



**MAXIMIZING THE BENEFITS OF CIRCULAR
MIGRATION FOR THE NETHERLANDS IN
RESPONSE TO THE MIGRATION AND
DEVELOPMENT DEBATE**

A report prepared by
***The Hague Process on Refugees and Migration* Foundation**
for the Department for the Movement of Persons,
Migration and Alien Affairs
Netherlands Ministry of Foreign Affairs
(The Hague, 11 December 2007)

PREFACE

This report is submitted by *The Hague Process on Refugees and Migration* Foundation – www.thehagueprocess.org . The Foundation supports *The Declaration of The Hague on the Future of Refugee and Migration Policy* by bringing together a global network of established and new stakeholders from a multidisciplinary background; generating innovative concepts and approaches in the field of refugee and migration policy; and functioning as an independent catalyst for political dialogue.

This report was commissioned by the Department for the Movement of Persons, Migration and Alien Affairs at the Netherlands Ministry of Foreign Affairs, where it is intended to provide input into a policy paper being prepared for the Minister on Development Cooperation on ‘Development and Migration.’ The report is based on a review of existing literature on circular migration; analysis of the effectiveness of existing policies on circular migration elsewhere to draw lessons for the Netherlands; as well as a series of consultations with stakeholders in the Netherlands and international experts in the field. It was written by Khalid Koser, with assistance from Frans Bouwen, Antoine Meyer, Veronique Melsert and Alexander Taylor. Particular words of thanks are expressed to Alexander Taylor who translated this original English text into Dutch.

This report is intended to inform the current debate in the Netherlands on the potential merits of a program of circular migration, to identify the most effective policies; and to explain the challenges of implementation. It does not contain specific or detailed policy proposals; instead it proposes broad guidelines and best practice in circular migration.

Frans Bouwen

Executive Director

The Hague Process on Refugees and Migration Foundation

LIST OF CONTENTS

Key Messages	05
Executive Summary	06
1. Introduction	10
1.1 Aims and objectives	10
1.2 Circular migration	10
1.3 Relevance	11
1.4 Methods	12
1.5 Structure	13
2. Defining Policy Objectives for Circular Migration	13
2.1 Different perspectives on the objectives of circular migration	14
2.2 Towards a more integrated approach	15
3. Benefits and Costs of Circular Migration	16
3.1 Contributions to development in origin countries	17
3.2 Benefits to host countries	22
3.3 Benefits for migrants and their families	23
3.4 Policy implications	24
4. Circular Migration in the Dutch Context	25
5. Policies to Maximize the Benefits of Circular Migration	27
5.1 Managing the demand for migrant labour	27
5.2 Encouraging return	29
5.3 Enforcing return	32
5.4 Prospects for permanent settlement	34
5.5 Summary	35
6. Effective Policy Implementation	35
6.1 Circular migration as part of a coherent migration strategy	36
6.2 Coordinated policy-making and implementation	36
6.3 Cooperation with origin states	37
6.4 Capacity	37
6.5 Human agency	39

7. Pilot Study	40
8. Recommendations	40
List of References	42

KEY MESSAGES

- The Netherlands is in a privileged position to be able to adopt an integrated and innovative approach and become an exemplar on circular migration
- Circular migration can contribute to filling labour market gaps; make a positive contribution to development in origin countries; facilitate a quick response to changing economic conditions; and enhance the return of migrants
- Circular migration in the current Dutch context can be targeted on both low- and high-skilled migrant workers originating outside the European Union
- Effective circular migration programs combine policies to manage the demand for migrant labour with policies for facilitating the return of migrant workers
- Many of the necessary policies for facilitating circular migration are already in place in the Netherlands
- A pilot study should be implemented

EXECUTIVE SUMMARY

1. The aim of this report is to assess how to maximize the benefits of circular migration for the Netherlands by reviewing the policy purpose and potential benefits of circular migration; considering the current relevance and future potential for circular migration programs in the Netherlands; and identifying good practice in designing and implementing policies to facilitate circular migration.

2. Circular migration in this report is defined as: ‘The fluid movement of people between countries, including temporary or permanent movement which, when it occurs voluntarily and is linked to labour needs of countries of origin and destination, can be beneficial to all involved’.

3. Perspectives on the policy objective for circular migration vary between filling labour market gaps; maximizing the developmental impact of migration; and helping combat irregular migration. The Netherlands is in a privileged position to be able to adopt a more integrated and innovative approach and become an exemplar on circular migration. Circular migration should be viewed as a framework combining a range of policies targeted on development, the labour market and return migration, which can be applied as required by national priorities.

4. Circular migration has the potential to contribute to development in origin countries by facilitating the return of migrants who can become a direct source of investment and transfer human capital. However the developmental impact of circular migration largely depends on the profile of the migrants concerned – highly-skilled migrants with long-term or permanent residence rights in host countries have the greatest impact upon return; and on economic and political conditions in the origin country. Furthermore alternative policies – to promote remittances and diaspora investments – can be as effective in promoting development as those for circular migration.

5. Circular migration can benefit host countries - mainly by filling labour market gaps - although a similar goal can also be achieved through carefully regulated permanent and temporary labour migration programs.

6. Circular migration can benefit migrants and their families by removing some people from irregular migration and work, providing a reliable source of income through access to the labour market, and facilitating regular contact between migrants and their families. At the same time there are concerns that circular migration programs can impinge upon the rights of migrant workers, promote a culture of dependency among family members, and reduce the incentive for migrants to contribute fully to host societies.

7. The relevance of circular migration in the current Dutch context is that it can make a limited but targeted contribution to filling labour gaps at both the higher and lower end of the labour market while simultaneously making a small but positive contribution to development in origin countries; it can facilitate a quick response to changing economic conditions and labour market demands; and it can enhance the return of certain migrants.

8. Circular migration in the current Dutch context can be targeted on both low- and high-skilled migrant workers originating outside the European Union.

9. Effective circular migration programs need to combine policies aimed at managing the demand for migrant labour with policies for facilitating the return of migrant workers.

10. The three main policy options for managing the demand for migrant labour are the strict enforcement of employment laws, regulating the cost of migrant labour, and implementing labour market tests.

11. Effective return policies combine 'carrots' and 'sticks'. The main policy options for encouraging return are longer contracts, options for re-entry, portable social security benefits, and quota systems. The main policy options for enforcing return are financial

security bonds, mandatory savings schemes, and the strict enforcement of immigration laws.

