neither is it easily linked to specific migration destinations, channels or return conditions. While some relationships appear to matter (specifically, voluntary return is less clearly associated with having debt upon return, and, in contrast, the use of loans and wage deductions in migration financing appears to be associated with having debt on return), it is less clear how specific migration experiences may influence financial insecurity among returnees. Rather, the most important distinctions are those by country of origin. Vietnamese and Laotian returnees tended to report few financial challenges; Myanmar migrants reported higher levels of insecurity; and Cambodians reported the greatest degree of challenges.

Table 8 presents data only on returnees who initially borrowed to finance of their migration (N = 752) and uses the same categories as Table 7 to assess patterns in the following outcome of interest: returning prior to the repayment of one's migration loan. In total, 9 per cent of those who reported taking out a migration loan return home prior to completing repayment. Not surprisingly, the majority of this group (69%) reported struggling with debt on return (not shown). The clearest pattern is, again, seen when disaggregating by country of origin. While almost no Vietnamese or Laotian returnees reported that they still had not yet repaid migration-related debts in full, 9 per cent of Myanmar migrants and nearly a quarter of Cambodians reported the same. The data also suggests that migrants returning from Thailand and those returning due to crisis are more likely to have persistent migration-related debts.

Table 8. Percentage of returnees with unpaid migration loans on return, by select characteristic and experience

	Percentage of group with unpaid migration loans ^a
Gender	
Female	9
Male	9
Country of origin	
Cambodia	24
Lao People's Democratic Republic	0
Myanmar	9
Viet Nam	0.4
Country of destination	
Thailand	13
Malaysia	3
Migration channel	
Regular	6
Irregular	11
Situation of return	
Crisis (i.e. returned due to a crisis situation/event)	33
Non-crisis	7
All	9

Source: B. Harkins, D. Lindgren and T. Suravoranon, Risks and Rewards survey raw dataset, provided to the author through the ILO.

Note: ^a "Unpaid migration loans" refer to migration loans not paid in full.

5.8. Summary of survey findings

The Risks and Rewards report clearly underscores the importance of debt in shaping migration outcomes. In the report's conclusions, the authors suggest that the ability to avoid debt is perhaps as significant in predicting positive migration outcomes as is receiving minimum wage or finding employment upon return. An expanded analysis of the study data only strengthens and expands these insights. To be specific, the data suggest that:

- (a) Migration costs are context-dependent, and in some corridors are quite high. Regular migration is particularly costly.
- (b) The use of loans and wage deductions to finance migration is widespread. Where the costs associated with migration are higher, loans take longer to repay.
- (c) A small (but not completely insignificant) number of migrants return home prior to repaying migration-related debts. Cambodian returnees, migrants (regardless of nationality) returning due to crisis and those working in Thailand (as opposed to Malaysia) are more likely to experience this outcome.
- (d) Across the region, returns of achievement are rare. Rather, most returns appear to be best characterized as returns of setback, crisis or completion. Not surprisingly, there is a clear relationship between returns of crisis and financial insecurity among returnees.
- (e) Returnees experience variable gains from migration, with some reporting clear financial gains from migration, a larger share reporting no change in their financial situation, and a sizeable minority reporting a decline in financial well-being post-migration.
- (f) Indebtedness is a significant concern in some origin contexts, particularly Cambodia.
- (g) While indebtedness may be understood as a standalone reintegration concern, it is also closely associated with other forms of financial and social struggle. Indebted returnees are significantly more likely to report nearly every social and financial challenge asked about in the survey, highlighting the degree to which debt shapes return experiences. Indebted returnees are also more likely to report plans to remigrate within the next two years of the survey.
- (h) Financial security is not necessarily mediated by regular migration. Indeed, regular migration is associated with significantly higher rates of borrowing and with worse loan terms, an inclination towards wage deduction as a migration financing option and longer repayment timelines, but not greater savings nor financial gains from migration.

Pai Thu is a bright and friendly 18-year-old man who has lived with his mother in Ranong, Thailand all his life. Every day, he waits by the door of their house to welcome his 11-year-old brother back from the migrant learning centre nearby. Pai Thu loves meeting new people and having visitors at their home.

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6. QUALITATIVE INTERVIEW FINDINGS

6.1. Overview

To understand the kinds of financial insecurity that return migrants face, it is critical to view return experiences as directly linked to the migration experiences that precede them. This section offers a range of brief case studies, strategically chosen to highlight common experiences of debt among Cambodian and Myanmar migrants in Thailand. Taken together, the cases echo many of the survey findings and themes presented in the literature review, namely: (a) the importance of debt as a driver of migration; (b) the high costs of migration; (c) the widespread use of loans to finance migration and documentation; (d) the use of remittances to pay off debts; and (e) the potential of debt to inhibit return. The interviews also reveal a number of additional concerns, each of which underscores the importance of thinking about debt in relation to other aspects of the migration and return experiences. The first set of case studies illustrate distress migration caused by debt. These cases illustrate typical ways that debt induces migration, while also describing the various difficulties that migrants face in the destination country, each of which makes it difficult to repay debts. The second set of case studies focuses specifically on so-called “documentation debt” – the increasingly common loans that migrants in Thailand are taking out to gain legal status. Documentation loans at destination, despite already being widespread, are rarely described in the literature and are unlikely to figure in surveys asking about migration costs. As the cases herein describe, documentation debt engenders vulnerability to other kinds of migration-related debt. The third set of case studies shows how debt is taken to finance migration – a more strategic form of borrowing taken up by entrepreneurial migrants. The fourth set illustrates common debt issues among regular migrants, highlighting the particular challenges associated with legal forms of migration. Finally, the fifth set showcases experiences of debt among returnees with varying levels of voluntariness in their decision to return home. To help clarify the migration channels discussed in this section **In Focus: Routes to legal status in Thailand** outlines the three primary ways that migrants from the region can obtain legal or quasilegal status in Thailand: (a) the MoU employment process, which is essentially regular migration; (b) the temporary migrant identification card (commonly referred to as the “pink card”), a document granting irregular migrants temporary permission to stay and work in particular areas in Thailand; and (c) nationality verification, the process through which workers with pink cards are granted passports, visas and work permits to fully regularize their status. There are also other types of documents that may be issued to migrants working in border provinces that are shorter-term, and less costly ways to engage in legal work in those areas.

In Focus: Routes to legal status in Thailand

MoU employment process (regular migration)

For aspiring migrants, the MoU employment process begins in sending counties, where would-be migrants register with recruitment companies certified by their home country's labour ministry or department. Recruitment companies vary in their policies: from requiring payment for all migration- and recruitment-related costs upfront, to asking nothing upfront and deducting all costs from migrants' wages at destination. Recruitment companies assist migrants with passport, visa and work permit applications, as well as with securing employment contracts with suitable employers, organizing pre-departure orientation, facilitating necessary health checks and arranging for transport to their destination. Recruitment companies often maintain representatives in Thailand who are meant to assist migrant workers with issues they have at destination. Contracts and visas typically have terms of two years and are renewable once, such that a migrant can stay and work a total of four years in Thailand. While under an employment contract, a migrant worker can change employers under the following conditions: (a) employment termination or death of the employer; (b) bankruptcy of the employer; (c) physical or mental abuse by the employer; (d) breach of contract by the employer; and (e) physically or mentally harmful working conditions. Change in employers can be processed in Thailand and is contingent on a worker having identified a new employer willing to hire him/her. A worker may also change employers even if none of the aforementioned conditions are met, provided that both the prospective employer and current employer agree to the change. Recently, the MoU employment process has also been used by employers of migrants who are already working in Thailand but do not have legal documentation. In such cases, employers ask workers to first return to their home countries to initiate the process.

“Pink card” (quasilegal status)

The temporary migrant identification card, colloquially referred to as the “pink card,” is the most recent iteration of the Thai Government's continued efforts to offer quasilegal status to migrant workers who are currently employed, but had migrated to the country through irregular channels. This document was introduced by the new Thai Government in 2014 and was intended to register workers who were already employed but had no legal status in Thailand. Registration for a pink card costs a modest fee and is done at one-stop-centres located throughout the country, facilitated by the migrant's employer (often with the help of brokers). Pink cardholders may enrol for national health insurance and are generally protected from deportation. While the Government's intention is that pink cardholders would eventually go through the full nationality verification process (below), the costs and barriers associated with the process deter many migrants from doing so. In 2017, when amendments were made to migrant employment law (via the Royal Ordinance Concerning the Management of the Employment of Foreign Workers,

B.E. 2560),¹¹¹ more employers insisted on migrants going through the nationality verification process.

Nationality verification process (regularization of status)

Nationality verification was set up to regularize migrant workers already present and employed in Thailand. The process is complex, has changed frequently and is facilitated by employers on behalf of their workers, making it nearly impossible for migrants to navigate on their own. Employers often engage brokers to help manage nationality verification processes for their workers. In the most recent iteration of the procedure, employers supporting nationality verification for their employees were scheduled an appointment for their workers to apply for the process. To be eligible, a migrant must hold a pink card or have attestation from their employer in lieu. An applicant proceeds to a designated nationality verification site, where his/her nationality is checked, after which point he/she would eventually be issued a passport (or a certificate of identity) by his/her home country. After undergoing a health check, the migrant would be granted a visa and work permit valid for two years. While nationality verification was envisioned to be a simple, quick and relatively cheap way for migrants to obtain legal status, in reality it has involved long wait times and multiple trips for migrants, costly fees to brokers, and complicated bureaucracies. Official costs were approximately THB 4,400 (USD 135), but most migrants paid two to three times this amount.

6.2. Debt and the migration experience

This section uses two case studies to illustrate the experiences of migrants who view debt as a primary driver of their migration. While these cases show how debt can compel migration, they also describe the various ways that debt intervenes in migrants' experiences. In the case of Kyaw Lin, a Myanmar migrant worker in Bangkok, debt not only motivated migration, but has also extended his migration project, as multiple new debts have made it difficult for him to save enough money to support his return home. In the case of Sophy and Phalla, a Cambodian couple working near Bangkok, the urgent need to repay debts supported decisions that ultimately ended up threatening their ability to earn and save in Thailand.

Case study: Kyaw Lin (Myanmar)

Kyaw Lin first migrated to Thailand the day after sitting for his high school (upper secondary) examinations. He had fought to stay in school, crying for days when his parents told him they would not be able to afford paying for his education after the eighth grade. His father eventually relented and said that they would find a way for

¹¹¹ For the full text of the Royal Ordinance Concerning the Management of the Employment of Foreign Workers, B.E. 2560, see: www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=107728&p_count=4&p_classification=17

him to finish high school. To pay for school fees and transportation, the family became deeply indebted. Kyaw Lin knew that he needed to begin earning money as soon as he was done with his examinations. Without even waiting for the examination results, he journeyed across the border from his town of Myawaddy to engage in day labour in Mae Sot, a city in Tak Province, Thailand to help support his family.

When the examination results were posted, Kyaw Lin learned that he had not only passed his high school examinations, but also earned two distinctions – an honor that allowed him to work as a teacher. He returned to Myanmar and began working in a local school; however, his family could not survive on his small teaching salary. At that point they owed more than USD 1,000 to various local moneylenders, and with the high interest rates, their debts continued to grow. Having fought so hard to stay in school, Kyaw Lin felt torn. He wanted to continue working as a teacher, but he also felt obligated to help repay the loans his family had taken out for his education. Ultimately, he decided to migrate back to Thailand to help pay off the family debts.

Kyaw Lin worked as an administrative clerk in Mae Sot for the next five years, but earned only THB 2,000 per month (USD 60), or THB 75 per day.¹¹² At the time, the minimum wage in Tak Province, Thailand was more than two times this salary – THB 162 per day.¹¹³ On such a low salary, it took him nearly four years to repay the loans his family had taken out to finance his education. He could not leave Mae Sot, as he had no proper documents, and there were tight controls in place limiting mobility to the centre of Thailand, where wages were better. He eventually learned to sew and moved into a garment factory where he began earning a higher salary. His employer was decent and allowed him to apply for documents that gave him temporary legal status in Thailand and enabled him to finally leave Mae Sot and search for higher-paying jobs in the interior of the country. Kyaw Lin immediately left for Bangkok and worked in a range of jobs before moving into a supervisory position at a garment factory, his current employment.

