

BACKGROUND PAPER *

Circular Migration and the Triple Win Discourse *Policy Consultation Conference on Circular Migration and Development*

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Introduction:

For policy-makers and academics alike, circular migration has come to the forefront of discussions concerning contemporary migration processes and policies. The sudden increase in interest in circular migration can be attributed to the appealing promise of a 'triple-win' scenario whereby the receiving countries attempt to mitigate labour market shortages without getting too much into the difficulties associated with long-term integration, while for the sending countries they hope to benefit from reduced labour market pressures and transfers of skills and capital – remittances-, but also as a way of reducing the flight of essential human resources linked to brain drain. For the migrants themselves, circular migration is considered as a way of earning higher incomes and being able to save money, acquiring new skills and useful transnational linkages, which are noted as potential benefits that accrue from the facilitation and/or management of circular migration (Vertovec, 2007). In an increasingly transnational world, circular migration is being advocated as a potential solution to overcome the myriad of obstacles faced by both migrants and the governments of sending and receiving countries in an increasingly transnational world.

In view of the complexities and contestation about the implications of outflows (or labour mobility), it is therefore important to revisit both the notion of circular migration and juxtapose it with the current and diverse opinions regarding the positive and negative consequences of outflows and their likely implications for development both in the sending and receiving countries. Conceptually circular migration dispels the conventional notions of migration, which tend to oversimplify patterns of mobility and limit the movement of migrants to a linear and unidirectional path; starting in the sending country and ending in the receiving country (see Demare and Taran, 2006). The paradigm of circular migration,

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on the other hand, emphasizes the complexity and dynamism with which migrants and resources steadily flow to and between both sending and receiving countries. Contrary to the recent attention it has received; circular migration represents a pattern of mobility that has long existed in the movements of migrants. Recently, however, the focus has shifted from urbanization in developing countries to population movement, labour markets and social cohesion in developed countries (Bedford, 2009). This shift is, in large part, due to the remarkable transformations of migrant social networks. And while social networks have always played a crucial role in the movements of migrants, processes of globalisation, enhancing modern technology and the ease with which migrants can travel and communicate across great distances, have been intensified by the function of transnational social networks.

Since circular migration patterns form and are, in turn, formed by transnational conditions. The opportunities offered by transnational activities tend to have a significant influence on the migration process and development outcomes, but at the same time presents enormous challenges for effective management of migration. This is illustrated, for instance, by remittances, which have dramatically increased and have become a major economic resource for sending countries worldwide. The sheer volume by which remittances are channelled across the globe has inevitably attracted the attention of policy-makers as well as international institutions and agencies, particularly those that recognize the development potential of remittances. Conversely circular migration is seen as measure that may counteract the negative impact of brain drain by encouraging “brain circulation”¹.

The loss of human capital in the developing countries due to the emigration of highly skilled workers can be reversed by policies that ease re-entry into the host country and thus encourage migrants to return to and invest in their countries of origin. Exceptionally relevant are the EU's 'blue card' initiative, which, targets highly qualified migrants and other temporary migration schemes being implemented in partnership between International organisations such as the International Organisation on Migration (IOM) and several African governments, which, facilitates the return of low and highly skilled workers. What benefits might be gained if more avenues for regular, repeat temporary labour were provided to migrants or if dual citizenship could more easily be obtained? However, considering the current policies in international migration, what feasible recommendations can be made to encourage effective 'wins' for all stakeholders involved? As a major player in the migration policy debate within the Netherlands and European level, the DFD, takes cognisance of the necessity for a constant dialogue between major actors in the field of migration and development, especially on the subject of circular migration.

1 Referring to “the continuous movement of skilled persons that both benefit the place of origin and the place of destination”. UNESCO (2008) People that move. Handbook of selected terms and concepts. Version 1.0. UNESCO Section on International Migration and Multicultural Policies.

