

Move or Stay Amidst the COVID-19

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We understand that the COVID-19 pandemic persists and deteriorates public health and generates economic disruptions. Workers in the frontline, particularly migrant workers, are among the most vulnerable groups that have been severely impacted. Millions of migrant workers around the globe could potentially lose their jobs and receive less than normal fees due to economic closures and other measures employed to contain the virus. This has subsequently led to a decline in remittances, known as the source to fuel growth and development in the developing world.¹ One of the crystal-clear examples was the unappeasable containment measures in India, which had caused millions of migrants to lose their jobs and even exposed to a serious dilemma of returning home or staying with an empty stomach.² The impact could be more critical compared to the Global Financial Crisis (GFC) in 2008. Remittances could significantly drop more than 20 percent, the sharpest decline in recent history, in low and lower middle-income countries, resulting in an adverse effect on households at the country of origins.³ As a drastic burden is postulated and the decision to migrate depends on the costs and benefits, a standard theoretical model is perhaps hard to justify and replicate during this unprecedented time, as uncertainty significantly played a role. Therefore,

temporary reintegration and re-migration potentially yield several important questions regarding the impacts and its implications, particularly for Cambodian migrants who are favorable to the life-cycle migration.

The temporary success of the government of Cambodia in handling the spread of the virus since the first outbreak in January should be applauded; however, the adverse impact is inevitable and potentially severe. A recent study by UNDP suggested that about 14.2 percent of Cambodian people can fall below the poverty line which would deteriorate years of government's effort in alleviating poverty.⁴ On top of that, migrants who returned from the neighboring country, particularly from Thailand, can be another upcoming challenge not only for the government but also for migrant families at home. It is estimated that about 100,000 migrants have returned between March and September as Thai authority continues the lockdown policy, including travel restriction to stop the spread of the virus. Suppose that one migrant worker could earn 300 Baht a day and 70% of migrants send 50% of their earnings home, we would expect to see a decline in remittances by approximately USD 338,710 a day among the returnees (assume

¹ The size of remittances inflow into the developing countries is recorded to be three times higher than the Official Development Assistance (ODA). The South-North remittance is estimated approximately 38% of the global remittances while South-South remittances account for 34% (World Bank, 2016).

² Mukhra, R., Krishan, K., & Kanchan, T. (2020). COVID-19 Sets off Mass Migration in India. doi:<https://doi.org/10.1016/j.arcmed.2020.06.003>

³ World Bank. (2020). COVID19 Crisis Through a Migration Lens. The World Bank Group. Retrieved from <https://openknowledge.worldbank.org/bitstream/handle/10986/33634/COVID-19-Crisis-Through-a-Migration-Lens.pdf?sequence=5&isAllowed=y>

⁴ UNDP. (2020). COVID19 Economics and Social Impact Assessment in Cambodia. Phnom Penh: UNDP.

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THB/USD =31).⁵ While losing an external source of income and life uncertainty of being unemployed upon returns, it purveys more burden for the household by increasing consumption deprivation and likely to have an adverse impact on the household's well-being. This excludes the risk of mental health problems, domestic violence and other distresses caused by COVID-19 which has been revealed by recent studies.

Motivation and propensity to return from the theoretical standpoints suggest that an individual migrant chooses to return based primarily on a motive to invest in the source country when the earning target at the host country is attainable. This is sometimes called entrepreneurial intention. Expected income, a family reunion in relation to the length of stay at the destination and other push factors such as immigration policy and economic downturn at the host country might affect the decision to return. However, within the current context, perhaps the utility subject of return with established theoretical models is at the edge of the box which can be difficult to be utilized. Yet, it is optimistic to view that the psychological motivation firstly thrives Cambodian migrant's intention to return: 1) fear of contracting the virus, and 2) fear of unable to return home, followed by 3) economic disruption involving unemployment, underpaid wages and potential abuses by employers such as contract termination, which trigger the intention to move.

Despite the fact that subject to return may depend on economic activities in the host country as suggested by various empirical studies, the relative comparison in terms of employment opportunities during the crisis between Thailand and Cambodia is perhaps not the case. Previous surveys and studies emphasized that push factors—poverty and unemployment at home—induce migration. This does not even include pre-existing debt, climate vulnerability and other push factors. Hence, even if we consider the homogenous effect from COVID-19, it is still improbable from an economic

point of view to explain the motivation that made Cambodian migrants return from Thailand while employment opportunity in Thailand is relatively higher than that in their community. Additionally, in systematic thinking, we do not ignore the fact that returning migration can be part of the end of work permit even though measures that allow migrants to extend their visas during the lockdown have been facilitated. Also, the migrant's legal status could have some implications on the choice to return, particularly irregular migrant is more likely to return than the regular one, which corresponds to the differences in propensity to return between the skilled and the unskilled migrants.

As returning home can be a viable strategy among Cambodian migrants during the unprecedented situation—although some are stranded in the host country—the implication in relation to wellbeing and intention to re-migration can be an interesting topic to explore. Firstly, migrant worker is required to finance their own trip, and it becomes theoretically expensive as the authority strengthens the border and restriction to cope with the spread of the virus. It is even more costly both monetarily and psychologically for irregular migrants who are at risk of detention and deportation. Hence, as their first choice to return from the host country, it seems to do more harm than good as its implication to re-migrate can be a challenge because of its uncertainty and asymmetric information of the journey as well as the job abroad. This has not even considered the potential spread of the virus at the source community which can be a significant economic and psychological cost. Secondly, as the decline or complete loss in remittances is projected, pre-existing debt becomes problematic. There is a large body in the literature documenting debt (microcredit) financing migration, which documented that a Cambodian migrant is likely to borrow to finance migration journey and make repayment through family mutual contract. A sudden shock by unplanned return would trigger a debt trap as migrant workers are unable to repay the loan and

⁵ According to the MoLVT (2020), by the end of April 2020, Cambodian migrants send remittances estimated USD2.8 billion, 78% from Thailand, 16% from South Korea, 4% from Japan and 2% from Malaysia.

potentially become a threat to their households' livelihoods. Therefore, there is a possibility of acquiring new credit for smoothing consumption and financing re-migration, which can be an issue leading to over-indebtedness. It becomes questionable in terms of how credit participation would ease migrants' household difficulties during the COVID-19 crisis. Finally, while poverty and unemployment in their respective community persist and are coupled by the need to repaid the loan, alternatively, migrants would choose to re-migrate as a coping strategy. However, it is also crucial to explore which channel migrants would choose to migrate, providing an optimal return on migration. While the unprecedented COVID-19 border lockdown between Cambodia and Thailand has not been lifted, acquiring a job abroad can commonly be facilitated through the informal channel, including via their kinship with an affordable cost; therefore, migrants might opt to choose irregular migration as it is less complicated and quick because the optimal time of waiting can be one of the key determinants in migration decision. Consequently, it offers a gap for informal brokers to leverage their role in managing

migration, which could postulate another potential issue to curb irregular migration.

From the observation above, government and relevant stakeholders could continue to facilitate migrant reintegration, especially during this unprecedented time as well as to monitor returning migrants with public health safety measures toward COVID-19 prevention. It is also vital to provide support such as skill training to leverage migrant capacity to prepare for either re-migration or start up a micro-business or employment at home. Finally, the role of recruiting business is also at the center of focus, aiming to work toward international recruitment standard and providing a more favorable recruitment environment for migrants by reducing recruitment fee, strengthening recruiting ethics, providing health and safety support both prior to and after arriving at the destination, and working with employers to ensure migrants receive proper benefits and comply with standard working conditions.

The Author chooses to use footnote as referencing style.

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