With this higher-paying position, it is relatively easier for him to save money now. However, he is not sure when he will return to Myanmar. He wants to start a small business back home and hopes that he could save enough in the next two years. However, he also knows that unexpected things happen and it may take considerably longer for him to return home for good. At this time of the interview, his hometown in Bago is experiencing severe floods, and Kyaw Lin is not sure what kind of support his family might need to get them through the crisis and repair the damage to their home. If his savings are redirected to help them through the current crisis, he might need to stay longer in Thailand.

Kyaw Lin's experiences reveal some of the structural causes of both indebtedness and financial insecurity throughout the migration process. It was Kyaw Lin's debts that

¹¹² Exchange rates used were from 23 September 2018, namely, THB 1 = USD 0.031 and MMK 1 = USD 0.000615. (All values are rounded and meant to serve only as estimates.)

¹¹³ The minimum wage in Thailand is set by province. The current minimum wage in Tak Province is THB 310 per day. Regardless, many migrants working in Mae Sot (a city in Tak Province) do not earn a minimum wage.

initially compelled his migration to Thailand, and it was also his debts (compounded by wage exploitation) that made him unable to make ends meet after returning to Myanmar, even though he had a high-status job as a teacher. However, these debts were not taken out to fuel consumption – instead, they were used to finance education. Kyaw Lin's experiences also highlight the importance of immobility in shaping migrants' experiences of indebtedness. In Kyaw Lin's case, until his employer helped him register for documents, he was unable to move out of the border region and begin earning a decent wage.¹¹⁴ This immobility also played a role in protracting his indebtedness.

Case study: Sorya and Phalla (Cambodia)

Sorya and Phalla are from Battambang, Cambodia and have only been in Thailand for six months. Their migration was chosen, but not voluntary – the couple owe USD 9,000 to MFIs and moneylenders, and migration was the only means they had to repay their debts. Sorya cried for days when they decided to come and says that it was wretched to say goodbye to her children. However, there simply was no way to earn the money their family needed in Cambodia.

Sorya and Phalla are neither young nor new to microcredit. Sorya has been taking out loans from MFIs in Battambang for more than seven years and has never had a problem repaying. However, they have been taking out increasingly bigger loans over time, and their agricultural investments in the past two years have not been profitable. Crop prices have been going down, and a year or so ago they started borrowing from private lenders to repay their MFI loans. When they left for Thailand, they owed USD 6,000 to MFIs and USD 3,000 to private lenders. Their MFI loan is particularly problematic, as it is an agricultural loan, to be repaid in installments every six months. Sorya has a USD 2,000 payment due in the same month as the interview, but she and her husband have almost no money saved. She has tried to renegotiate a later deadline, but the MFI would not accept any changes to the contract terms.

During their six months in Thailand, nearly all of their earnings have gone towards documentation expenses. They left for Thailand in 2017, not long after the new royal ordinance on migrant employment took effect, and they knew they needed to obtain documents in order to find decent work. While the couple considered migrating through regular channels or waiting until people they knew could help them cross the border and find employment, their debts made it impossible for them to delay the move, so they left independently. However, rather than cross the border illegally, they paid a recruitment company to get them passports and two-month tourist visas. They expected to find work and register for work permits and visas soon enough after arriving in Thailand.

¹¹⁴ See Campbell (2017 and 2018) for discussions on immobility among Myanmar migrants in Mae Sot, Tak Province.

They soon found jobs in the construction sector, and their employer registered them for nationality verification, but the procedure was slower than they had expected. They had to travel multiple times to Poipet, Cambodia to extend their tourist visas while the process was underway. They eventually had no choice but to let their travel documents expire, as it was too costly to continue to extend them. That was not the only problem. Some weeks they only had two or three days of work to do, making it difficult to even earn enough to pay for visa extensions. In addition, there had been a range of unexpected costs, as the couple were required to pay for their hard hats, company t-shirts and work boots out of pocket, among others – costs they had not anticipated.

With their payment deadline approaching, Sorya began to feel desperate. They had only limited work, no legal status and barely any money saved. Hence, the couple decided to change jobs, moving to an employer which provided more regular work. However, they encountered a bureaucratic glitch that became a nearly insurmountable barrier. As the couple were already registered for nationality verification under their previous employer, he was the only party that could help them obtain the documents they needed. Until the nationality verification process had been completed, they could not officially change jobs, and the new employer was hamstrung and unable to help them. Their “in between employers” status caused two problems. First, their previous employer, who was holding on to all their documents, failed to “pass them on” to the new employer in a timely fashion. As a result, the couple missed their appointment for nationality verification. Nevertheless, they brought their documents to the nationality verification centre, but it took a week of begging with various officials before anyone would help them. During this week, they were unable to report for work. Second, because of their in-between-employers status, neither employer was willing to finance the documentation costs, which meant that they needed to borrow money and shoulder these costs themselves. Sorya asked her mother to take out a loan on their behalf to pay for the process and had the money sent to her in Thailand. Six months of working in Thailand and the couple had saved nothing, owed more now than when they left and still are not sure whether they will be granted the documents that will allow them to work legally.

Sorya and Phalla's experience offers a number of lessons. First, migration clearly serves as a means of coping with over-indebtedness, which in their case is a direct result of falling commodity prices in agriculture, coupled with environmental shocks. Being in debt both motivated their migration and created a need for fast cash – a need which encouraged them to use irregular migration channels, migrate outside of networks that might have better supported them, take the first job they found, and change jobs before obtaining the requisite documents, a move which later posed risks to their ability to remain in work legally Thailand. Finally, the couple's experience points to the lack of control and ownership that migrant workers have over their legal status. In the Thai context, it is employers, not workers, who are responsible for procedures that legalize their stay. This often poses problems for migrants who do not have supportive employers and/or who are transitioning between employers.

6.3. Documentation-related debt

Like Sorya and Phalla, many migrants now are taking additional loans during their time working abroad, primarily to pay for the costs of legal registration and documentation, and/or extensions of stay at destination. These costs and debts are unlikely to be captured in typical surveys on migration costs, as they occur at destination, and are not used to finance migration per se (i.e. transport for the physical move itself). They are most commonly incurred by irregular migrants taking advantage of regularization or amnesty programmes in their host countries. Both Thailand and Malaysia have offered such programmes to irregular workers at various points in time. However, these regularization programmes are increasingly associated with steep costs, and their unpredictable nature makes it difficult to plan (and thus save) for these costs. Where migrants cannot finance these costs with existing savings, they often resort to loans.

The current Thai context is perhaps the best case in point that illustrates the growing trend of documentation-related debt. In 2017, Thailand began an extensive regularization campaign (in coordination with sending countries), spurred by the introduction in 2017 of a royal ordinance on migrant employment that imposes penalties for both undocumented or improperly documented workers and those who employ them. While the nationality verification process is meant to be relatively low-cost (THB 4,400, or USD 135), migrants routinely pay three to four times as much. They rarely know the full costs of regularization at the outset and have no choice but to pay employers or brokers what they demand.

Many employers pay for their migrant workers' documentation costs first, and then use wage deductions as a means of recouping these costs. As is the case with migrants who finance their move through wage deductions, these employers often hold on to their passports ("passport retention") and visas until debts are fully repaid via deductions. This inhibits migrants from changing jobs and can prevent them from returning home. Because the nationality verification process often takes many months, employers commonly start deducting wages from worker's salaries prior to the receipt of the documents. This can be particularly problematic if a worker suddenly needs to return home during this period, as it may be difficult to later obtain the passport they have already paid or have begun paying for. It is worth noting that these outcomes are explicitly in conflict with key goals of Thailand's 2017 royal ordinance on migrant employment, which also includes a prohibition against passport retention. However, because the high costs of documentation often result in new wage deductions, this practice has become more common in the wake of the new ordinance.

The rush for documentation and its high costs has led to other forms of indebtedness. Many employers are either unable or unwilling to finance the upfront costs of documentation, leaving migrant workers with no choice but to either return home or take on additional debt. This experience is particularly common among migrant workers who are subcontracted, working in the informal sector or with a range of employers, or not currently working but want to remain in Thailand. Such individuals cannot rely on employers to pay for their documentation costs for them upfront and may not have adequate savings to cover them. In these situations, the migrants may need to take out high-interest informal loans provided by moneylenders in Thailand; alternatively, they can ask their families back home to take on new debt and send the

money across the border (e.g. by wire). Among Myanmar migrants, the services of Thai informal lenders are a more common way to finance documentation debt, while Cambodians more routinely access microfinance loans in Cambodia via friends and/or family.

The need to pay for costly documentation procedures has not only generated borrowing among migrants already in Thailand, it has also led to a range of coping strategies among those unable or unwilling to borrow in order to do so. For instance, some migrants move to border provinces, where it is possible to engage in legal work by obtaining shorter-term (and lower-cost) border passes. Others have returned to their home countries but cross the border each day to work with Thai employers – a practice that is tacitly accepted despite the workers' lack of border passes. Some have returned home permanently, perceiving the process to obtain documents as too risky or too costly. The two case studies described here both illustrate migrants' need for additional loans upon arrival in Thailand, and how these loans are used to finance the costs of documentation.

Case study: Thiri Aung (Myanmar)

Thiri Aung and her husband first came to Thailand because they were in financial trouble. Not long after getting married, they bought farmland but soon learned they had been cheated by the man who sold them the land, having had no legal rights to it and doing so without the owner's permission. The couple lost everything they had because of the purchase, and while the landlord promised he would try to resolve the issue in court, they did not think they would ever get their investment back.

With no money and no land, Thiri Aung and her husband decided to come to Thailand, borrowing money from a niece who was already there, working in Mae Sot. Crossing the border through an informal broker cost THB 7,500 each – roughly USD 460 in total. The niece did not have the money on hand, so she took out a loan from a local moneylender in Thailand who provides loans to migrant workers. The interest was high – 15 per cent per month – but Thiri Aung does not complain about this and even considers the moneylender as someone who saved her during a time of need. She is grateful for the loan that helped her get to Thailand.

After a few weeks, Thiri Aung was able to find a job at a water bottle factory, where she earned THB 300 per day (USD 9) and received free accommodation. However, she still struggled to repay her debts and it took more than a year before she and her husband were debt-free. During this time, she could not send any money home – and sharing this fact makes her begin to cry. Her son remained in Myanmar, where he was cared for by her sister. Being unable to send anything home during that year pained her.

More recently, Thiri Aung has had to take on new debt to cover the costs of documentation. In 2017, when the Thai Government announced the new royal ordinance on migrant employment, her boss became concerned about employing undocumented

workers. At first, he made them stop working and told them to just stay in their rooms. After a week, he asked them to go back to Myanmar and await further instructions. At the time, Thiri Aung was told that she and her husband would be made to undergo the official MoU employment process in Yangon; a month later, however, the employer asked the couple to return to Thailand and said that they would have to go through the nationality verification process instead. The couple had to shoulder both travel costs and the cost of nationality verification (THB 6,000 per person, USD 185), so they borrowed THB 15,000 (approx. USD 460) from a lender in Thailand. With better contacts, they were able to find a lender offering a lower interest rate of 7 per cent per month. However, they still expected that it would take them many months to repay the loan. During this time, the couple would be unlikely to earn enough money to remit home, putting further financial strain on the relatives caring for the couple's young son.

Thiri Aung's experience is common among migrant workers. Migration loans often take many months to repay, during which time migrants struggle to remit money home. Moreover, the recent changes to Thailand's 2017 royal ordinance on migrant employment have put strong pressure on employers to hire documented labourers. However, the costs of documentation, as well as of the various miscellaneous bureaucratic processes and the legwork associated with it, most typically fall on migrant workers. In addition, most migrant workers pay far more than the official costs of documentation, in part because processes are time-consuming, costly and must be facilitated by employers, who rely on brokers to navigate the bureaucracy on their behalf.