Global competition for highly skilled migrants

In the context of global competition for highly skilled migrants, opposite views (Portes, 2009) and debates have emerged both within the academia and policy circles with regards the negative and positive implications of out flows from sending countries. Migration in its various forms and dimensions, impacts upon sending and receiving countries differently, while at the same time governments are seeking ways to optimise its developmental potentials. For instance in the receiving countries, migration is a sensitive issue which rattles both sides of the ideological divide as global economic changes put pressure on the welfare state, while traditional sources of employment in the manufacturing sector relocate to countries in the periphery, where they access cheap labour as well as favourable investment conditions and incentives. This shift has exposed countries in the core to vulnerabilities associated with the decline of the welfare state (Esping Anderson, 1990) and changing demographics in terms of an increasingly aging population (Ong'ayo et al, 2010). However in the sending countries, the general view is that out migration offers a safety valve to poverty and unemployment and that through remittances, migration contributes to the survival of families and stability of sending nations (Guarnizo, 2003). Moreover, the inflow of capital through migrant remittances could improve productivity and income (Massey et al. 1998, 223). These views are supported by arguments from classical studies and New Economics of Labour Migration (NELM) School, which takes a positive attitude towards such stance, and emphasizes the role of families and communities in migration decisions. These two schools of thought see migration as a positive strategy to diversify income for households in the south (Willis, 2008; Faini, 2007; Portes, 2009). But scholars from the south counter these arguments by stating that migration is a symptom of underdevelopment, a cause of it, and that it depopulates entire regions and turns sending families from producers into rentiers. Moreover they argue that it allows governments to escape their responsibilities by relying on migrant remittances (Portes, 2009; Delgado and Covarrubias, 2006).

Circular migration: Some current debates:

The increasing interests in various forms of policy initiatives to attract the diasporas relates to the current debate about the consequence of outflows often referred to as brain drain (Cohen, 2009; Fiani, 2003; Stark et al, 1997). It has been argued in most migration literature that the outflow of highly qualified person from the developing countries deplete the essential human resources, which is needed for the development of their own societies (Joseph, 2004). Recent response both at national and

international levels have entailed programmes aimed at reversing the 'brain drain' through initiatives under the notions of 'brain gain', 'brain circulation' or 'circular migration'. The process of brain gain (Willis, 2008) is noted to be an intervention measure introduced at a certain level of the process of brain drain. Brain circulation on the other hand refers to the continuous movement of skilled persons that both benefit the place of origin and the place of destination (UNESCO, 2008). Brain circulation within the context of circular migration is noted to cause a triple win situation in, which according to Vertovec (2007) has the 'benefits for receiving countries through meeting of the labour market shortages. As noted by Constant and Zimmermann (2007) more than 60 percent of migrants from the guest worker countries are indeed repeat or circular migrants. Rannveig and Ruiz (2007) have also observed that since 1997, temporary migration to countries that belong to the Organisation for Economic Cooperation and Development (OECD) has grown annually by 9 percent. Successful examples of migrants returning to their countries of origin to boost economic include "Korean workers and engineers employed in construction projects in the Middle East in the 1970s who were widely believed to be behind Korea's massive industrialisation in the following decades, Mexican seasonal migrants to Canada have set up small-scale entrepreneurial activities at home and Moldavian migrants working under a temporary migration scheme in Slovenia in the 1990s (Agunias, 2007)

Portes for instance explains this phenomenon using two distinctions namely *cyclical* and *permanent* migration to highlights the conditions under, which migrants are likely to return to the countries of origin (Portes, 2009a). Due to the transnational linkages, diasporas are mobilizing resources and acquire skills and experiences as well as information that guide their choice of destinations. As observed by Vertovec (2009) 'with each move, migrants learn more about migration, where and how to find for instance jobs and housing. Such knowledge is an asset that is derived from social connections and experiences, or 'migrant capital'. The more migrant capital, and successes through investment in the countries of origin the more the migrants are likely to return. As argued by Portes (2009a) "migrants are more likely to return only if they have something to return to". This mainly refers to what the migrants themselves have built or if there are favourable contextual conditions made possible by the government (including political and economic stability). The ability of the migrant to return especially cyclical return provide the migrant with opportunities to develop personally as well as for the home country, through the transfer of financial resources, knowledge and skills acquired in the host countries (Portes, 2009b; De Haas, 2003).