12. Many of the necessary policies for facilitating circular migration are already in place in the Netherlands.

13. The effective implementation of policies for circular migration in the Netherlands depends on: integrating new policies into the existing managed migration policy framework to ensure coherence; coordination across government, and between government and civil society and the private sector; cooperation with origin states; targeted capacity-building in both origin states and the Netherlands; and a clear understanding of the limitations of policy.

14. This report makes the following recommendations:

- (1) The Dutch government should consider implementing a circular migration program: Circular migration has a limited but positive contribution to make to current Dutch migration and development priorities, and would permit a quick response to changing economic conditions and labour market demands.
- (2) The Netherlands is in a position to become an exemplar on circular migration by adopting an innovative policy approach to circular migration that combines labour market, development and migration priorities.
- (3) Many of the range of policies that comprise a comprehensive circular migration program are already in place in the Netherlands; and where new policies are required they should be integrated into the current managed migration framework and adhere to its underlying principles.
- (4) Circular migration programs in the Netherlands can be targeted on both low- and highly-skilled migrant workers originating outside the EU.
- (5) The effective implementation of a circular migration program will entail coordination across government and with other national stakeholders; cooperation with origin states; and some targeted capacity-building.

(6) Circular migration should be monitored and evaluated: in this regard it will be essential to define the policy purpose of circular migration and establish clear criteria for assessing its effectiveness; establish or strengthen reliable data collection systems; and have realistic expectations for the benefits of circular migration and the limited role that policy can have.

(7) A pilot study should be implemented to encourage consultations in defining policy objectives for circular migration; identify suitable target origin countries and migrant categories; identify gaps in existing migration and development policies; inform strategies to overcome implementation challenges; and inform the development of evaluation criteria for circular migration.

**MAXIMIZING THE BENEFITS OF CIRCULAR MIGRATION
FOR THE NETHERLANDS IN RESPONSE TO THE
MIGRATION AND DEVELOPMENT DEBATE**

1. INTRODUCTION

1.1 Aims and objectives

This report has been commissioned by the Department for the Movement of Persons, Migration and Alien Affairs at the Netherlands Ministry of Foreign Affairs. Its purpose is to provide input into a policy paper being prepared for the Minister on Development Cooperation on ‘Development and Migration’, with particular attention on circular migration.

The main aim of this report is to assess how to maximize the benefits of circular migration for the Netherlands. It has three specific objectives:

- (1) To define the current relevance and future potential for circular migration programs in the Dutch context;
- (2) To identify good practice in designing and implementing policies to facilitate circular migration in the Netherlands; and
- (3) To answer a number of questions specifically identified in the Terms of Reference for this report, namely:
 - i. What is the development-related relevance of circular migration?
 - ii. What are the prospects for circular migrants in their country of origin?
 - iii. What are the social, psychological and emotional impacts of circular migration?
 - iv. What policies can ensure that temporary migration is temporary?
 - v. Is there a particular ‘psychology of the migrant’ that affects return motivations?

1.2 Circular migration

There are numerous definitions of circular migration. It is not the purpose of this report to discuss the merits of different definitions or to devise a new definition. Instead the report

will adopt the following definition of circular migration, used as a point of reference during the July 2007 meeting of the Global Forum on Migration and Development:¹

‘Circular migration is the fluid movement of people between countries, including temporary or permanent movement which, when it occurs voluntarily and is linked to labor needs of countries of origin and destination, can be beneficial to all involved’

While even this definition lacks specificity, it adequately captures the essence of most recent definitions of circular migration in that:

- (1) It refers both to ‘fluid’ and to ‘temporary’ and ‘permanent’ movement and thus incorporates both a single episode of migration and return, and multiple episodes;
- (2) It incorporates circular migration both of migrants already settled in host countries, and of prospective migrants currently residing at home;
- (3) It is not prescriptive as regards the migrant category covered – circular migration can apply to temporary and permanent migrants, to low-skilled and high-skilled migrants, and to first- and second-generation migrants;
- (4) It links circular migration directly to labour market needs in destination countries and economic development in origin countries;
- (5) It refers to the potential for circular migration to be mutually beneficial for both states of origin and destination, as well as for migrants and their families; and
- (6) It does not discount the option for some circular migrants to be admissible for permanent settlement.

1.3 Relevance

The specific policy advantages of circular migration for the Netherlands are described in detail in Section Three. In sum: it can make limited but real contributions to filling labour market gaps in the Dutch economy; simultaneously make a small but positive contribution to development in origin countries; provide the flexibility to respond to changing economic and labour market conditions; and complement current return policies.

¹ GFMD (2007)

The relevance of this report more broadly is threefold. First, it is intended to contribute to current policy debates in the Netherlands on both managed migration² and on the link between migration and development. As long as they are developed within existing policy frameworks and legal systems, circular migration programs have the potential to contribute towards achieving policy goals in both these areas.

Second, this report is intended to focus on circular migration as it applies specifically to the Dutch context. A policy review on circular migration is currently underway at the European Union (EU) level,³ and it will be important for the Netherlands – as well as all other member states – to have a clear understanding of whether and how circular migration can meet particular national requirements before entering the EU-level debate.⁴

Third, as the rate of immigration of third-country nationals to the Netherlands has decreased significantly in recent years, having largely been replaced by immigration from the new EU states,⁵ this is an opportune time for the Netherlands to reassess bilateral agreements with traditional migrant-sending countries, as well as to establish partnerships with new countries. Circular migration may form the basis for new policy understandings with third countries outside the EU.

1.4 Methods

Preparation of this report has combined four main methods. First, a thorough literature review has been undertaken with the aim of defining the policy goals of circular migration, evaluating its potential benefits, and understanding the limitations of circular migration for achieving particular migration and development policy goals. The secondary sources used for this review are included in the list of references at the end of the report. Second, current and proposed policies for facilitating circular migration, from around the world, have been reviewed in order to identify ‘good practice’ for policies to

² Netherlands Ministry of Justice (2006)

³ CEC (2007)

⁴ MPI (2007a)

⁵ SOPEMI (2007)

facilitate circular migration and their effective implementation. Third, a small number of targeted interviews and discussions have taken place with officials and representatives from relevant government departments and non-governmental organizations in the Netherlands. Fourth, there has been a series of consultations on draft versions of the report and its conclusions and recommendations with international experts affiliated with The Hague Process on Refugees and Migration Foundation.

1.5 Structure

This report is in two main parts. The first part establishes the current relevance and future potential for circular migration in the Dutch context by reviewing various perspectives on the policy objectives for circular migration (Section 2), analyzing the potential benefits of circular migration (Section 3), and then applying this broad framework to the Dutch context (Section 4). The second part identifies the range of policies available for facilitating circular migration, with a particular focus on maximizing its development opportunities (Section 5), and makes recommendations on the effective implementation of these policies in the Netherlands (Section 6) and for a pilot study (Section 7). Throughout the report, additionally, boxes are included to answer the specific questions posed in the Terms of Reference. These answers draw on the analysis in relevant sections of the report.