Case study: Maung Maung (Myanmar)

Maung Maung initially only wanted to work for two years in Thailand. However, 10 years later, he is still working in Bangkok and does not expect to return home anytime soon. "It's just a dream . . . I'll go home [for good] if I win the lottery," he jokes. What he really wants before returning home is modest: to be able to save THB 120,000 (USD 3,700), enough to buy or build a small home in the countryside. However, between migration-related debts, costs associated with changing employers, and registration and documentation fees, the migration process itself has taken a large portion of his savings over the past decade.

Maung Maung came to Thailand 10 years ago, driven by poor employment opportunities in his hometown in Ayeyarwady Region. At the time he employed the help of smugglers, who charged THB 6,000 (USD 185) to help him cross the border near Ranong. Travelling with a group of other migrant workers, Maung Maung was stopped on the Myanmar side of the border by anti-trafficking police and detained for three days but was eventually let go. After successfully crossing into Thailand, Maung Maung stayed with his sister in Bangkok, where he learned to sew. He then found a job in Pathum Thani, just north of Bangkok, earning THB 240 per day (USD 7). After only a month and a half, Thai police

raided his worksite and arrested Maung Maung, as well as many of his co-workers, for being illegally employed. He was held in prison for 48 days, then sent to Mae Sot before being deported to Myawaddy. He had not yet repaid his migration-related debts at this point.

Through his sister's connections, he was able to return to Thailand and began working in another factory, this time in Mae Sot, where the wages were only a third of what he could have earned in Bangkok, making it nearly impossible for him to pay off his debts. He borrowed money again from his sister (in the amount of THB 10,000, or USD 310) to pay to be smuggled into Bangkok. He found a job at a factory that allowed him to apply for temporary migrant status (and, therefore, a pink card). With proper documentation and higher wages, he slowly began to repay his debts and his financial situation improved. Maung Maung describes being in debt as constantly anxiety-producing – and repaying was an obligation that shaped every decision he made.

Now, Maung Maung has a decent job in a factory that produces iron bars. His wages are good, and while the work is dangerous and tiring, he likes the family atmosphere in the workplace. Getting to where he is today cost him significantly. For each of the three times he changed jobs in Thailand, he had to pay between THB 3,000 and 4,500 (USD 90–140). Thus, the chance to earn a better salary required significant upfront investment. Moreover, last year he had to spend THB 14,000 (USD 430) to register for nationality verification despite having recently renewed his pink card. These costs are his biggest frustration in Thailand. The process changes so frequently, and each iteration is associated with new costs, making longer-term financial planning difficult.

Perhaps most problematic is the fact that all these expenses still do not afford Maung Maung legal status. Also, because his employer registered him as a cleaner despite spending every day carrying iron bars in the factory, he is technically working in the wrong job, making him ultimately deportable if his workplace is inspected. Like other migrants, Maung Maung has no choice with how he is registered – such decisions are made by employers and/or brokers.

Maung Maung's grievances are echoed by numerous other migrants across Thailand. While, ostensibly, it is easy for migrants to change employers once they hold legal status, in practice it can be costly and difficult to do so. Moreover, migrants have little ability to navigate administrative processes on their own, which means they have little control over how employers register them. While Maung Maung's situation of being legally registered for the wrong job is not widespread, it also is not uncommon for migrants to pay high registration costs, only to learn they are still working illegally. Indeed, Thai officials at one immigration detention centre reported that since the Thai Government began implementation of the new law, there have been several cases where migrants with legal documents were deported for working in the wrong jobs.

6.4. Investment-related debt

Documentation debt is not the only form of debt that migrants incur at destination. In the agriculture sector, migrants experience periods without regular work, during which they may borrow from employers to make ends meet. Across sectors, migrants may borrow money from friends, family members, employers and informal moneylenders to pay for a range of unexpected costs.

Some migrants we spoke with also borrowed more strategically, using loans to invest in some way in their work in Thailand. In one instance, a Cambodian woman who worked as a farm leader on a sugarcane plantation detailed how she took out loans from an MFI back home to support the costs of recruiting additional workers each season. Her Thai employer asked her to recruit on his behalf, and she was eager to take on the responsibility, seeing it as a way to gain status and earnings. She used the loans to cover her travel costs to Cambodia (i.e. to pick up the new hires), in addition to the costs of bringing back the 20 new workers with her to Thailand. She deducted each person's recruitment costs from their wages directly. Another Cambodian woman described taking a loan from an MDI in Cambodia, through her relatives, to put up a fruit cart in Thailand. Through this loan, she was able to start her own business and no longer had to work for others.

These kinds of debt – which we might think of as entrepreneurial investments – can certainly pose risks but are distinct from documentation debt in that they are taken up voluntarily and are often strategic investments that have the potential for profitable returns. For instance, the fruit vender is now able to retain far more of her earnings than she was able to do with wage labour. Similarly, the sugarcane leader profits through her position as a farm leader and is paid by her employer for her recruitment efforts. At the same time, neither loan is risk-free, in large part due to the precarious situation of migrant workers in Thailand. Technically, the fruit vendor is now working illegally, both because she is self-employed (which is not legal for migrants on her type of visa) and because there are new legal limits to street vending. She regularly has to bribe the police to stay in business. If, at some point, she is unable to use bribes to avoid arrest, she could be deported, lose her investment in her fruit cart and find it difficult to repay the loan she took out to finance her business venture. Similarly, the sugarcane plantation leader is essentially taking on the risks associated both with recruiting farm workers and financing their move. If a worker leaves prior to repayment of his/her loan, or if something goes wrong during the recruitment process, she would be responsible for any loss.

6.5. Debt associated with regular recruitment

The experiences of migrants and returnees from Myanmar and Cambodia suggest that some challenges with debt (encountered either at destination or back home, on return) are specific to regular migration. As described earlier, regular migration can be very costly in the region, and wage deductions are often used as a loan repayment scheme, where, after the employer (or broker) pays the initial costs of migrant recruitment, some percentage of a migrant worker's salary is deducted. In particular, a migrant may face challenges when he/she either wants or needs to leave his/her job prior to full debt repayment. The experiences of Mya Mya, a Myanmar

woman who travelled to Singapore through a recruitment agency, and Srey Mao, a Cambodian woman who went through the MoU employment process for work in Thailand, highlight two distinct challenges that can arise when a worker desires to leave a job before repaying his/her employer and/or broker for any recruitment-related debt: they may either be forced to shoulder some or all of their recruitment costs, or lose their legal status in the host country, barring them from finding decent employment.

Case study: Mya Mya (Myanmar)

Mya Mya left for Singapore in 2017, migrating through a recruitment company that offered her a two-year contract to do domestic work, with a monthly salary of SGD 500. They told her that the first six months' wages would be deducted directly, during which time she would only receive a small living stipend. On arrival in Singapore, Mya Mya was told there would be seven months of deductions instead of six. At the time, Mya Mya's family business was struggling, and she needed to earn enough to support her two daughters and their education. The family was also struggling to repay some debts they had taken up to pay her children's tuition fees. When she left for Singapore, Mya Mya owed MMK 500,000 (USD 310) to a local moneylender.

Only 18 days into her employment in Singapore, Mya Mya suddenly became ill and was later diagnosed with hepatitis B. She was dizzy, had chest pains and struggled to breathe at times. After she fainted at work, her employers agreed that she should return home to Myanmar and contacted the recruitment agency. Mya Mya did not think there would be a problem, as she remembered her contract stating that if her health made it unsuitable for her to continue working in Singapore, the agent would pay for her return to Myanmar. However, the agency did not keep this commitment and insisted instead that Mya Mya repay them for the total cost of her recruitment – more than MMK 1.6 million (USD 980). Normally, the company would deduct the amount from her wages across the first six months of work. However, since she was unable to continue working, they demanded that she repay them the amount outright. They held onto her passport until she was able to pay them back. She negotiated with the recruitment agency to lower the amount she owed them – to MMK 800,000 (USD 490), which the agency agreed to. So she could pay the recruitment agency, Mya Mya's husband borrowed from a moneylender in Myanmar who charged a 5 per cent monthly interest and sent the money to her. Mya Mya never received medical treatment in Singapore, and she and her husband have continued to struggle to repay these debts since she returned home.

Mya Mya's experience shows how recruitment debt, where coupled with unethical practices by recruitment agencies and poor oversight of the recruitment industry, can lead to problematic forms of indebtedness among returnees. Her story also reveals some gaps between migrant labour policies and actual practices among recruitment agencies. Goh, Wee and Yeoh's (2016) description of domestic work in Singapore suggests, for instance, that Mya Mya's contract is typical, and that employers and brokers should

legally bear the costs and risks associated with premature return. Goh, Wee and Yeoh argue that this shared risk gives migrants a degree of leverage, as they can leave before they have repaid migration-related debts. At any rate, Mya Mya's experience underscores the vulnerability that migrants have vis-à-vis recruitment agencies and employers. With limited resources, networks and power to challenge recruitment agents, Mya Mya felt forced to indebt herself in order to finance her migration.

Case study: Srey Mao (Cambodia)

Srey Mao is from Kandal Province and initially migrated to Thailand three years ago through a recruitment agency. She first travelled from her hometown to the Cambodian capital, Phnom Penh, to register with the agency and paid USD 200 to apply for work abroad, then waited nearly a year until she was finally placed in a poultry processing factory outside of Bangkok. In addition to the USD 200 she had already paid, she owed the company THB 20,000 (USD 620) more, as specified in her contract, for passport, visa, transport and other recruitment costs. The company said they would deduct these costs from her salary. Her employer cut THB 2,000 per month (USD 60), nearly a third of her monthly salary, for the first 10 months that she worked at the factory. While wage deductions are technically illegal in Thailand, they are commonly used by employers and brokers as a way to recoup expenses. Srey Mao's employer kept her passport and work permit and left her with only a paper copy of each – also technically an illegal practice. Even after she had repaid the loan, her employer held onto her documents for “safekeeping.”

Srey Mao was thrilled to finally arrive in Thailand after waiting for a year, but as soon as she started work, she began desperately looking for options to leave. The working conditions were terrible – she had to stand the whole day and workers were not even given bathroom breaks. The factory floor was kept at freezing temperatures, but everyone was made to wear short-sleeved shirts; she shivered throughout the day. The chemicals smelled – “It smelled like death,” she says. Workers were sick all the time because of these conditions.

Srey Mao lasted five months in that job – wanting to quit the entire time – and was lucky that her husband's friend helped her find work in a nearby textile factory. She left the poultry factory and her documents behind. The recruitment company would not allow her to change jobs until she could repay the remaining THB 10,000 (USD 310) that she owed. Even then, it was not clear that they would help her switch employers, and she had heard stories suggesting there would be additional fees for a new visa if she wanted a different job. As such, Srey Mao worked illegally with her new employer until they were able to help her get a pink card, at which point she could apply for a new passport and visa – at a cost of over THB 12,000 (USD 370).

Srey Mao's experience reveals how systems of regular migration create conditions of immobility for migrants, particularly those still repaying their migration-related debts. While recruitment companies in Cambodia often tell migrants that they can change jobs in Thailand, in practice there are both barriers and costs to doing so. Other regular migrants we interviewed faced similar barriers to changing jobs, even where the terms of their contracts were not met, or where their jobs involved health hazards and/or labour rights violations. In Srey Mao's case, these barriers led her to abandon her legal status to find acceptable work. However, in doing so, she lost the money she spent on documentation and had to pay additional costs to regain legal status. It is also important to note one course of action Srey Mao took that was actually prohibited by law – obtaining a new work visa after absconding her original employer. At the moment, the system does not appear to detect cases like this. Several people interviewed reported experiences like those of Srey Mao – obtaining a new passport and pink card to legally move to a new job. If the system actually worked the way it was intended to, Srey Mao would have had to stick it out in conditions of work that were unacceptable to her or return home.

