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**Tracing the possibility of a migration-
propelled development**

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Tracing the possibility of a migration-propelled development

Bonn, 13 May 2009. There are almost 200 million international migrants – people who have lived outside their country of origin for more than one year. Half of them are women. The number includes more than 9 million refugees and is equivalent to 3% of the world population. The majority of them (56%) live in Europe, followed by Asia, North America, and Africa. Among the main reasons for their migration are global wage disparities, high unemployment rates, or education gaps. Furthermore, wars, political persecution or climate change lead to an increase of international migration flows.

A widespread opinion in the academic community considers migration to be an effective “dual” or even “triple” development tool for the sending countries, the receiving countries, and the individual migrants themselves. This triple benefit has increasingly been associated with the concept of “circular migration”. Unlike traditional temporary migration, circular migration not only provides the opportunity for migrants to work provisionally in countries with a shortage of labour, but it also offers them the opportunity to return to the host country at a later time. Therefore, this concept aims to tackle the increasing trend among industrialised countries of controlling immigration flows in order to maximise their own benefits as receiving countries.

However, a critical assessment of this concept shows that the implementation of circular migration policies face numerous challenges concerning the risk of repeating past mistakes such as the *guestworker*-policies of industrialised countries. Indeed, circular migration as it is currently discussed seems to be “old wine in new bottles”.

As already mentioned, this scheme of migration seems to create a “triple-win” solution for migrants, receiving countries, and sending countries. Migrants contribute to a great extent to the economies of their host countries by alleviating labour shortages and therefore accelerating their economic growth. Traditional countries of immigration such as Canada, Australia or New Zealand that carry out selective immigration policies have especially benefited from highly skilled immigration clearly leading to a brain drain in the sending countries. Thus, despite its positive contributions, circular migration might also trigger tensions between the sending and receiving countries: while the former is interested in promoting the emigration of low-skilled persons, the latter might prefer to attract only highly-skilled persons. Instruments such as compensation payments to the home countries or brain-drain income taxes have been suggested in order to avoid and balance brain drain from the developing countries. However, the specific circumstances or mechanisms of payment still remain unclear, likewise the issue of who should manage these funds – the international community, the sending country or non-governmental institutions?

Nevertheless, the sending countries also seem to benefit from the increasing flow of remittances – the transfer of money by a foreign worker to his/her home country – which has proven to be a major global economic resource. Estimates of the volume of remittances vary between \$ 250-400 billion US Dollar per year globally. The formal remittances are almost triple the value of Official Development Assistance (ODA) and are the second largest source of external funding for developing countries after foreign direct investment. Sending remittances can be interpreted as an investment in the conditions of reintegration in the case of return. For example, migrants tend to invest their official and informal transfers in their children's education, their families' well



being, or in the family's own business and land holdings, which also stimulates local economic development.

Finally, through remittances and their newly acquired skills, return migrants are believed to become development actors in their own right, thus reducing their incentives to migrate in the future. Furthermore, since temporary migrants are compelled to return to their home countries as soon as their labour contract is over, they are less likely to bring their dependants to the host country, thus insuring the maintenance of close ties with their home country which will smooth the progress of social and economic reintegration when they return.

The concept of circular migration is based on a recent shift in international migration patterns from permanent settlement to temporary migration patterns. Circular migration represents an alternative policy tool to improve upon the discredited temporary worker programmes of the past that could increase the likelihood that global mobility gains might be shared by all the actors involved. This important shift provides new opportunities for developing countries that developed countries can help to foster by providing a coherent framework enabling migrants to move easily between their country of origin and destination, like dual citizenship or flexible visa regimes. However, the primary response of governments to curb unwanted migration has to date been the imposition of increasingly restrictive immigration laws and regulations (restrictive issuance of visa and residence permits), intensified border controls, carrier sanctions, deterrent policies and return migration policies which halt circular migration patterns.

Furthermore, despite the potential benefits of migration-propelled development some open questions and risks remain. One crucial point is the impact of temporary migration on the migrant's socio-economic mobility. While the experiences and earnings in a foreign country might give migrants the chance to get better jobs at home or abroad, they also often remain stuck in low levels of employment, such as seasonal agricultural labourers. Also, existing evidence strongly suggests that economic and human development increases people's capabilities and aspirations and therefore tends to coincide with an increase rather than a decrease in migration, at least in the short to medium term. This trend might be accelerated by regulated circular migration systems.

A further weakness of the concept of circular migration is the lack of integration strategies due to the perception that migrants would return to their home countries. The migration history of the US, the United Kingdom, and Germany over the last six decades demonstrated this problem when it became clear that several million "guestworkers" were there to stay. One important lesson learnt from these examples is that the lack of integration strategies makes migrants more vulnerable to anti-foreigner attitudes and social exclusion in the receiving society.

Therefore, the belief that migration-propelled development will reduce migration is more problematic than it seems since it reflects the implicit but contestable assumption that migration is undesirable and is therefore a problem that should be 'solved'. This is a doubtful assumption in the light of ample evidence that migration has been a universal feature of humanity. It is evident that in the medium term the European continent will need more immigration to hold up its economic strength and social welfare due to its ageing population.



Given this reality, we should strive to formulate migration policies together with the representatives of the main sending and transit countries as well as with civil society that can benefit all of the actors involved. In designing these policies, a leitmotif should be respecting human rights principles rather than responding to economic considerations of the industrialised countries alone.

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