2. DEFINING POLICY OBJECTIVES FOR CIRCULAR MIGRATION

There is a striking lack of consensus in the existing literature and current policy initiatives about what is the main policy objective for circular migration. Defining and agreeing the policy objective is a critical first step in promoting circular migration for the following reasons:

- (1) The overall objective will determine the configuration of policies applied, and the character of policy agreements with origin countries;
- (2) An agreed objective is necessary for effective coordination between different government ministries in the Netherlands, and between government and other national stakeholders; as well as for representing Dutch interests at EU-level policy debates on circular migration;

(3) In order to gain public support circular migration needs a clearly stated objective that unequivocally benefits the Dutch economy and society; and

(4) It will not be possible to define criteria or benchmarks against which to evaluate the effectiveness of policies, unless those policies have a clearly stated purpose.

2.1 Different perspectives on the objectives of circular migration

Three main perspectives on the objectives of circular migration can be discerned from a review of existing and proposed policies around the world. First, the concept circular migration is sometimes used interchangeably with that of temporary migration.⁶ The emphasis is on importing workers to fill temporary labour market gaps, and ensuring that they return home after a given period of time. The argument is that in a period of heightened public and media sensitivity about the causes and consequences of immigration, it is important for governments to be able to give assurances that imported workers will not settle permanently.⁷ The main policy challenge in this perspective is to ensure that migrants do indeed go back, and to overcome the perceived failure of earlier temporary migration programs in Europe, which did not achieve large-scale return movements.

In other discussions circular migration is primarily promoted as a means for linking migration and development, by ensuring that people, their human capital and their investments return to origin countries.⁸ Circular migration is considered complementary to policies that encourage remittances and diaspora investments. The main policy challenge in this perspective is to maximize the potential benefits of return migration for origin economies and societies; and to promote synergies between remittances, diaspora investments and return.

The above approaches are combined when circular migration has been suggested to be one way to reduce irregular migration.⁹ On one hand allowing some migrants to arrive

⁶ Castles (2006)

⁷ Vertovec (2007)

⁸ Basok (2003)

⁹ Angenendt (2007)

legally to work in the labour market might reduce the numbers trying to enter and work in an irregular fashion. On the other hand encouraging migrants to return can contribute towards the long term goal of developing economies in origin countries and thus reducing incentives to migrate in the first place. The main policy priorities here are strict enforcement of labour and immigration laws.

2.2 Towards a more integrated approach

These different perspectives largely reflect different priorities. Where circular migration is being promoted by a development ministry, for example, its development potential is likely to be highlighted. Different countries also have different priorities for circular migration – migrant-sending countries may view it as a means for guaranteeing regular access to overseas labour markets, whereas migrant-receiving countries may be more concerned about making sure it is temporary.

The Netherlands is in the privileged position to be able to adopt a more integrated approach that combines perspectives and priorities, and thus become an exemplar on circular migration, for the following reasons: Circular migration is not immediately required to fill significant labour market gaps in the Netherlands; other policies are in place for integrating migration and development; and return is important but no longer a pressing priority in the Netherlands. Thus none of the potential policy purposes for circular migration take immediate priority in the Netherlands, permitting them to be accommodated equally within an integrated framework. At the same time the new managed migration policy is intended to facilitate cross-government cooperation on migration and its links with other key areas, such as development and the labour market,¹⁰ thus the foundations for cross-government cooperation on circular migration, rather than it falling within the competency of a single ministry with a predominant priority, are already in place.

In this context, the most appropriate perspective in the Netherlands is to view circular migration as a flexible policy instrument with the potential to combine the benefits of all

¹⁰ Netherlands Ministry of Justice (2006)

of the above approaches. Circular migration is not a process that can benefit either origin country or host country economies. Neither should it be a process intended primarily to achieve either labour market or development policy or migration policy objectives. The significance of circular migration – and what makes it distinct from both ‘temporary migration’ and ‘return migration’ – is that it has the potential to benefit both origin and host country economies, as well as migrants and their families; and to bridge labour market, migration and development policy agendas.

This more integrated approach has the following implications when defining the policy objectives for circular migration:

- (1) Circular migration has multiple policy objectives – primarily: addressing specific labour market gaps, maximizing the development implications of migration, and facilitating return migration;
- (2) Circular migration can be used to facilitate these objectives either individually or in any combination depending on national priorities; and
- (3) Circular migration cannot therefore be achieved through a single policy; what is required is a policy framework that combines policies targeted on development, the labour market, and return migration.

3. BENEFITS AND LIMITATIONS OF CIRCULAR MIGRATION

Circular migration has often been described as a ‘win-win-win’ scenario in that it can potentially benefit origin countries; host countries; and migrants themselves.¹¹ This section of the report reviews the existing evidence on the potential benefits of circular migration. At the same time, it points out that these benefits only accrue under certain conditions; that there are viable alternatives for achieving the same benefits; and that at times circular migration is not successful. It is important to make a realistic assessment of the potential benefits of circular migration for the following reasons:

- (1) Policies can then be targeted on maximizing the benefits and minimizing the costs;

¹¹ Vertovec (2007)

- (2) Where the costs outweigh the benefits, it may be necessary to consider alternative policy approaches;
- (3) Monitoring and evaluation of the effectiveness of policies needs to be based on a realistic expectation of their impact.

3.1 Contributions to development in origin countries

The main focus of the existing literature considering the potential benefits of circular migration for development in origin countries focuses on return, and broadly distinguishes between the developmental impacts of permanent and temporary return. Both types of return can have a positive impact, but often in different ways.

Permanent returns

There are three main ways that the permanent return of migrants can contribute to development. First, returnees often become a direct source of investment in their country of origin. This is because there is a tendency among returnees to set up businesses and be self-employed – as has been demonstrated by research spanning 30 years and return in countries as diverse as Colombia,¹² China,¹³ Egypt,¹⁴ Italy¹⁵ and Turkey.¹⁶

One of the critical factors that facilitate entrepreneurial activities among returnees is their capacity to save while abroad.¹⁷ Another is their ability to create synergies with local government that often cannot be formed by foreign investors without national ties. Both of these findings have direct implications for policies for circular migration – that contracts should be long enough to allow migrant workers to save; and that movement between origin and host country during the period of the work permit should not be obstructed. These are discussed later in the report (Section 5) in more detail.