6.6. Debt as a barrier to sustainable return

Migrants rarely plan for permanent return home when they are indebted. Debt often acts as a compelling reason to continue working abroad, even where there are other incentives to return home. For this reason, we rarely spoke with return migrants who had already intended to return home despite having remaining debt. However, among return migrants who were deported, repatriated after being identified as a victim of labour exploitation or trafficking, or were unable to continue working for other reasons, debt was a primary concern. The first three cases describe the experience of debt among identified victims of trafficking, each of whom received reintegration support after returning home. They demonstrate both the potential of debt to increase vulnerability to trafficking and labour exploitation and the persistence of debt as a barrier to sustainable return. The last case illustrates the lack of choices that migrants face in Thailand, the complex reasons why indebted returnees return home and the various ways that debt relates to the migration experience.

Case study: Aung Hla (Myanmar)

Aung Hla is a 24-year-old man from Ayeyerwaddy Division, Myanmar. He is married and has one young child. Until last year, his young family had been making ends meet by selling fish in the market, something he had helped his parents to do for many years. The income was irregular, but it was usually enough to support the family's basic needs. In addition, Aung Hla sold wood for the past four years, an activity that was more lucrative than his work in the market but could only be done during the dry months. Aung Hla would purchase large trees from a trader in the area and cut them down into smaller

pieces to sell. For the past several years, this kind of work enabled him to earn around MML 2 million (USD 1,230) – money that allowed his family to make larger household purchases and to tide them over during the less profitable rainy season.

Because he lacked the capital in past years to buy the trees outright, Aung Hla purchased the trees from the seller on credit. He would receive the wood without paying for it, but was required to sell the cut-up pieces at a specific price lower than market value. Last year, Aung Hla felt that he would make a greater profit if he borrowed the money to buy the wood outright to sell it at market value. He took out a loan of MMK 800,000 (approx. USD 490) from a local moneylender – his very first – at a 20 per cent interest rate, expecting to be able to repay the debt. However, a large portion of the wood was damaged when it fell into a river, and he was only able to sell enough to repay a quarter of the loan.

It was already late in the dry season when this happened, and the rains soon came, making it impossible to buy more wood and try to use the proceeds to repay his debt. He did not have any money and could not afford to see his debt grow over the course of the rainy season. With few options, he approached a broker in his neighbourhood who had been recruiting young men for work near the Thai border. Aung Hla was promised work in a food processing factory and was told he would earn MMK 380,000 per month (approx. USD 230). He did not know anyone who had worked in that area before, but trusted the broker, who lived in his neighbourhood.

Along with five others from his community, he travelled for several days to the Thai border. The brokers changed hands four different times along the way, and the final transfer left them with a broker who forced them to hide in the back of a utility truck covered with a large tarpaulin sheet. When they were able to get out of the truck, they saw signs in Thai and realized they had been smuggled across the border. Several people in the group demanded to leave, but the broker threatened them, saying that they could try to run away if they wanted, but if that they would be killed if caught.

The group was eventually taken to a Thai fishing boat, where the boat chief paid the broker MMK 800,000 for each worker recruited (approx. USD 490). They had been “sold” and were told that they must work throughout their time on the boat to pay off the debts. After several months, eight of the men escaped and called Myanmar embassy staff, who were able to coordinate a response by the military police.

Today, Aung Hla is settling back into his home, his work and his community. With the support of IOM, he received a small in-kind grant to help support his fish business. However, he is still struggling to repay the loan he took out last year. After returning home, the creditor heard his story and agreed to stop charging interest on the loan. The renegotiated debt is more manageable, but Aung Hla still expects it will take quite some time to repay. In addition to this initial debt, Aung Hla’s wife borrowed small amounts of money to make ends meet while he was away. Without this new source of income, his family could not get by without borrowing.

Aung Hla's experience highlights the role of debt in shaping migration-decision making, as well as the experiences of debt bondage among victims of trafficking. Moreover, his experience illustrates a pattern all too common among victims of trafficking: their debts grow during their time abroad. Thus, upon his return, Aung Hla is not simply navigating his original debt, he is also burdened with the debt his family used to make ends meet while he was trapped on a fishing boat. With no earnings during his long period of absence, his family fell further into debt.

Case study: Phany (Cambodia)

When we arrive at Phany's house in rural Siem Reap (Cambodia), she is not home – she has spent the morning running around the community trying to convince a moneylender to give her a small loan. She finally arrives, dejected, as she has not been able to find anyone to lend her money. The loan officer from AMK, a local microfinance institution to which she owes money, is arriving in only a few more hours.

Phany has never been late with her loan payments, but, like today, there have been many times she did not have the cash and had to borrow to make her monthly payments. Today, in addition to trying to borrow from local informal lenders, she has been trying to contact her eldest two sons, who are currently working on a fishing boat on the Tonle Sap. She thinks perhaps they can send money, but their phones are off today – they may be too far out on the lake to have service.

Phany owes approximately USD 1,000 in total: USD 500 to AMK and USD 500 to a local moneylender, taken out at the same time. She tried to borrow the whole sum from the moneylender, but the lender knew she was poor and gave her only half of what she asked for. So, she became a microfinance client for the first time, joining one of AMK's small lending groups.

A loan was not Phany's first option, and the microcredit loan, in particular, was a last resort. Until that point she had actively avoided formal loans – which she saw as risky because of the need to make regular loan payments. With the moneylender, she could just pay the interest each month and pay the principal back whenever it was possible for her to do so. With the MFIs, she was required to make larger, inflexible monthly payments.

The loans she took out helped finance her two sons' migration and to help them get through their experiences of exploitation abroad. The pair began going to Thailand in their late teens and have made a total of three trips abroad, each time to work on fishing boats. Things went smoothly the first time they migrated – the boys followed a neighbour who had extensive experience working in the fishing sector and who helped

them connect with brokers and employers. The boys were paid what they had been promised and earned enough to save and remit money back home each month. Together, the boys saved enough money to buy a small plot of land and materials to improve the small home they shared. Prior to that time, the family was living in a small shack on other people's property. Phany had previously sold their land and nearly everything else they had when her husband contracted a poorly diagnosed, prolonged illness (he eventually passed away).

After returning home for a visit, the boys travelled back to Thailand, planning to work on the same boat. Their mother expected that they would soon earn enough to improve the home they were living in – a small, one-room shack with thatch-and-iron siding and a simple thatched roof. On the second trip, things went on similarly at first, and the boys were able to remit money home for several months. However, the boat moved into international waters and began fishing illegally near Indonesia.

After a few months, Phany stopped hearing from her sons. A neighbour then told her that they were in an Indonesian prison. Prison officials confiscated the boys' phones but they managed to call their mother after several weeks using a phone that another man had smuggled into prison. The boys asked their mother to get help for them, and she contacted everyone she could think of: the village chief, local authorities and a relative who was working with an NGO in the area. Someone – she still is not sure who – called the Cambodian embassy in Indonesia and, after two months, the boys returned home. The group had been identified as victims of forced labour and exploitation and were given support by IOM, which arranged for their transport home, provided in-kind support (including clothing and food,) and a small reintegration grant of USD 500 per person.

The boys used the grants to buy three cows, which their mother had hoped to breed, and they began working in Phnom Penh for a security agency. However, the salary was not a living wage – they were paid only USD 100 per month, nearly all of which went to rent and living expenses. In addition, the owner treated them poorly. After only a month, they left the job and returned to Thailand for a third time, this time travelling with a new broker.

It was this third migration undertaking, Phany says, that turned out to be a real problem. The boys were again working on a boat that entered international waters, this time fishing in Malaysia. The boss was violent and threatened them, at one point, even throwing boiling water at them. In addition, they were paid only half of the THB 10,000 (USD 310) monthly salary they had been promised. The boys called their mother and asked for her help again, this time to run away. They needed money for the trip home, and to be able to bribe police if necessary. Phany borrowed the USD 1,000 to cover these expenses. Thus, the debts she is currently struggling to pay helped to bring her sons home after experiencing exploitation abroad.

Phany is now discouraging the boys from migrating yet one more time – she thinks that if they leave again, her debts will just pile up. However, their fishing job on the Tonle Sap does not earn enough to help her pay her debts, so she is not sure how they will continue to make ends meet.

For Phany, migration has been a double-edged sword. Her sons' early migration undertakings allowed her family to buy land and build a small home – things they eventually lost due to her husband's illness. At the same time, Phany became clearly over-indebted as a result of her sons' exploitation abroad. The experience of Phany's family demonstrates the ways that exploitation of migrant workers can lead to indebtedness back home. At the same time, it emphasizes gaps in the support systems needed to identify and remedy exploitation. The costs incurred by Phany's sons were for their safe return following an experience of exploitation. Ideally, such costs should not be incurred by victims of exploitation; however, migrants may not know how to connect with support networks or may be afraid to contact relevant authorities.

Case study: Htwe Aye (Myanmar)

Htwe Aye is a victim of forced marriage. In June 2017, she was sold into marriage to a man from China and later rescued by Chinese police. She had never intended to go to China. When she left her hometown in Ayeyarwady Region with a friend, they planned to find work in Muse, a Myanmar town just across the border from China. However, not long after she found work, her employer sold her into marriage to a Chinese man, who raped her, threatened her and beat her up. After several months, she was rescued by the Chinese police and eventually sent back to Myanmar.

Debt played a significant role in Htwe Aye's initial decision to migrate for work. MFIs had just started offering loans in her community and she wanted to buy a phone for her brother, so she took out a loan of MMK 150,000 (approx. USD 90). She had to make a loan payment each month, but there were times when she struggled to earn enough. At times, she had to borrow from informal lenders to meet payment deadlines, often taking out loans at 20 per cent monthly interest. In other words, Htwe Aye ended up cycling her loans, taking out informal loans to pay her monthly microfinance loan installments, and then taking out larger loans from the MFI once she had repaid her loans in full and used the new loan to repay the informal moneylenders. In total, she took out four different loans from the MFI, each time repaying with money she had also borrowed. Each time she applied for a loan, she told the MFI that the loan was for a vegetable stall that she had at the local market, and they did not ask further questions. Each time she was able to repay a loan, they gave her a larger one.

When, eventually, Htwe Aye owed MMK 1 million (approx. USD 615) to the MFI, she knew that she had to do something to work her way out of debt. She had never previously thought about migrating for work, but she did not have other options. Since it was not possible to negotiate with the MFI, she ended up using informal loans to pay back the original MFI loan in full and left for China indebted. She did not tell the lender that she was leaving.

Although Htwe Aye has now returned safely from China, her debts remain a problem. She negotiated with her creditor, who agreed to stop charging interest, but the remaining balance is still high. She hopes that she can slowly earn the money back through proceeds from her food stall, but is also now considering becoming a lender herself – which she says is one of the few ways to make decent profits locally.

Like many of the other cases presented in this report, Htwe Aye's experiences illustrate the potential of debt to engender vulnerability. While it may not be clear that debt is a direct cause of trafficking, it clearly heightens vulnerability and encourages risky forms of migration. Htwe Aye's story also demonstrates the need for financial literacy among newly banked populations, as well as better consumer protection policies among formal credit providers. Moreover, they flag up the need for organizations supporting reintegration of victims of trafficking to better understand and grapple with issues of migrant indebtedness.

Case study: Ratana (Cambodia)

Ratana recently returned from Thailand to his small town in rural Banteay Meanchey, a province of Myanmar. He had not expected to return, but rather came back reluctantly after more than a year-long ordeal of trying to find decent work and obtain the proper documents to work legally in Thailand. This most recent experience in Thailand was his second attempt to work abroad. His first venture in 2016 lasted only a few months, as Ratana, along with his co-workers, absconded their employer, who failed to pay them for any of the work they rendered. Ratana came home empty-handed.

The following year, Ratana learned that Thailand was opening an amnesty window for migrant workers, and a friend said he would help him find a job in Bangkok. This time, Ratana wanted to go legally, thinking there were more opportunities in Thailand than back home. He asked his mother to borrow THB 10,000 (USD 310) from a local MFI, and used this money to travel to Phnom Penh, obtain a passport and a tourist visa, and then travel to Bangkok. His friend helped him find a dishwashing job in a noodle shop near Victory Monument, and his employer promised to help him obtain documents to legalize his stay through the ongoing nationality verification process. The process, he was told, would cost him THB 7,500 (USD 230) and involved the use of a broker.