Circular migration and policy responses:

In response to the massive outflow of essential human resources from their countries, developing country, governments are also responding in various ways often without coherence in terms of

appropriate institutions and policies to effectively address the issue of migration. These responses are largely informed by the increasing recognition of the volume of remittances, but also the other diaspora potentials which sending country governments or key actors endeavour to tap into for varied political and economic aims and objectives. The role of the diaspora in the sending countries also vary markedly depending on the contextual conditions (political and economic) at national level, in which stability exists through the presence of stable government or the absence of a government in the context of state failure or fragility (DIFD, 2005; Bilgin and Morton 2004; Debiel 2002). In economic terms, the availability or absence of the necessary infrastructure and job opportunities in fields relevant to migrant expertise and experiences play a significant role in determining whether highly skilled migrants are likely to return to their countries of origin. These factors are also related to better working conditions and remuneration that is commensurate and equivalent to their current earnings in the diaspora.

As consequence of the various dimensions of migration and the varied manifestation of its impact in different country contexts, responses by governments also vary markedly. For the receiving countries, global competition for highly skilled migrants (Human Development Report, 2009), is informing the formulation of new migration policies and programmes initiated to attract foreign talent to supplement those that are produced by their own universities. They are also reacting to shortages in the labour market as well as the increasingly aging population. Examples of such policy initiatives include the points system in the UK, EU's blue card, while the Swedish, German, the Dutch policy propositions for highly skilled migrants allow graduate and post graduate foreign students to stay upon completion of their studies (Ong'ayo et al, 2010). Sending countries on the hand are preoccupied with Diaspora engagement policies and initiatives which include efforts to set up diaspora ministries, or units within various government department as well as a ray of incentives to attract their citizens in the diaspora. However despite these measures, there is no clear method for addressing the consequences of outflow migration from the south. Few initiatives such as the MIDA programmes of IOM, AENEAS programme of the EU and several return or circular migration programmes have not achieved much either. As noted by Lagana (2007, 13), "most programmes in developed countries focus on those migrants who will be forcibly repatriated", most of them having spent considerable time in the host country". For this group to return, "they badly need the training and funding available (to a limited extent) for the highly-skilled who have chosen to return". As consequence, most of these programmes fail to address brain drain or to act as a catalyst for development when return is not voluntary, since as pointed out by Aquinas (2007) most successful returns are those which occur voluntarily. Therefore the continued prevalence of opposite views and lack of clear theoretical explanation of the phenomena and workable solutions that suits the diverse interests in the field of migration

The supposedly examples of successful cases of circular migration, which have produced triple wins for the migrant, the host and home country include Eastern European countries, still outside the borders of the EU, such as Ukraine. In these countries, circular migration is observed to have contributed to their economic development, while at the same time satisfying the EU labour market needs, especially in such sectors as transport, construction and agriculture. However these developments are underpinned by the rule and regulations guiding labour mobility within the EU member states and those outside the union. The EU-Commission in this case has been striving for a common European approach, taking into account increasing labour needs in the coming decades, especially in the context of aging populations in Western Europe (HIT Foundation, 2008). However EU member state governments are still predominantly divided on the most appropriate migration policies, a position largely informed by the distinction between policies and legislations that take precedent at national and EU level. It is also influenced by policies which are binding and which ones are not, the diversity of labour market conditions in each EU member state as well as the political sensitivity of migration as an issue at the national level.

For most migrants, mobility is an ongoing process as long as the original individual motivations for migration have not been met. To many, it is an endeavour with a constantly shifting destination points. For instance the opportunities and possibilities provided by a common EU migration policy especially with regards to the movement of people across its borders, immensely increases the migrant transnational linkages and shift of 'destination country (ies)'. Migrant mobility is also influenced by motives and objectives that are personal as well as group transnational linkages. Therefore unless and until these objectives are met, the possibilities for migrants to return (*cyclically or permanently*) are difficult to predict. Another influencing factor is destination country policies, which motivates or demotivates people to migrate to these countries despite the obstacles placed by stringent regulations, dangers associated with mobility (legal and illegal) across the seas, deserts and borders.