¹² Black *et al.* (2001)

¹³ Black and Tiemoko (2003)

¹⁴ McCormick and Wahba (2001)

¹⁵ King (1986)

¹⁶ Dustmann and Kirchkamp (2002)

¹⁷ Ilahi (1999); Mesnard (1999)

Besides direct investments, returnees also can bring home essential human capital. In this regard the literature focuses in particular on the return of educated and highly-skilled migrants – in some cases people who were already skilled when they left; and in other cases people who have been educated and trained abroad. Much of the existing literature focuses on the return of skilled migrants to East and South Asia. Various studies have found that the rate of return of skilled migrants to China,¹⁸ India,¹⁹ and Taiwan,²⁰ for example, has increased over the past two decades. Such returnees can bring back knowledge and familiarity with the latest technologies (technology transfer) – and in particular have been associated with booms in information-technology in India²¹, as well as the software sector in Ireland.²² The skills, experiences and contacts that returnees can bring with them are vital assets in a global economy that is increasingly knowledge-based.

Most of the literature cited thus far refers to the return of educated and skilled migrants who usually have resided for long periods of time – and often have permanent residence rights in – host countries. There is far less research on the impacts of the permanent return of temporary migrants – who are often also less-skilled. Some evidence for local investments and the transfer of technology by temporary migrants has been found in Korea,²³ Mexico,²⁴ and Moldova.²⁵ On the other hand studies in Bangladesh,²⁶ India,²⁷ Thailand,²⁸ and Turkey²⁹ have found that returning temporary migrants often did not learn new skills abroad especially when they were working in low-skill sectors such as construction and agriculture; and they rarely saved significant sums. Many of them were found to be unemployed upon return.

¹⁸ Zweig *et al.* (2005)

¹⁹ Solimano (2002)

²⁰ Saxenian (2002)

²¹ Commander *et al.* (2004)

²² Barrett and O'Connell (2000)

²³ Kapur and McHale (2005)

²⁴ Basok (2003)

²⁵ Ellerman (2002)

²⁶ Kapur and McHale (2005)

²⁷ Nair (1999)

²⁸ House of Commons (2004)

²⁹ House of Commons (2004)

Temporary returns

There has been a surge in research on migrant transnationalism in recent years, a concept that broadly refers to the way that migrants utilize cross-border social networks.³⁰ Some of this literature considers the impacts on economic development in origin countries of regular movements to and fro between host and origin countries. Again it normally applies to permanent and highly-skilled migrants. Studies in Silicon Valley in the USA, for example, have shown that Chinese and Indian immigrants regularly return to their home countries, in some cases for personal reasons like family visits; but in many cases also for business. Silicon Valley-based foreign-born entrepreneurs have set up subsidiaries, joint ventures, subcontracting and other business operations in their origin countries.³¹ Similar trends have been found among Taiwanese entrepreneurs based in Australia, New Zealand, Germany, and Canada.³²

In contrast, there is little evidence for a positive developmental impact of the temporary return of temporary migrants. Indeed many migrate again because they are unemployed at home, for example from the Philippines.³³ The problems facing temporary migrants who have returned home are often exacerbated for returning female migrants, who often lack skills, have to deal with failed relationships and care for children at home, and may have a stigma attached to them as a result of having worked the entertainment industry abroad.³⁴

Box 1 What is the development-related relevance of circular migration?

There is significant evidence from a range of countries worldwide that migrants returning on either a temporary or permanent basis can promote local development – as a source of direct investment or through human capital and technology transfer. This is particularly the case for highly-skilled and permanent migrants, and their impact has been most clearly demonstrated in knowledge-based and information-technology industries. On the other hand, circular migration may not be the most effective means for maximizing the

³⁰ Vertovec (2007)

³¹ Saxenian (2002)

³² Waters (2003)

³³ UNECE (2002)

³⁴ Asis (2003)

impact of migrants and migration on development at home - remittances sent home by migrants who remain in the host country may be equally important, and further research is required on the interactions between circular migration and remittances behaviour. Furthermore, the developmental impact of return is significantly affected by the domestic policy environment in the origin country.

Return and development in context

While the preceding review is broadly positive on the impact of return on development in origin countries – especially in the case of permanent and skilled migrants – a number of reservations need to be posted.

The first is to reiterate the importance of the characteristics of the migrants involved. Highly-skilled migrants with long-term or permanent residence rights in the host country have been found often to have a positive impact on development in their origin country, either through permanent or temporary return. This has not, however, usually been the case for low-skilled and temporary migrants, particularly women.

Second, there is no clear evidence that return is more beneficial to origin country economies than remittances. In all probability a combination of both processes, plus diaspora investments, is the best way to maximize the developmental impact of migrants and migration. Nor is there evidence that circular migration is necessarily the most effective policy for reducing the risk of – or reversing – the brain drain.³⁵ In other words, circular migration may not always be the most effective way of promoting development – and certainly not as a policy in isolation from others.³⁶ Further research in particular is required on the extent to which circularity interacts with sending home remittances: Are circular migrants more likely to send home remittances as they have close ties to the origin country? Does the cost of moving to and fro reduce the amount available to be sent home? Do regular returns provide oversight over remittances and thus ensure that they are spent responsibly?

³⁵ Kupfer *et al.* (2004)

³⁶ Tanner (2005)

Critically, third, the potential of return to impact positively on development depends to a very significant extent on conditions and circumstances in the country of origin – from the availability of jobs, to an appropriately skilled workforce for new enterprises, to tax regimes that attract the investment of savings, to a strong rule of law and the absence of corruption. One study in Bangladesh, for example, found that a high number of returning scientists subsequently re-migrated as they could not find jobs in their particular sectors.³⁷ In other words at least some of the conditions for circular migration to be effective lie outside the direct intervention of migration-related policies in host countries. There are two immediate implications that are expanded later: First, effective circular migration policies require coordination between a variety of ministries in host countries, especially those responsible for migration and development. Second, effective circular migration policies require coordination between host and origin countries.

Box 2 What are the prospects for circular migrants in their country of origin?

The preceding review provides an initial response to this question, although it is important to emphasize that there has been insufficient research to provide a comprehensive or categorical answer – in particular more research is required on the temporary and permanent return of temporary migrants. First, migrants with long-term or permanent residence in their host country have been found to be more successful upon return – either temporary or permanent – than temporary migrants. Second, and a related point, migrants with education and skills have been found to be more successful upon return than low-skilled and poorly-educated returning migrants. Third, there can be a gender dimension: very limited research indicates that women can face greater obstacles upon return than men, even when return is temporary. Fourth, there can be a stigma attached to particular work abroad, especially for women who have worked in the entertainment industry.