Ratana's employer paid the costs upfront, but began deducting money from Ratana's salary each month. Later, for no reason, the broker said Ratana would need to pay another THB 6,500 for the process (USD 200). As his boss would not pay this cost upfront, Ratana had no choice but to agree to shoulder the cost himself and borrow money from a friend to pay the broker.

The nationality verification process took nearly a year, far longer than Ratana had expected. While he waited, Ratana used his passport to travel back and forth to Cambodia to obtain new short-term tourist visas, using his days off to travel so that he could remain at least quasi-legal. Each trip involved costs, bribes and missed workdays. When Ratana finally received his documents, he had grown increasingly unhappy at his job. His manager discriminated against him and treated him poorly. He was not paid for the many hours of overtime work and he felt that he would be treated better elsewhere. He approached his manager and asked him to sign a paper allowing him to move to a new employer. However, his manager refused and fired him on the spot.


With a rental payment due that week, Ratana was hard-pressed to find a new job. He still had legal status in Thailand, but this status was directly tied to his old employer. Without a signed letter releasing him from his former boss, he could not be hired by a new employer. Ratana eventually found work selling noodles in a street market with an employer who did not care about the documentation issue initially. After a few weeks, however, Ratana's new employer said that he needed proper documentation to keep working legally. Ratana would either have to leave Thailand or pay a broker THB 7,000 (USD 215) to "fix" his documentation issue – which he assumed meant bribing either his old employer or a Thai authority. Still indebted to his friend for the costs of his documents, Ratana did not have the funds to pay for the cost of the documentation anew. As he was not entirely sure it was worth it, he decided to come home. In order to repay his friend, Ratana asked his mother to borrow from the MFI again and send the money to him in Thailand. In the four months since he has been home, he has been slowly helping to repay his mother's debts by working in his brother-in-law's shop. He would like to return to Thailand but is worried that he may no longer be able to use his passport and visa.

Ratana's experience highlights the financial, bureaucratic and temporal challenges that migrants face in their efforts to gain legal status. It also underscores the narrow rights that legal migrants have in Thailand and their dependency on employers. Because his employer is unwilling to let him change jobs or to employ him once he expresses this interest, he is in legal limbo: documented, but unable to work. As it turns out, Ratana not only had to work in Thailand, but also back in Cambodia to repay debts for documents that have become effectively useless.

6.7. Summary of qualitative interview findings

While the fieldwork conducted for this report was limited, it is noteworthy that many of the findings reproduce those of and expand on prior research in the region. In particular, interviews and discussions with Cambodian and Myanmar migrants either working in or recently returned from Thailand highlight the following:

- (a) For some migrants, migration is clearly a coping strategy to manage over-indebtedness, which is associated with a range of causes, including structural issues (e.g. limited social protection, precarious livelihoods, environmental crises and commodity shocks, among others), predatory or overly aggressive lending practices, and limited financial literacy among borrowers.
- (b) Many migrants take several months, and even years, to repay migration-related debts. Wage exploitation and job immobility are directly related to the persistence of debt.
- (c) When they are indebted, migrants often struggle to remit money to support family members back home.
- (d) Indebtedness is associated with a range of social and psychological challenges (e.g. anxiety, depression and stress).
- (e) In addition to debt taken to finance migration, many migrants take on additional debt upon arrival in the destination country to cover the costs of documentation. Such documentation-related debt poses risks and challenges similar to migration-related debt. In the Thai context, in particular, migrants are dependent on employers to navigate documentation processes, which are both complicated and inflexible. This dependence on employers both increases documentation costs (and the associated indebtedness) and can lead to problems for those without any employer, transitioning between employers or those who have poor relationships with their employers.
- (f) There are multiple direct links between trafficking and debt. Debt can increase an individual's vulnerability to trafficking, as it incentivises risky migration choices. Debt bondage is a form of trafficking and is well-documented in the fishing sector in Thailand.
- (g) The exploitation of migrant workers abroad can lead to indebtedness, either for their families back home struggling to make ends, or for migrants themselves borrowing money to escape their situation. Thus, victims of trafficking and labour exploitation are particularly at risk of returning home in situations of indebtedness.
- (h) Returns of achievement among migrant workers are rare. In our observation, those who return voluntarily at the end of their migration projects do not return with debt. However, it is possible that they may take on new debt post-return and struggle to repay such debt.
- (i) Most commonly, return in the region are often understood as temporary, related to broader family strategies of migration (which involves continued reliance on remittances) and/or a constrained choice. Debt is a common struggle among those who have returned prior to the planned end of their migration project and those who have returned involuntarily.
- (j) Return migrants often have limited financial literacy, debt literacy, understanding of their rights as borrowers and negotiation skills that might support them to successfully manage their debts. Return migrants tend to have more success renegotiating their loans with informal lenders. Finally, loan renegotiation is critical to the success of returnees who are struggling with over-indebtedness.

A full-page photograph of an elderly woman standing in front of a large, rusted metal gate. She is wearing a yellow short-sleeved shirt and a green patterned sarong. She is holding a blue plastic basket filled with peeled shrimp. She is wearing a green glove on her right hand. The ground is dirt and littered with some debris. The background is the metal gate, which has a diamond-shaped pattern. The lighting is bright, suggesting daylight.

Daw Iway May, 76, from Dawei, Myanmar travelled alone to Thailand five to six years ago. Her family is in Myanmar but they are not in touch with each other. She used to work as a nanny back in Myanmar and came to Thailand to find new opportunities. She now works peeling shrimps and earns around THB 2,000 per month.

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7. TOWARDS AN INTERSECTIONAL UNDERSTANDING OF DEBT AND VULNERABILITY

Taking the results together, the research illustrates the centrality of debt across the migration experience, the importance of debt in shaping the potential for sustainable return, and the range of personal and structural factors that play a role in the experience of both migration and debt. The findings nevertheless argue for a nuanced understanding of debt in the migration process.

Debt clearly has countervailing potentials, and this is true both generally and as part of the migration process. Thus, it is critical to recognize that any given debt can exist on a continuum ranging from relatively low- to relatively high-risk. This is distinct from saying that there are “good” loans and “bad” loans – an idea that is common across financial literacy curricula, but which is analytically less productive. For instance, financial literacy training often differentiates between productive and unproductive loans by suggesting that loans invested in profitable activities are productive while loans used for consumption are problematic. Yet the risk associated with a certain loan is not determined exclusively by the primary use of the loan. Even loans put to productive use can generate risks for borrowers. Moreover, all borrowing involves a form of risk, and such risk is shared (sometimes unevenly) across borrowers and lenders.

Thus, while some loans may be used more strategically and profitably than others, even the most low-risk loan can heighten vulnerability, particularly when it is taken in a precarious context and one wherein financial institutions or lenders hold the balance of power. For instance, we might think of a reasonably sized loan, granted to a family with regular income and taken with thoughtful consideration from a low-interest, formal lender as being relatively low-risk for the borrower. In comparison, a formal loan taken out by an individual with irregular or few income-generating prospects in order to pay their children’s school fees is relatively high-risk for the borrower, given the long lag time between when school fees need to be paid and the return on the investment on the children’s education.

Table 9. Towards an intersectional understanding of debt and vulnerability

Level	Situational characteristics (lower risk)	Situational characteristics (higher risk)
Loan/Lender	<ul style="list-style-type: none"> Reasonably sized loans based on repayment capacity Non-collateralized Low-interest loans Clear and transparent lending terms Potential to renegotiate terms Measured growth expectations at the institutional level Ethical repayment practices 	<ul style="list-style-type: none"> Larger loans, and/or those based on collateral Collateralized High-interest loans Lack of transparency (e.g. hidden fees) Inflexible (non-negotiable terms) Aggressive growth practices/ incentives at the institutional level Coercive repayment practices (e.g. use of threat and violence)
Borrower/ Household	<ul style="list-style-type: none"> Proactive loans: taken for a considered purpose Diversified income sources High levels of financial literacy High levels of debt literacy Confidence to negotiate loan terms and “shop around” to compare available options Business or regular wage income Debt transparency among household members 	<ul style="list-style-type: none"> Reactive loans: taken for debt repayment or to cope with crisis Single income source, or no income source at all Lack of financial knowledge Lack of debt literacy Low self-confidence and unlikely to negotiate loan terms Irregular or inadequate income Hidden debts of household members
Community	<ul style="list-style-type: none"> Access to markets Access to insurance Access to social protections High adaptive capacity for environmental shocks Low levels of inequality (less pressure for consumption-based loans) Access to salaried work and/or secure livelihoods Supportive local officials 	<ul style="list-style-type: none"> Lack of access to markets Limited insurance Limited social protections Low adaptive capacity for environmental shocks High levels of inequality Insecure livelihoods Limited access to wage labour Corrupt or disengaged local officials
National	<ul style="list-style-type: none"> Established and active regulation of credit markets Well-functioning credit bureau Established bankruptcy law Independent regulatory body focused on consumer financial protection Transparency and accountability in governance 	<ul style="list-style-type: none"> Poor regulation of credit markets Lack of an established or well-functioning credit bureau Limited or non-existent bankruptcy laws Lack of a grievance mechanism for borrowers Corruption

Level	Situational characteristics (lower risk)	Situational characteristics (higher risk)
Transnational	<ul style="list-style-type: none"> • Low- or no-cost migration and recruitment • Simple, quick migration process • Established social networks at destination • Access to decent work, with strong, enforced labour laws • Predictable migration policies and costs • Low risk of migration disruption (e.g. due to environmental shocks or retrenchment) • Job mobility • Access to health insurance and provision • Low levels of discrimination against migrant workers • Documentation and legalization of status 	<ul style="list-style-type: none"> • High-cost migration and recruitment • Complex, long migration process • Limited or non-existent social networks at destination • Mandated use of wage deductions to finance migration • High risk of labour exploitation, limited labour laws, or a lack of enforcement • Regularly changing migration policies and unexpected costs • High risk of migration disruption (e.g. due to environmental shocks, economic insecurity, and political or social conflict) • Limited employment rights, as in cases of employer-specific contracts • Lack of access to health insurance/provision • High levels of discrimination against migrant workers • Lack of procedures for documentation and legalization of status

At the same time, the potential of a loan to produce vulnerability is also shaped by the local norms of credit provision and repayment, the relationships within the borrower's household, the borrower's personal financial knowledge and practices, the financial regulatory context, and the economic, social and environmental marginality of borrower communities. Thus, in a context of aggressive microfinance lending, even an individual who takes out a reasonably sized, low-interest loan may be coerced into taking out a larger, longer-term loan after only a few months. In addition, the borrow may become over-indebted if his/her spouse holds a loan or guarantees a loan he/she is unaware of. The same borrower, if lacking health insurance, may quickly find himself/herself unable to make ends meet due to an unexpected medical crisis and may later be unable to renegotiate the terms of the loan or declare bankruptcy.

In the right context, higher-risk loans may be easily repaid or renegotiated on better terms. It is possible, for instance, for a borrower who receives regular remittances from a family member who has stable work abroad to easily repay such a loan. Alternatively, in a context where borrowing is socially, culturally and legally understood as a mutual risk, the same borrower might be able to default on the loan or renegotiate its terms rather than take other risks (such as taking on more debt) in order to repay. While such action might have consequences on the individual's ability to access credit in the future, it would allow him/her to recover economically without drawing down his/her assets or resorting to another coping mechanism, such as distress migration.

Understanding migration within a matrix of debt and vulnerability highlights the specific risks associated with transnational debt.¹¹⁵ In transnational contexts, migrants often have little control over their earnings and are often subject to unpredictable, costly expenses associated with the regularization their status. For instance, it is difficult for migrant workers to negotiate with and collectively bargain with their employers, or change jobs in search of better employment. They often have limited access to formal grievance mechanisms and fear reporting labour rights abuses due to the possibility of retaliation by their employers.¹¹⁶ At the same time, migration policies in the region change regularly, and these changes are often associated with costs that are both unpredictable and exorbitant, especially considering migrants' wages. Without the ability to easily increase their incomes, or to plan and budget for major costs, indebted migrants are particularly at risk of over-indebtedness and financial insecurity.