Circular migration: determinant factors:

Nevertheless the relative impact of circular migration depends on both internal and external factors within national contexts as well as beyond the borders (Brinkerhoff, 2008). This includes instances where a government regulates and protects migrants by providing mechanisms for legal recruitment of migrant workers. Such mechanisms are likely to increase circular migration to the home countries, as they feel more secure to travel between the host and sending countries. As argued by Vertovec (2007) migrant receiving countries should open up more avenues for regular, repeat temporary labour migration and give incentives to migrants by offering future return to the same job. It is also suggested that making residence or dual citizenship available to certain migrants and establishing more flexible

visa regimes will act as encouragements to productive and free exchange between countries. It will also facilitate the transferability of social rights such as pensions. Rannveig and Ruiz (2007) drives this point home using the Philippine experience where protection of overseas workers has been institutionalized through three elements: a mechanism for repatriation, provision of insurance and loans, and education and training. Therefore circular migration policies might positively contribute to tackling challenges around economic development, labour shortages, public opinion, and illegal migration.

Although recent debates about migration has dominated much of international development agenda and policies aimed at countries in the South, the issue of migration related development policy focusing on circular migration by attracting returnees or encouraging temporary worker schemes remain complex. The potential developmental benefit of circular migration generally linked to the transnational nature of migration largely depends on the manner in which the international institutions, receiving and sending country governments are addressing the various dimensions of international migration. This is extremely important since external factors also have significant influence on the success or failure of circular migration policies and programmes (also see Castels, 2004a). For these reasons, precaution is necessary with regards to the overestimation of the triple wins with circular migration. As pointed out by Avendaño (2009) triple wins are largely advantageous to the employers instead of the migrants themselves. He further observes that not all migrants are winners, even though some arguments suggest that workers are able to support their families with wages far above what they could earn at home, and that structured temporary migration is less risky for migrants than irregular migration. But turning the arguments around, he also notes that the 'win-win-win solution' could only benefit sending countries by ensuring the flow of remittances for development, while for the receiving countries they could benefit plugging labour shortages and ensuring that temporary migrants leave; and benefiting employers by allowing them to recruit from a known and reliable pool of workers, retaining trained and experienced people and keeping wages low'.

Rannveig (2006) is however concerned about the overestimation of the transfer of human capital and the increase of skills among temporary migrants. To him, the majority of temporary migrants engage in low skilled jobs, which will probably not transfer the much-needed high skills, whereas the small number of high skilled migrants will do. Rannveig and Ruiz (2007) are also concerned about the arguments of win-situation in the case of migrant. They argue that countries of origin should not be the only ones expected to protect migrant workers. Destination countries also need to do their part in protecting migrant workers within their boundaries. If governments protect migrants' rights, it allows the government to r sufficient revenue to finance inherently expensive needs of migrants in destination countries. Furthermore, a government will be able to implement repatriation services, especially in

emergency situations. Finally, migrant resources will be able for development, such as business entrepreneurship and career development among returning migrants, if policies and programmes designed in the host countries are appropriately designed and incorporating the migrant perspective for the success or failure of these policies (Castels, 2006b). It also requires more collaborative work with sending country governments, but not as an extension of host country migration management abroad through capacity building, but by jointly developing mechanisms that have the potentials for the creation of a triple win situation in the long term.

Conclusion:

Through the linkages that have been developed by migrants from the developing countries across the European Union member states, a constructive engagement which entails interaction and exchanges between policy makers, practitioners, diaspora organisations and academic is a critical input into the overall debate about the potentials of migration as postulated in the principle of win-win-win situation. With the promise of a 'win-win-win' scenario for migrants, sending countries and receiving countries, there has been renewed interest in the policy potential of circular migration. Particularly when confronted with the current obstacles in the area of migration policy and the ongoing programs aimed at management of circular migration. However, a careful examination of the real and potential positive and negative impacts of circular migration should first be carefully undertaken.

In the foregoing, the DFD through this conference aims at provide a platform for dialogue between stakeholders in order to raise awareness on fundamental issues w emerging from the debate, and actual practices on circular migration. Two panel discussions will provide the framework for the conceptualization of circular migration and will be complemented by discussions on brain drain and temporary migration schemes involving academics, policy makers, migration and development practitioners, and migrant organizations. Following the panel discussions, participants will be encouraged to engage with one another during workshops.

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