³⁷ Agunias (2006)

3.2 Benefits to host countries

The existing literature distinguishes a number of potential benefits of circular migration for host countries:

Most high-income countries of immigration have now acknowledged the need for migrant labour at both the high and low skill end of the labour market.³⁸ There is also a growing consensus within the private sector that carefully-regulated labour migration – both temporary and where appropriate permanent – can contribute towards economic growth in host economies, by filling labour market gaps and also contributing new skills and experiences.³⁹ Employers can also potentially benefit from circular migration by recruiting from a known and reliable pool of workers, and retaining trained and experienced people.⁴⁰ Although it is by no means a ‘silver bullet’, most experts also agree that migration can additionally be one component of a wider strategy to respond to the challenges of ageing and shrinking populations⁴¹ that are particularly acute in certain Eastern and Southern European countries, as well as Japan. Migration also contributes towards diversity, and there is evidence that diverse societies and communities can be socially dynamic, culturally innovative and economically successful.⁴²

It is important to note, however, that none of the benefits listed above specifically pertain to circular migration – they can equally be achieved through carefully-regulated permanent or temporary migration programs. Similarly other benefits often cited such as the temporariness implied by circular migration⁴³ and its potential to contribute to a better managed system⁴⁴ are also potential benefits of effective temporary migration programs.

In fact, there is surprisingly little serious analysis of the potential benefits for host country economies of circular migration as a distinct concept from temporary migration. One benefit for employers of the repeated entry of the same workers is that they can

³⁸ Ruhs (2005)

³⁹ GCIM (2005)

⁴⁰ Vertovec (2007)

⁴¹ Munz (2004)

⁴² GCIM (2005)

⁴³ World Bank (2006)

⁴⁴ Angenendt (2007)

recruit from a known and reliable pool of workers and retain trained and experienced people.⁴⁵ More broadly it has been suggested that circularity can facilitate the development of transnational trade and investment linkages and the global exchange of skills and experiences.⁴⁶

3.3 Benefits for migrants and their families

There has similarly been very little empirical research on the benefits of circular migration for migrants and their families, although some studies assert certain advantages.⁴⁷ First, by providing a legal means of entry and access to the labour market in host countries, circular migration can remove at least some people from irregular migration and work and the dangers that each entails. Second, where circular migration facilitates repeated access to the labour market for workers, it can provide a regular source of income for migrants and their households. Third, by ensuring the movement of workers to and fro between origin and host country, circular migration can reduce the negative social and emotional impacts of the long-term removal of migrant workers from family members and social networks.

There can equally be downsides. Temporary migrant workers normally do not enjoy freedom of movement between jobs or sectors in the host country's labour market.⁴⁸ Some of the policies intended to ensure the temporariness of their stay – for example mandatory savings schemes (which are discussed later) – have been criticized as a means for circumventing minimum-wage legislation.⁴⁹ The engagement of one family member in circular migration can create a reliance on his or her income and remittances among other family members and become a disincentive to work.⁵⁰ Finally there are indications that the lack of a long-term perspective of settlement in host countries can marginalize migrants in host societies.⁵¹

⁴⁵ Vertovec (2007)

⁴⁶ Vertovec (2007)

⁴⁷ MPI (2007b)

⁴⁸ Ruhs (2005)

⁴⁹ Black (2004)

⁵⁰ GCIM (2005)

⁵¹ GCIM (2005)

Box 3 What are the social, psychological and emotional impacts of circular migration?

There is virtually no specific empirical research on circular migration on which to base an answer to this question. Limited research on temporary and return migration, however, indicates the following: First, the socio-emotional effects on both migrants and their families often depend on how long they are apart. Second, circular migration can lead to a ‘culture of dependency’ on the part of family members, who rely on the income remitted by migrants and may lose the incentive to find work themselves. Third, the lack of a long-term perspective for settlement can marginalize migrant workers in host societies.

3.4 Policy implications

The policy implications of the preceding analysis of the potential benefits of circular migration can be summarized as follows:

- (1) Carefully regulated circular migration programs have the potential to contribute to development in origin countries; strengthen host economies and societies; and benefit migrants and their families;
- (2) At the same time there are important conditions, for example: highly-skilled and permanent migrants contribute more clearly to development in their origin countries than low-skilled temporary migrants; and the political and economic context in origin countries is a critical variable;
- (3) Specific policies are required to maximize the potential benefits and minimize the costs of circular migration – for example regarding the length of contract for migrant workers, and their freedom to visit their homes during the contract period;
- (4) Effective circular migration programs will depend on coordination across government; and cooperation between host and origin country governments;
- (5) There can be viable policy alternatives for achieving the same goals – promoting remittances and diaspora investments to enhance development; or promoting temporary migration programs to fill labour market gaps on a periodic basis; and
- (6) The human impact of policies needs to be properly understood and taken into account by policy-makers.

4. CIRCULAR MIGRATION IN THE DUTCH CONTEXT

How to these potential benefits of circular migration apply in the Dutch context? The Netherlands today has a buoyant economy and close to full employment of nationals. The labour market has been opened to workers from the new EU states and they have begun to fill many of the gaps at the lower end of the labour market.⁵² Migrant workers from EU countries have tended to return to their home countries on a regular basis, and thus they are unlikely to be the main target for circular migration policies that aim at guaranteeing a throughput of workers. In any case many of the ‘carrots’ currently used in circular migration programs elsewhere already accrue to these workers as EU nationals. Circular migration policies in the Dutch context are therefore likely to target migrants from outside the EU, although EU workers maintain preferential access to the labour market.

There is scope – albeit limited – for circular migration in the Netherlands to target both low-skilled and highly-skilled migrants. There are still jobs at the lower end of the labour market that need doing and that EU nationals may be unwilling to do,⁵³ although it does need to be acknowledged that previous migration programs in the Netherlands and elsewhere have found significant difficulties in returning low-skilled migrants. At the same time there is still a shortage of skilled workers to fill specific niches at the upper end of the labour market, and the Netherlands like all other industrialized countries is competing for a limited global supply of skills.⁵⁴ For a number of years there has been an active policy to attract ‘knowledge’ migrants⁵⁵ to the Netherlands, and this will be strengthened in the new managed migration policy through the introduction of a points system.⁵⁶ Circular migration policies might be an additional mechanism for addressing the shortfall in skills in the Netherlands, in particular by targeting highly-educated non-EU citizens, although the net increment is likely to be small.