¹¹⁵ See also: A.M. Gardner, "Engulfed".

¹¹⁶ B. Harkins and M. Åhlberg, *Access to Justice for Migrant Workers in South-East Asia* (Bangkok, ILO, 2017),

8. THE WAY FORWARD, IN THEORY AND IN PRACTICE

There are few well-researched solutions to the problem of migrant debt, and the suggestions posed by practitioners and scholars largely fall under any of these three categories: (a) reducing the costs of migration,¹¹⁷ (b) increasing the financial literacy of migrant workers,¹¹⁸ and (c) creating more responsible and lower-cost lending programmes that target migrant workers and their families.¹¹⁹ Efforts in these areas are already progressing, albeit to varying degrees. However, the findings in this report raise questions about the potential efficacy of each proposed solution. This section explores each in detail, with Section 9 putting forward additional recommendations based a broader view of potential solutions.

8.1. Reducing the costs of migration

Perhaps the most common recommendation offered by migration policymakers and practitioners in response to the growing burden of migrant debt in the region is that migration costs be borne by employers rather than workers.¹²⁰ ILO Convention No. 181 on Private Employment Agencies already lists this as a best practice,¹²¹ with other international bodies similarly ascribing to it. Similarly, IOM supports an “employer pays” model and currently implements a range of programmes that intend to support and encourage private businesses to implement such models. For instance, the Corporate Responsibility in Eliminating Slavery and Trafficking (CREST) in Asia Programme supports guidance for companies to map their supply chains and implement ethical recruitment policies, including an employer-pays model. Additionally, IOM has developed a social compliance scheme promoting ethical migrant recruitment. The International Recruitment Integrity System (IRIS) establishes a voluntary certification scheme for ethical labour recruiters, as well as monitoring and compliance mechanisms. As part of the programme, labour recruiters may not charge fees to cover migrant recruitment or employment.

Such a shift would not only go far in protecting low-skilled workers from indebtedness, it would also incentivize good labour practices. If employers bore the costs of worker recruitment, they would have powerful incentives to retain workers for longer, including by providing decent working conditions. While this is a lofty goal, it is not unachievable. Indeed, for highly educated and highly skilled workers, employers often expect to pay for their transport, visa and documentation, health insurance, and other recruitment-related costs. As concerns

¹¹⁷ P. Martin, “Reducing the cost burden for migrant workers: a market-based approach”, paper presented at the Global Forum for Migration and Development roundtable 2, Athens, 30 August 2009. Available from www.google.com/?sa=t&rct=j&q=&e src=s&source=web&cd=1&ved=ZahUKEwibnNOSw_3fAhUXIlgKHRVkcVeqFjAAegQIABAC&url=https%3A%2F%2Fg fmd.org%2Ffiles%2Fdocuments%2Fgfm_d_athens09_contr_martin_reducing_the_cost_burden_for_migrant_workers_ en.pdf&usq=AOvVaw0zXvhldgRMgd7kkS_jhwPi

¹¹⁸ OECD and CDRI, *Interrelations between Public Policies, Migration and Development in Cambodia*.

¹¹⁹ M.M. Rahman, “Migrant indebtedness”.

¹²⁰ P. Wickramasekara and N. Baruah, “Fair recruitment for low-skilled migrant workers: issues and challenges”; M. Testaverde et al., *Migrating to Opportunity: Overcoming Barriers to Labor Mobility in Southeast Asia*; and The Asia Foundation and ILO, *Migrant and Child Labor in Thailand’s Shrimp and Other Seafood Supply Chain*.

¹²¹ According to Article 7 of the Convention, “private employment agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers.”

about migration costs have grown, some actors in the private sector have begun to take independent action. For instance, in Thailand, Thai Union Group has recently implemented a zero-recruitment-fee policy, whereby workers pay only the official costs of the documents necessary for legal work and stay, alongside their health checks. These moves are promising, even if currently limited to a handful of key actors.

The international development community has clearly established the reduction of migration costs as a matter of priority. Indeed, even the Sustainable Development Goals include an indicator related to migration costs (SDG Target 10.7 seeks to “facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies”). While both broad and vague, one of the two indicators used to measure the achievement of SDG Target 10.7 is migration cost, specifically, worker-borne recruitment costs as a percentage of the worker’s yearly income. Given the role of the SDGs in shaping development priorities and funding, this is a promising inclusion. Similarly, the zero draft of the Global Compact on Safe, Orderly and Regular Migration includes an objective focusing on “fair and ethical recruitment,” which specifically points to the importance of aligning recruitment practices with international best practices, as well as prohibiting costs that might lead to debt bondage, exploitation and/or forced labour.

While national governments have varied in their commitment to the reduction of migration costs, establishing ways of doing so is a stated policy concern across the region. In 2015, for instance, Myanmar introduced a cap on recruitment or placement fees for migrant workers, in an attempt to curb excessive migration costs.¹²² In Cambodia, government officials have openly recognized the importance of regulating recruitment fees and are reportedly working to develop a way to regulate recruitment fees. The Malaysian Government recently signed an MoU with Bangladesh to both fix placement fees and establish a government-to-government recruitment channel eliminating the need for private recruitment agencies.¹²³ Studies suggest that the new MoU process has been successful in significantly reducing the burden of debt among migrant workers.¹²⁴ These developments offer reason to be optimistic and could offer models for future progress.

While important strides are clearly being made throughout the region to address the burden of migration costs, these issues are unlikely to be resolved without continued concerted efforts. Indeed, migration practitioners have been advocating for these shifts for over 15 years with minimal impact.¹²⁵ Moreover, given the structural incentives to keep migration costs high, it is unclear whether changes at the policy level will easily translate into practice. For instance, research from the Issara Foundation has suggested that Myanmar migrants still routinely pay four to five times the placement fee ceiling set by the Government. In other contexts where

¹²² M. Taylor, “Developing a financially viable ethical recruitment model: Prospects for the Myanmar–Thailand recruitment channel”, Focus on Ethical Labour Recruitment in Supply Chains Series, No. 1 (Bangkok, Issara Institute, 2018). Available from https://docs.wixstatic.com/ugd/5bf36e_c5df0adb93b4769833e55d60f3ca3eb.pdf

¹²³ B. Harkins, *Review of Labour Migration Policy in Malaysia*, report of the Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in ASEAN (TRIANGLE II Project) (Bangkok, ILO, 2016).

¹²⁴ Ibid.

¹²⁵ Since the inception of the MoU employment process in Thailand, for instance, migration practitioners have been advocating for an employer-borne-cost model (Martin, 2009).

recruitment fees are regulated by governments, similar gaps are also present.¹²⁶ It is also unclear whether destination countries have the will to support efforts to either curb placement fees or shift cost burdens to employers. If destination countries continue to expand the requirements they impose on migrant workers without corresponding efforts to ensure that employers absorb these costs, the efforts to reduce fees charged in sending countries are unlikely to be effective at reducing the cost burden that migrants face.

8.2. Financial literacy

As concerns about migrant debt have grown, there has been increasing interest in supporting financial literacy programmes targeting migrants and their families. For instance, in 2015, the ILO developed an extensive training programme targeting migrant workers and their families. The programme is now offered at so-called migrant resource centres throughout the region, which regularly train migrant workers and their families on financial management. In at least some countries, the programme is also expected to be incorporated into mandatory pre-departure training for migrant workers.

While financial literacy programmes targeting migrants are still in their infancy in the region, there are some questions about the effectiveness of financial literacy (generally) as a tool to reduce over-indebtedness, as well as the specific potential of financial literacy as a tool among migrant workers.¹²⁷ Most critically, financial literacy interventions assume that the primary reason individuals end up in risky financial situations is their lack of knowledge. Thus, if individuals simply knew more about how to budget, save and borrow wisely, their actions would change in corresponding ways. At any rate, as behavioural economists have established, individuals “consistently make choices that, they themselves agree, diminish their own well-being in significant ways.”¹²⁸ While the biases behavioural economists point to are no more present for the poor than for the wealthy, they may have more dire impacts among those living on the margins of society.¹²⁹ In other words, it is not altogether clear that simply knowing more about budgeting, saving, planning and borrowing is likely to lower rates of financial insecurity.

In addition, while financial literacy training tends to suggest individualistic (or household-based) orientations towards financial security, such ideas may be a poor fit for communities where

¹²⁶ For instance, in 2015 the Government of Nepal initiated a “Free visa, free ticket” initiative requiring foreign employers to finance migrants’ flights and visa-processing costs, and reducing the amount that recruitment agencies can legally charge aspirant migrants. Regardless, Amnesty International (2017) documented two years later that migrants routinely paid migration fees beyond the limits allowed by law. Similarly, in Bangladesh, where the Government sets recruitment fee caps for particular destinations, M. Moniruzzaman and M. Walton-Roberts (2017) found that migrants often paid fees significantly higher than the legal cap.

¹²⁷ I. Guérin, “Households’ over-indebtedness and the fallacy of financial education: insights from economic anthropology”, *Microfinance in Crisis Working Papers Series*, No. 2012–1 (Paris, Sorbonne University Institute of Research and Development, 2012), available from <https://institute.eib.org/wp-content/uploads/2016/05/WP1-ParisSorbonne.pdf>; and Y. Doi, D. McKenzie and B. Zia, “Who you train matters: Identifying complementary effects of financial education on migrant households”, *Journal of Development Economics*, 109C:39–55.

¹²⁸ M. Barr, S. Mullainathan and E. Shafir, “Behaviorally informed financial services regulation”, policy paper (Washington, D.C., New America Foundation, 2008), available from <https://repository.law.umich.edu/other/29>; and J. Schicks and R. Rosenberg, “Too much microcredit? A survey of the evidence on over-indebtedness”, occasional paper, No. 19 (Washington, D.C., Consultative Group to Assist the Poor, 2011), available from www.cgap.org/research/publication/too-much-microcredit-survey-evidence-over-indebtedness

¹²⁹ J. Schicks and R. Rosenberg, “Too much microcredit”; A. Bannerjee and E. Dufo, “The economic lives of the poor”, *Journal of Economic Perspectives*, 21(1):141–168; and M. Bertrand, S. Mullainathan and E. Shafir, “A behavioral economics view of poverty”, *American Economic Review*, 94(1):419–423.

reciprocity and interdependence are important norms. For instance, while financial literacy training tends to prioritize the need to save (and repay debt), and often discourage individuals from giving or borrowing money from friends and family when they are not financially stable, such advice might inhibit the maintenance or development of important forms of social capital. Indeed, past histories of giving, lending and supporting extended family or friends may be critical safeguards for poor households when they themselves encounter crisis moments.

Moreover, where the causes of overindebtedness are structural, financial literacy may have limited impact.¹³⁰ For instance, financial literacy training often highlights that one of the most critical aspects of financial management is the ability to think critically about and carefully plan finances. To act in financially wise ways, one must budget, plan and save, ensuring that one's expenses are less than one's income. Those who are unable to save are counselled to do one of two things: find a way to earn more or find a way to spend less. In reality, migrants are often unable to either earn more or spend less in key expense areas, as they experience barriers to changing jobs, working in additional jobs (i.e. outside what their work permits allow), performing additional overtime work and negotiating for better wages. In addition, they have little control over key migration-related costs: accommodation is often organized by employers, and the costs associated with documentation and registration are non-negotiable, ever-changing and often take large portions of migrants' salaries for extended periods. Where exploitation occurs, migrants have limited recourse or access to remedies and protections. Thus, even the most financially literate migrant worker might struggle to enact the kinds of long-term planning and saving advocated for by these ideologies. For this reason, financial literacy programmes risk directing attention away from the structural causes of financial insecurity, while at the same time furthering the mistaken idea that migrants are to blame for their financial troubles.