On the whole, therefore, circular migration is likely to cover a relatively small number of migrant workers at either end of the skills spectrum and originating outside the EU, and

⁵² SOPEMI (2007)

⁵³ Doomernik (2007)

⁵⁴ Carey *et al.* (2006)

⁵⁵ SOPEMI (2004)

⁵⁶ Netherlands Ministry of Justice (2006)

make only a limited overall contribution to the labour market in the Netherlands at the moment. On the other hand, having such policies in place would add to the flexibility of migration policy in the Netherlands by permitting a quick response to changes in economic conditions and labour market demands in the Netherlands.

Maximizing the positive linkages between migration and development is one of the goals of Dutch overseas aid policy, although at the same time the Dutch Ministry of Foreign Affairs explicitly recognizes that the relationship between migration and development is diverse and complex. Circular migration can be one way of enhancing the developmental implications of migration and also reversing the so-called ‘brain drain’, and thus could complement existing policies and programs such the ‘*Project Poolse verpleegkundigen in Nederland*’, designed to facilitate training and return of Polish nurses and their reintegration into the Polish healthcare system.⁵⁷ In that circular migration policies in the Netherlands would target only relatively small numbers of temporary migrants, however, their impact on development in origin countries in the near future is also likely to be small – although positive.

Where circular migration policies might have a more significant impact in the current Dutch context is by facilitating return. The new managed migration policy defines five ‘residence tiers’, the first of which covers exchanges and temporary workers. These workers are intended to be admitted to the Netherlands on a strictly temporary period up to a maximum of one year. As is explained in more detail below (Section 5), circular migration can be an effective mechanism for ensuring that such workers do actually return after the expiry of their temporary residence permit, rather than overstay. Policies introduced to facilitate circular migration may also be applied to returning rejected asylum seekers and irregular migrants from the Netherlands too – numbers of both of which have been reported to have increased in recent years.⁵⁸

The relevance of circular migration for the Netherlands can be summarized as follows:

⁵⁷ IOM (2007)

⁵⁸ SOPEMI (2007)

- (1) It is likely to target migrant workers originating outside the EU;
- (2) It can make a limited but targeted contribution to filling gaps at both the lower and upper ends of the Dutch labour market;
- (3) It can simultaneously make a small but positive contribution to development in origin countries;
- (4) It can facilitate a quick response to changing economic conditions and labour market demands; and
- (5) It can enhance the return of certain categories of migrants, including rejected asylum seekers and irregular migrants.

5. POLICIES TO MAXIMIZE THE BENEFITS OF CIRCULAR MIGRATION

A review of circular migration programs already in effect around the world demonstrates that they combine policies aimed at the careful management of migrant labour inflows with policies for facilitating the return of the majority of these migrants after a certain period of time. There is some debate about whether circular migration programs should also include the possibility for the permanent settlement of some migrants, who may also continue to circulate between origin and host country as permanent migrants.

5.1 Managing the demand for migrant labour

One of the main lessons learned from previous *Gastarbeiter* and *Bracero* temporary migration programs is that there is always pressure for temporary migration to lead to permanent settlement.⁵⁹ One of the main pressures is unmanaged demand for migrant labour that becomes entrenched in the economy and may persist even during economic downturns. While circular migration programs are different from temporary migration programs, a commonality is an emphasis on temporariness, and so it is important for circular migration programs to include policies aimed at managing the demand for migrant labour.

Three main policies are available to achieve this end: One is a strong commitment to enforcing employment laws. Research demonstrates that in the absence of effective law

⁵⁹ Ruhs (2005)

enforcement, employers and migrant workers will have very few incentives to join circular migration programs and instead will prefer illegal employment arrangements.⁶⁰ At least two conditions need to be met for more effective enforcement of employer sanctions:⁶¹ First, employers must be in a position where they can quickly and correctly ascertain whether a migrant has the right to work in the host country or not. At a minimum this requires policy-makers to provide employers with a clear list of documents that workers may provide to prove their right to work. Second, there needs to be political will on the part of the host country's government to enforce the law against employers – and this has often been lacking.⁶² The managed migration policy in the Netherlands renews the commitment to enforcing employment as well as immigration laws.⁶³

A second policy for managing labour market demand is to regulate the cost of migrant labour. In Singapore, for example, employers are charged a monthly levy for each migrant worker employed. The point is to incentivize employers either to search for local workers who can be employed without paying the levy, or to consider alternative measures such as mechanization or offshoring.⁶⁴ One danger associated with this policy, however, is that employers will illegally deduct work permit fees from migrant workers' wages, and penalties need to be in place to prevent this.

A third policy approach has been to implement labour market tests that ensure that employers recruit migrant labour only after having made all reasonable efforts to recruit local workers. Such labour market tests already exist in most Western European states, including in the Netherlands.⁶⁵ They are usually applied flexibly because even in countries with substantial numbers of inactive or unemployed nationals, shortages in the workforce still exist in specific sectors, such as nursing, agriculture and domestic care. Such

⁶⁰ Ruhs (2005)

⁶¹ Martin and Miller (2000)

⁶² Hanson and Spilimbergo (2001)

⁶³ Netherlands Ministry of Justice (2006)

⁶⁴ Ruhs (2005)

⁶⁵ SOPEMI (2004)

policy mechanisms have nevertheless been found to be very hard to implement in practice.⁶⁶

5.2 Encouraging return

A number of ‘carrots’ – or policies to encourage return – have been tested in various countries around the world or proposed in recent policy reports:

Longer contracts

The point was made earlier in Section 3 that one of the critical factors in determining whether they can contribute towards development in their origin countries, is the extent to which circular migrants have saved while working overseas. One often-cited criticism of the UK Sector-Based Scheme (SBS) for temporary labour migration, for example, is that it only permits entry for one year initially, which it is argued is not sufficient time for most labour migrants to generate the net financial gains necessary to make migrating financially worthwhile.⁶⁷ This is especially the case for migrants traveling long distances, who will normally incur greater initiation costs than those moving shorter distances. It is worth noting that the same time limit is proposed for migrants in Tier I of the new managed migration policy in the Netherlands.

A number of commentators have proposed that longer contracts should be offered both to make temporary labour in another country a worthwhile proposition for migrants, and also to try to reduce the likelihood of them overstaying their visas.⁶⁸ While most commentators appear to agree that one year is too short a period, there is no consensus about what is an appropriate period.⁶⁹ Some of the factors that are likely to influence the extent and rate at which migrants can save include:

- Salary
- Employment flexibility
- Initial settlement costs

⁶⁶ Martin (2003)

⁶⁷ Ruhs (2005)

⁶⁸ Ruhs (2005)

⁶⁹ Collyer (2004)

- Living costs
- Pressures to remit

The balance to strike, however, is between permitting migrants to stay long enough to generate savings, but not so long that the likelihood of return diminishes. From a rights-based perspective, liberal democracies should not maintain migrants indefinitely without extending to them broad integration rights, including access to permanent residence⁷⁰ and the right to family reunion.⁷¹ In the ‘residence tier’ system introduced in the new managed migration policy in the Netherlands, there is the flexibility for applying for permanent residence permits and family reunion in Tiers II and III.⁷²

Options for re-entry

One way to mitigate diminishing incentives to return is to allow migrants to travel between origin and host country during the period of their permit without excessive restrictions or bureaucracy,⁷³ for example by issuing multiple-entry visas valid for a specific period. It is argued that this helps them maintain networks at home that increase the likelihood of return. One study has demonstrated how the practice in Switzerland of allowing temporary access to the labour market on a renewable basis also appears to encourage return at the end of each contract.⁷⁴ As explained previously (Section 3), maintaining local networks also increases the likelihood that return will be successful and local enterprises can be established by returning migrants. Periodic returns may also be used to transfer remittances on a regular basis, and permit the sender oversight of the manner in which they are invested or spent.

Portability of social security benefits

Significant attention has been paid recently to mechanisms for transferring migrant workers’ social security payments in host countries to their origin country upon return. This option currently exists in relatively few migrant-receiving countries, and even where

⁷⁰ Black (2004)

⁷¹ Agunias (2006)

⁷² Netherlands Ministry of Justice (2006)

⁷³ Agunias (2006)

⁷⁴ Ruhs (2005)

it does exist it usually only covers pension payments and does not extend to healthcare and other social security payments.⁷⁵ There is some evidence that the lack of portability of long-term social security benefits may hinder return migration.⁷⁶

The three main models for portability are unilateral arrangements according to the national social law of host countries; arrangements made on the basis of international legal provisions; and bilateral agreements between particular countries. National laws in most European Union (EU) countries (including the Netherlands), the USA, Canada and Australia, for example, allow pensions to be paid to any country in the world, although reductions may apply. International legal provisions are best developed in the EU and for EU citizens. EU Regulation 1408/71 is an extensive legal provision that ensures far-reaching portability of social security entitlements within the EU. In 2003 Regulation 859/2003 extended these provisions to third-country nationals moving within the EU. Various EU countries have also tried to foster social security cooperation with neighbouring regions and specific origin countries – for example through bilateral and multilateral Association Agreements with all the Euro-Mediterranean Partnership partners.

An extensive study,⁷⁷ prepared for the Global Commission on International Migration, makes the following specific recommendations regarding systems for portability:

- There should be no benefit disadvantage with regard to pension and healthcare for migrants and their dependents – specifically movement between host and origin country should not lead to lower pension benefits or gaps in health coverage compared to staying in one country;
- Fiscal fairness should be ensured for host and origin countries – in other words there no financial burden should arise for the social security institution of one country while the social security institutions of the other country benefit from any provisions on portability; and

⁷⁵ Holzmann *et al.* (2005)

⁷⁶ Ruhs (2005)

⁷⁷ Holzmann *et al.* (2005)

- Bureaucratic effectiveness is essential – administrative provisions should not cause a bureaucratic burden for the institutions involved and should be easy for migrants to navigate.

Quota systems

Another ‘carrot’ that has been proposed targets origin countries rather than migrants. The proposal is that quotas could be issued for the principal migrant-sending countries that would be adjusted periodically depending on how many migrants return. This may encourage origin countries with an interest in maintaining access for their nationals to overseas labour markets to also create an economic and political climate conducive to return. One concern that has been expressed about this proposal is that it effectively penalizes future migrants because of the failure of previous migrants to return.⁷⁸

5.3 Enforcing return

Most commentators accept that incentives to return such as those proposed above are unlikely to be effective without an enforcement component. The following ‘sticks’ are in use or have been proposed:

Financial security bonds

Greece, Israel, and Singapore are among countries that require employers to purchase a financial security bond which is confiscated if migrant labour employees overstay work permits.⁷⁹ In Singapore, employers of non-Malaysian workers make security bonds of S\$5,000 per worker employed. Variations on this basic model are to require migrants themselves to purchase the security bond; or for private agencies to provide an insurance service to the employer by buying the bond and charging an insurance premium.⁸⁰ It is worth noting that this mechanism depends on a capacity to ascertain whether or not migrants have actually left the country – the question of ‘measuring’ circular migration is returned to in Section 6 below.

⁷⁸ House of Commons (2004)

⁷⁹ Ruhs (2005)

⁸⁰ Schiff (2004)

Mandatory savings schemes

Mandatory savings schemes – that require migrant workers to pay a proportion of their earnings into a fund redeemable only upon return – are already operational in Taiwan and selectively in the USA and UK.⁸¹ The most effective mechanism has been found to be the creation of special savings accounts offering migrants opportunity to save part of their wages at special high interest rates on the condition that savings will only be released to migrant workers upon their return home.⁸² As explained previously, however, concerns have been expressed that these schemes effectively represent a loop-hole in minimum wage legislation.

Strict enforcement of immigration laws

Along with the strict enforcement of employment laws, the success of circular migration programs has been suggested to also depend on the willingness and capacity of host states to enforce immigration laws. Enforceable measures for removing migrant workers who illegally overstay their temporary work visas are required. How to achieve this goal is beyond the immediate scope of this report, however one aspect that is important and is expanded on below (Section 6), is that the cooperation of origin countries is essential in this regard.⁸³

Box 4 What policies can ensure that temporary migration is temporary?

Before answering this question it is important to note that circular migration is not the same as temporary migration – although a policy commonality is an emphasis on effective return measures. A range of ‘carrots’ and ‘sticks’ have been proposed for ensuring return (Table 1), and some of these are already in force in various countries around the world. Common ‘carrots’ include: longer contracts, financial return incentives, options for re-entry, and quota systems targeted on origin countries. ‘Sticks’ include: financial security bonds, mandatory savings schemes, and the strict enforcement of employment and immigration laws. It is worth restating here, however, that return

⁸¹ Agunias (2006)

⁸² Ruhs (2005)

⁸³ Koser (2001)

measures are unlikely to be effective unless they are developed and implemented in cooperation with origin countries.