Finally, it is not clear whether financial literacy actually works, particularly in shifting behaviours around the use of credit or debt. In fact, meta-analyses on the impacts of financial literacy suggest that while financial education does often have impacts on financial behaviour, it is less effective in low and lower-middle income economies, and among low-income clients.¹³¹ Similarly, two extensive meta-analyses suggest that debt is a particularly difficult behaviour to influence, and that financial education is rarely successful in changing behaviours related to indebtedness.¹³²

Evidence from the region offers limited evidence in support of financial literacy as a way to curb over-indebtedness.¹³³ For instance, in 2014, the ILO reported "mixed" results from two microfinance initiatives in financial education in Cambodia. Clients who participated in a Vision Fund¹³⁴ financial education programme afterwards reported better attitudes towards saving and

¹³⁰ M. Bylander et al., "Over-indebtedness and microcredit in Cambodia".

¹³¹ T. Kaiser and L. Menkhoff, "Does financial education impact financial literacy and financial behavior, and if so, when?", discussion paper, No. 1562 (Berlin, German Institute for Economic Research, 2017), available from www.diw.de/documents/publikationen/73/diw_01.c.529454.de/dp1562.pdf

¹³² Ibid.; and M. Miller et al. "Can you help someone become financially capable? A meta-analysis of the literature", policy research working paper, No. 6745 (Washington, D.C., World Bank Group, 2014), available from <http://documents.worldbank.org/curated/en/297931468327387954/Can-you-help-someone-become-financially-capable-a-meta-analysis-of-the-literature>

¹³³ For similar studies outside the region, see J. Schicks (2014), who finds that, in Ghana, financial literacy and numeracy are insufficient in preventing over-indebtedness.

¹³⁴ A large "social" microfinance institution.

saving practices. At the same time, the study also found a 9 per cent increase in clients taking out one loan to repay another and a reduction in clients' ability to cover household expenses. Moreover, loan clients increased their borrowing from informal sources by 20 per cent.¹³⁵ Similarly, an impact assessment of an MFI programme offering financial literacy training for loan officers (who were intended to pass the knowledge down to clients) showed that it had no impact on most clients' attitudes or behaviours related to risk reduction, savings and debt literacy.¹³⁶ In some cases, target groups even experienced a reduction in "financially literate" attitudes and practices.¹³⁷

In comparison, in a study of over-indebtedness among microfinance borrowers, Liv (2013) found financial literacy to be related to the subjective understanding of over-indebtedness, where borrowers with low financial literacy were more likely to struggle than those with high financial literacy. However, financial literacy was measured in rudimentary ways and is perhaps better described as general numeracy rather than the multidimensional competency that it is more commonly defined to be.¹³⁸ Moreover, while borrowers with high financial literacy were less likely to struggle than those with low financial literacy, the differences were substantively small. In the study, 42 per cent of borrowers with "high financial literacy" struggled to repay their loans, compared with 52 per cent of borrowers with "moderate financial literacy," 65 per cent of borrowers with "low financial literacy" and 57 per cent of borrowers with "no financial literacy." Across all categories of financial literacy, high numbers of borrowers reported struggling.

Research on financial literacy as an intervention targeting migrant workers also raises questions about efficacy. In a randomized controlled trial among Indonesian women departing for domestic work abroad, researchers found that financial literacy training was only effective at producing an increase in savings when the training was offered to both migrant workers and their families – a format that is both logistically difficult and costly to organize. Where training was given only to migrant workers – or only to their families – those receiving the training reported increased knowledge, but no increased savings. None of the treatments, however, were shown to have an impact on increasing remittances.¹³⁹ Moreover, the study did not ask questions about debt, indebtedness or borrowing, so it is unclear to what extent training may be helpful in specifically addressing debt literacy or resolving indebtedness. Similarly, a

¹³⁵ ILO, *Enhancing the Impact of Microfinance: Evidence from an Action Research Programme* (Geneva, ILO, 2015), pp. 48–49. Available from www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_344847.pdf.

¹³⁶ M. Froelich et al., *Microfinance and Risk Management: Impact Evaluation of a Financial Education Programme*, AMK Cambodia, Microfinance for Decent Work working paper, No. 68 (Geneva, ILO, 2015), available from www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_576282.pdf

The same findings are also described in: ILO, *Enhancing the Impact of Microfinance*.

¹³⁷ M. Froelich et al., *Microfinance and Risk Management*.

¹³⁸ The measure of financial literacy used relied on responses to these three questions:

- (a) If you have five chickens now and decided to buy eight more chickens, how many chickens will you have in total?
- (b) If five people all have the winning number in the lottery and the prize is KHR 200,000, how much will each of them get?
- (c) Suppose you need to borrow money and two lenders are offering you a loan. Both lenders require you to pay interest every month. Lender 1 requires you to pay the interest every month based on the total amount you borrowed (same amount of interest payment every month). Lender 2 will charge you interest on the outstanding loan balance. Which lender would you borrow from?

¹³⁹ Y. Doi, D. McKenzie and B. Zia, "Who you train matters".

randomized controlled trial including migrants from various sending countries in New Zealand found that while training appeared to enhance financial knowledge, it did not result in higher levels of remittances or more frequent remittances.¹⁴⁰ The training programmes themselves appeared to narrowly focus on remittances and remittance transfers, as does the evaluation of their impact. Therefore, it is hard to say what potential financial literacy – perhaps more broadly defined – may have for mediating indebtedness among migrant workers.

Having observed the conduct of financial literacy training programmes (both those that targeted migrants specifically, and those more generally defined), the author suggests that there may be at least three reasons for these mixed results. First, while such programmes are often effectively designed, as is the case with training in general, they may be less effectively implemented. For instance, in one case observed, a financial literacy programme written for a 10-week curriculum was enacted in a single day, making it difficult to effectively impart information. In another case, participants were recruited without proper selection, resulting in training (which was intended for migrant workers) given to a group of young people in which only a small proportion aspired to migrate. Indeed, given that migrant workers have busy working schedules in destination countries and would-be migrant workers have limited time pre-departure, it can be logistically and financially challenging to implement training for them. Successful programmes will need to find creative ways to address these challenges.

Second, there is a distinct difference between the kinds of financial literacy programmes administered by those associated with the financial sector and those outside of it. Where banks, MFIs and other financial actors provide financial literacy training, they are unlikely to problematize debt as a financial tool, rarely discuss the importance of renegotiating debts and may even encourage taking on debt without an adequate discussion of the risks involved in doing so. In the Cambodian context, recent research has highlighted that MFI-enacted financial literacy programmes often focus more on building creditworthiness (e.g. through honesty, thrift and morals around repayment) than they do on building technical or financial skills.¹⁴¹ In addition, they encourage positive associations with credit, while at the same time defending the authority of financial institutions. Such practices are, in fact, less about financial literacy than they are about furthering the goals of financial institutions. However, because financial institutions most often design and implement financial literacy programmes, there are few strong models of financial literacy programming that teach from a consumer protection perspective.

Finally, financial literacy – in the manner it is most often taught – is likely to be more effective as prevention than cure. Once borrowers are already struggling with debt, it may be hard for established training programmes to offer appropriate forms of support. Rather, migrants and return migrants already struggling with debt may be in more immediate need of advocacy,

¹⁴⁰ J. Gibson, D. McKenzie and B. Zia, “The impact of financial literacy training for migrants”, *World Bank Economic Review*, 28(1):130–161.

For a similar study that also suggests the limited impact of financial literacy on savings and remittances, see: G. Seshan and D. Yang, “Motivating migrants: A field experiment on financial decision-making in transnational households”, *Journal of Development Economics*, 108C:119–127.

¹⁴¹ M. Bylander and R. Res, ““If you fall, stand up again”: Financial literacy as debt discipline”, abstract presented at the Financialization and Development Policies: Critical Perspectives on New Financial Circuits for International Development Projects Conference, Hamburg, 12–14 September 2018.

financial counselling and/or livelihood support to help them create a plan to reduce debt. While financial literacy could play an important role in assisting over-indebted borrowers, it is not a standalone solution. Moreover, where financial literacy is enacted in the absence of structural reform to predatory credit markets, lacking social protections and inadequate regulation of credit, it is unlikely to be effective at shifting debt troubles.

8.3. Responsible lending targeting migrant workers

Solutions which might involve the formal financial sector have been less widely explored – or, at least, are less widely publicized. However, there are growing calls for governments and/or financial institutions to offer low-cost migration loans as a way of expanding access to migration and providing an “antidote to [migrant] indebtedness.”¹⁴² Within the Greater Mekong Subregion, formal financial institutions have yet to formalize lending programmes targeting migrant workers and/or their families; however, these ideas remain active discussions within the sector, whereas they have been implemented elsewhere. For instance, BRAC, one of the world’s largest NGOs and microcredit providers, has been offering such loans to prospective Bangladeshi migrants for several years and also has lending programmes targeting remittance-receiving households. Indonesia, Nepal, Sri Lanka and Viet Nam have all implemented or piloted similar programmes.

These programmes are not without their problems, which is perhaps why they have not been widely implemented.¹⁴³ Beyond the concerns of financial institutions in lending to more mobile populations, it is not altogether clear that formalizing migrant debt lessens risks for migrant workers or their families. In Bangladesh, BRAC’s migration-lending programme has been critiqued for doing little to decrease the risks and costs involved in borrowing.¹⁴⁴ Where loans remain high-interest, collateralized and tied to inflexible repayment schedules, and where migrants continue to move into precarious work, it is unclear whether and how formalizing migration loans benefits migrant workers. This is particularly true when loans are collateralized. While low-interest migration loans might be beneficially coupled with other changes (such as oversight of recruitment agencies, the reduction of migration costs), on their own they do little to mediate the way that debt shapes migrant vulnerability. BRAC’s migration lending programme offers an example of this. For instance, global best practices advocate that the migrant-borne costs of recruitment should be no more than one month’s salary (in the case of the Gulf, this is estimated to be USD 270).¹⁴⁵ The Bangladeshi Government set a maximum recruitment fee more than four times this size, at USD 1,230.¹⁴⁶ However, the average BRAC migration loan – USD 2,300 – is even larger than this¹⁴⁷ and is closer to the typical migration cost among Bangladeshis moving into work in the Gulf.¹⁴⁸ Thus, while formalizing migration loans may result in lower interest payments, they do not mediate the problem of indebtedness among migrant

¹⁴² M.M. Rahman, “Migrant indebtedness”, p. 216; M. Testaverde et al., *Migrating to Opportunity*; A. Hein et al., “Safe migration knowledge, attitudes and practices in Myanmar”; and A. Ma, “Labor migration from Myanmar”.

¹⁴³ M. Testaverde et al., *Migrating to Opportunity*.

¹⁴⁴ M. Moniruzzaman and M. Walton-Roberts, “Migration, debt and resource backwash”.

¹⁴⁵ Based on Rahman’s (2015) estimation of average wages of Bangladeshi migrants in GCC countries.

¹⁴⁶ M.M. Rahman, “Migrant indebtedness”.

¹⁴⁷ I. Whisson and S. Suraiya, “From paddy fields to tropical islands – Microfinance moves away from its traditional roots”, The Good Feed, BRAC Centre, 5 July 2015. Available from <http://blog.brac.net/paddy-fields-tropical-islands>

¹⁴⁸ M.M. Rahman, “Migrant indebtedness”.

workers. Moreover, these loans still come with high interest rates, at 27 per cent per year, and are not substantively different from the interest rates offered by some local moneylenders.¹⁴⁹ Similarly, while development institutions have suggested that loans may be a helpful part of reintegration programmes, there is no evidence yet supporting such interventions.¹⁵⁰ Indeed, given the degree to which returnees in the region are already struggling with debt, it is likely that reintegration loans will simply increase the debt burden of returnees. Currently, donors in the region tend to use in-kind reintegration grants, which have the advantage of producing less risk for recipients.

¹⁴⁹ M. Moniruzzaman and M. Walton-Roberts, "Migration, debt and resource backwash".

¹⁵⁰ D. McKenzie and D. Yang, "Evidence on policies to increase the development impacts of international migration", *The World Bank Research Observer*, 30(2):155–192. Available from <https://elibrary.worldbank.org/doi/abs/10.1093/wbro/lkv001>

Migrants at the Mae Sot bus station in
Tak Province, Thailand.

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People cross the border by boat at the
Ban Mun Ru Chai crossing point in Phop
Phra District, Tak Province, Thailand.

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9. A MULTILEVEL APPROACH: CONCLUSIONS AND RECOMMENDATIONS

Certainly, lower-cost migration, coupled with stronger individual financial skills and debt literacy, will be part of a long-term strategy to alleviate the burden of debt experienced by workers in the region. It is less clear what role migration or reintegration loans may have in this process, and, prior to the development of further programmes, it will be worth examining these programmes more critically. In addition, while the solutions described above are those most commonly suggested, they are not the only paths forward.

As this study has described, debt and vulnerability have a multilevel, temporal relationship playing out across the migration process. Thus, interventions are not only possible, but necessary across a range of levels and at multiple moments during the migration and return experience. Put differently, efforts and interventions across a range of sectors all have the potential to mediate the risk of debt among migrants and their families. For instance, while reducing migration costs will almost certainly lessen financial insecurity in households of migrants and returnees, enforcing labour laws so that migrants are paid appropriately, or have the ability to change jobs easily in search of higher-paying work, would have similar impacts.

The solutions that are likely to have the most impact on mediating the burden of debt among migrant workers are structural, and should seek to address the root causes of migrant debt, namely:

- (a) Insecurity of rural livelihoods, coupled with limited social protections in migrant-sending countries, resulting in the need to take out loans to meet basic needs;
- (b) High and continuously growing costs of migration and documentation;
- (c) Barriers to job mobility and collective bargaining in destination countries;
- (d) Inadequate regulation of migrant labour and migrant recruitment in both migrant-sending and -receiving countries;
- (e) Inadequate regulation of predatory forms of lending (both formal and informal).

Much of this work requires sustained government action, and progress will likely be slow and incremental. Moreover, to be effective, efforts to resolve the above issues will also have to address the role of corruption in governance. They will also have to necessarily grapple with a tension at the core of migration governance: controlling migrant labour versus allowing its circulation.¹⁵¹ Creating a regulatory context where migrants can enter, leave, easily change jobs, work for multiple employers and do so legally would offer immense gains in the economic and social well-being of workers. While this might not be politically desirable or feasible in the current moment, it is worth, at a minimum, considering the gains that might arise from a

¹⁵¹ R. Skeldon, "Going round in circles: Circular migration, poverty alleviation and marginality", *International Migration*, 50(3):43–60.

lighter approach to migration regulation. The results of this study do not suggest that directing migrants towards regular channels will have an impact on debt stress – either among migrants or among returnees. Indeed, because of the high costs of regular recruitment, regular migrants appear to have more concerning experiences of debt than those who migrate through irregular channels. These findings corroborate other recent work highlighting that regular migration is not yet safer, more profitable or preferable for migrant workers in the region.¹⁵²

Government actors are not the only stakeholders with the potential to make progress on these core problems. Indeed, meaningful progress in each of the above issues will also require advocacy, technical assistance, leadership, cooperation and engagement by a range of non-government actors, including intergovernmental organizations and NGOs, trade unions and the media. There is also a clear role for leadership in the private sector (in particular, businesses with supply chain ties to migrant labour in the region, recruitment agencies and actors associated with financial institutions).

Effectively preventing debt stress, debt bondage and debt-related exploitation among migrants and returnees requires addressing the root causes of migrant debt (listed above) in the first place. There is also the concurrent need to respond to the challenges of debt that migrants and returnees already face. Here, NGOs, community-based organizations (CBOs) and local officials have a range of tools that might be effective and more successful in the short term in helping alleviate the burden of debt among migrants and returnees. In particular, there is a real and pressing need for the CBOs and NGOs already supporting migrants and the communities of return migrants, to better understand the issue of debt among their beneficiaries, and to develop strategies and best practices to help individuals manage and resolve their debts. In some cases, this may involve workshops aimed at debt literacy or financial literacy; in other cases, it might include direct advocacy with MFIs, local officials or informal moneylenders. Such advocacy efforts could include supporting returnees in renegotiating their debts, contesting the collection of predatory loans and successfully managing a loan default where necessary.¹⁵³

There is a clear need for greater data-sharing, collaboration and communication, as well as further research, on the issue of debt and migration. For instance, while we know that debt can pose a barrier to sustainable return, there is limited data that might help us understand the nature of debt as experienced by return migrants: when such debt originates, to what degree it produces vulnerability and how it is related to other drivers of economic and social insecurity. Similarly, it is unclear whether return migrants struggle as much as or more than the non-migrant-sending households in the communities to which they return. Given that debt and over-indebtedness are growing concerns among rural households across the region, it may

¹⁵² See, for example: IOM and Asian Research Center for Migration (ARCM), “Assessing potential changes in the migration patterns of Myanmar migrants and their impacts on Thailand”, supplementary report (Bangkok, IOM and ARCM, 2016), available from <https://thailand.iom.int/supplementary-report-assessing-potential-changes-migration-patterns-myanmar-migrants-and-their>; and B. Harkins, D. Lindgren and T. Suravoranon, *Risks and Rewards*.

¹⁵³ This approach is based upon the assumption that the risks involved in lending are intended to be shared between borrowers and lenders. Where credit markets are appropriately regulated, lenders have incentives not to make predatory or inappropriate loans, as such loans create more risk for them. However, in much of South-East Asia, formal finance has expanded rapidly without any corresponding infrastructure aimed at protecting borrowers. In such cases, lenders are effectively insulated from the risks of predatory or ill-advised lending. Advocacy and regulatory efforts should be focused on re-balancing risk, such that lenders are disincentivized from granting risky loans.

be that the forms of indebtedness return migrants experience are not at all specific to their migration experience.

The following lists of recommendations expand these general suggestions, and enumerates a range of additional potential leverage points, each of which is likely to offer migrant workers greater financial freedom in the migration process, and/or an expanded ability to navigate debt and financial insecurity. These, however, should not be read as exhaustive lists of potential ways to mediate issues of migrant debt. Indeed, the past several years have seen a range of creative and promising strategies for supporting the goals above. For instance, the Issara Institute, in coordination with development agency USAID and retail giant Walmart, has created an alternative approach to incentivizing ethical recruitment practices: using a Myanmar-language smartphone app to create a Yelp-like platform for current and aspiring migrants. On the platform, migrants can review and rate employers and recruiters; follow news and updates on policies related to migrant workers; share their problems with other users; or seek immediate help from concerned parties. If this or similar applications become widespread, they could play a key role in both providing information to aspiring migrants and incentivizing ethical behaviour among recruiters. Similarly, Bong Pheak, an initiative of the Open Institute in Cambodia, has created a smartphone app (and website) that helps return migrants connect to relevant job opportunities in their home countries. These projects highlight the range of creative ways that actors can support the goals above, even absent policy change.

Recommendations to the governments of migrant-sending countries (Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam)

In the area of labour migration

- (a) Enact and/or enforce regulations eliminating worker-borne migration fees and/or limiting recruitment fees charged by registered agencies.
- (b) Strengthen and widely publicize grievance outlets for aspiring, current and return migrants.
- (c) Strengthen and widely publicize information hotlines for aspiring, current and return migrants.
- (d) Strengthen mechanisms to collect information from migrants who move through regular channels, allowing for better tracking of illegal and/or unethical practices.
- (e) Strengthen sanctions for recruitment agencies engaged in illegal and unethical practices.
- (f) Reduce administrative costs associated with labour migration and documentation necessary for labour migration.
- (g) Encourage and test alternative pathways for legal migration, such as direct recruitment by employers.
- (h) Establish skills recognition programmes so that migrants and their communities can benefit from skills gained overseas, in an effort to promote sustainable reintegration.

In the area of credit provision

- (a) Establish and/or strengthen an oversight mechanism of the microfinance sector, including: implementation of laws institutionalizing consumer protection principles, sanctions for MFIs and banks that contravene consumer protection principles, mandatory ethics training for loan officers, and implementation of policies to curb aggressive growth.
- (b) Establish and strengthen bankruptcy laws and guidelines on rights and responsibilities related to loan defaulting.
- (c) Establish and/or support an independent body to accept, document and respond to borrowers' grievances.
- (d) Establish and/or apply clear sanctions for predatory lenders.
- (e) Establish and/or strengthen national credit bureaux.
- (f) Require that MFIs be subject to regular independent studies of over-indebtedness, and/or require that existing studies are made public.

In the area of social protection

Establish and/or expand social protection programmes in ways that will eliminate the reliance on loans for basic needs.

Recommendations to the governments of migrant-receiving countries (Thailand and Malaysia)

- (a) Encourage forms of migration that eliminate the need for brokers and middlemen, thus lowering migration costs.
- (b) Encourage or require employers to bear the costs of migrant recruitment.
- (c) Encourage and simplify alternative pathways for legal migration, such as direct recruitment by employers.
- (d) Simplify administrative processes and requirements, with an eye towards eliminating the need for brokers for basic administrative tasks.
- (e) Create policies that allow for greater job mobility among documented migrants.
- (f) Expand monitoring of labour rights violations, and provide outlets for migrants to make claims against brokers, employers and recruitment agencies.
- (g) Impose further and/or heavier sanctions on recruitment agencies engaged in illegal and unethical practices.
- (h) When employers are responsible for the issuance of improper documentation, hold employers – not migrants – accountable.

Recommendations to non-governmental and governmental actors supporting reintegration

- (a) Speak directly to returnees about debt, recognizing it as an overarching economic, social and psychosocial concern.
- (b) Review the minimum standards for reintegration in light of different vulnerabilities.
- (c) Advocate for returnees to be registered with social protection schemes, where available, and provide support to address challenges of lost or missing identification and/or documentation.

- (d) Train staff on financial literacy, debt literacy and debt management strategies (including refinancing, debt re-negotiation and defaulting), so that they are equipped to speak knowledgeably to returnees about these topics.
- (e) Consider enacting financial literacy programmes for returnees, particularly, those on debt literacy and/or debt management strategies.
- (f) Support the development and dissemination of a “borrowers’ bills of rights” that highlights the obligations of financial institutions, the rights of borrowers and the laws related to borrowing, repayment and defaulting.
- (g) Train returnees on their rights as debtors and borrowers, so that they recognize illegal practices where they occur.
- (h) Train staff on consumer protection principles and other relevant laws related to lending, so that they are equipped to file complaints and grievances on behalf of borrowers.
- (i) Advocate directly with lenders (and local officials, where necessary) on behalf of borrowers. This might include convincing informal lenders to negotiate on continued interest increases or working with MFIs to renegotiate repayment timelines.
- (j) Allow for varied and flexible forms of reintegration support based on individual returnee experiences. For instance, among indebted returnees already planning remigration, the most helpful form of support may be with finding decent, legal employment abroad or financing migration costs directly.
- (k) Encourage CBOs and/or CSOs to be involved in reintegrating returnees, where possible.

Recommendations to the international community

- (a) Consider your own links to migrant supply chains.
 - (i) Research where the products you buy are made and who makes them. Make migrant labour visible in your consumption habits.
 - (ii) Advocate for ethical recruitment standards in businesses you work for and work with.
 - (iii) Purchase goods from suppliers and producers engaged in ethical recruitment.
 - (iv) Publicly support campaigns by migrant worker groups, NGOs and labour unions.
- (b) Consider your own links to the microfinance sector.
 - (i) Find out whether your pension fund, mutual fund or investment portfolio includes investments in microfinance. Where it does, demand information on over-indebtedness among borrowers and/or advocate for routine, independent and publicly accessible studies of over-indebtedness.
 - (ii) Reconsider donating to or supporting microcredit unless it has a clear social mission, offers reasonable loan sizes and publishes independent studies of over-indebtedness among its borrowers.



Migrant men and women returning to Myanmar through an unofficial crossing in Phrop Phra District, Tak Province, Thailand.

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A female Khmer migrant worker sits at a construction site outside of Pattaya, Thailand.

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