Table 1 Policies for encouraging and enforcing return

‘Carrots’	‘Sticks’
<ul style="list-style-type: none"> • Longer contracts • Options for re-entry • Portable social security benefits • Quota systems 	<ul style="list-style-type: none"> • Financial security bonds • Mandatory savings schemes • Strict enforcement of immigration laws

5.4 Prospects of permanent settlement

One of the most contentious debates in recent literature on circular migration concerns whether or not policy frameworks should include the provision for the limited transfer of selected migrants into a permanent immigration program. As noted above, in the new ‘residence tier’ system in the Netherlands, temporary migrants in Tiers II and III do have the possibility for applying for permanent residence permits, although this does not apply to those in Tier I.⁸⁴

Proponents, including trade unions in certain countries⁸⁵ and a number of civil society organizations; have argued from a rights-based approach that the restrictions associated with strictly temporary workers schemes may not be compatible with a liberal democratic framework. Other commentators have acknowledged these reservations, but argued that ensuring temporariness is in practice the best available compromise.⁸⁶ They also argue that creating the expectation of permanence may undermine the notion of circularity - although one way to avoid that is to ensure that rules and criteria are transparent and accessible for all migrants from the outset.

⁸⁴ Netherlands Ministry of Justice (2006)

⁸⁵ Black (2004)

⁸⁶ Collyer (2004)

Where the possibility for limited permanent immigration has been considered, the Canadian model for temporary migrants is widely cited as good practice: In order to be eligible applicants must satisfy certain requirements including a certain minimum work experience; sufficient funds to settle; and no criminal record in Canada. Points are then allocated to identify successful applicants on the basis of education, language skills, experience, age, arranged employment, and adaptability. The program is open to both non-residents and resident migrants on temporary work permits.

5.5 Summary

- Effective circular migration programs need to combine policies aimed at the careful management of migrant labour inflows with policies for facilitating the return of the majority of these migrants after a certain period of time
- The three main policy options for managing demand for migrant workers are: the strict enforcement of employment laws, regulating the cost of migrant labour, and implementing labour market tests
- Effective return policies combine ‘carrots’ and ‘sticks’
- The main policy options for encouraging return are: longer contracts, options for re-entry, portable social security benefits, and quota systems
- The main policy options for enforcing return are: financial security bonds, mandatory savings schemes, and the strict enforcement of immigration laws
- Some circular migration programs include the option for permanent immigration for a small number of circular migrants

6. EFFECTIVE POLICY IMPLEMENTATION

The final report of the Global Commission on International Migration identified four main challenges to the effective implementation of migration policies: a lack of coherence, poor coordination, insufficient cooperation with other states, and a lack of capacity.⁸⁷ In different ways each of these challenges also applies to the effective implementation of circular migration policies in the Netherlands. A fifth, which is also considered below, is the role of human agency.

⁸⁷ GCIM (2005)

6.1 Circular migration as part of a coherent migration policy in the Netherlands

There was a clear consensus particularly among government representatives consulted in preparing this report that any new policies on circular migration must be accommodated within the new managed migration policy framework in the Netherlands and complement its overall aims and objectives; as well as adhering to its underlying principles, namely: responding to the needs of the Dutch economy and society, flexibility; the ability to respond quickly to changing circumstances; and streamlining.⁸⁸

A circular migration program could relatively straightforwardly be introduced in the Netherlands and integrated into the existing migration policy framework for the following reasons:

- (1) To a large extent policies to facilitate circular migration already exist, including policies to import migrant workers on a temporary basis to fill labour market gaps, labour market tests to regulate the demand for migrant labour, a series of return policies, and clear immigration and employment laws;
- (2) Where specific additional policies would need to be introduced to fully facilitate circular migration – for example extending the portability of social security benefits to certain non-EU origin countries, mandatory savings schemes and so on – they could exist side-by-side with existing policies without undermining or contradicting them; and
- (3) Overall the circular migration program proposed in this report would adhere to the underlying principles for the new policy by serving the interests of the Dutch labour market, permitting flexibility, and enabling a quick response to changing conditions.

6.2 Coordinated policy-making and implementation

The multi-faceted nature of circular migration means that coordination is essential in policy-making and implementation.⁸⁹ First, circular migration bridges labour market, migration and development agendas, necessitating coordination between ministries and

⁸⁸ Netherlands Ministry of Justice (2006)

⁸⁹ Thouez and Channac (2005)

other government departments with competencies in each of these areas. Second, coordination is required between government and other stakeholders at the national level. The potential impact of circular migration on the labour market means that the private sector and trade unions in particular should be consulted. Equally important is to consult civil society and safeguard migrants' rights in circular migration programs.⁹⁰ Third, properly to assess the effectiveness of circular migration requires effective data collection, policy evaluation, research, monitoring and evaluation.⁹¹

6.3 Cooperation with origin states

Cooperation with origin states is necessary for the effective implementation of circular migration programs for at least three reasons. First, one element of managing migrant labour demand is to regulate the activities of recruitment agents and other intermediaries, many of which operate out of origin countries.⁹² Second, as was explained in Section 2 above, to a large extent the developmental impact of return migration – even of highly-skilled and motivated migrants – depends on local conditions in their origin country. An integral part of maximizing the developmental impacts of return migration is to work with origin countries to ensure the rule of law, an effective banking system, minimal levels of corruption and so on. Third, the cooperation of origin states has been found to be a key prerequisite to ensure effective return and reintegration policies, especially for irregular migrants and rejected asylum seekers.⁹³ For example, commitments are required to: readmit nationals and cooperate in identifying them, discourage irregular migration, improve border control and management, and promote productive employment and decent work.

6.4 Capacity

In the long-term, the cooperation of origin states in formulating effective policies for circular migration depends on capacity in those countries. Supporting capacity-building in origin states not only makes migration policies more effective, but also represents a

⁹⁰ Declaration of The Hague on the Future of Refugee and Migration Policy (2002)

⁹¹ UNDESA (2007)

⁹² Koser (2001)

⁹³ Koser (2001)

legitimate goal for Dutch overseas aid and development policy through the provision of technical and financial resources, the sharing of appropriate expertise, and the establishment of training initiatives. The long-term goals for capacity-building in the field of migration include assisting states to:

- Define the objectives of their national migration policy
- Establish a functioning, effective and equitable legal system in relation to migration
- Create a well-trained, informed and honest cadre of migration officials
- Develop an infrastructure that provides social, educational and legal assistance to migrants
- Build up a capacity for data collection and analysis, research, monitoring and evaluation⁹⁴

The preceding analysis has also highlighted areas where capacity within the Netherlands may also need to be enhanced to promote the effective implementation of circular migration, for example:

- (1) Ensuring the more effective enforcement of immigration and employment laws;
- (2) Providing clear guidelines for employers on how to identify migrants who can legitimately be employed;
- (3) Making sure that rules and criteria on employment and residence are transparent and accessible for all migrants;
- (4) Establish or strengthen data collection systems that permit circular migration to be measured and in particular returns to be recorded reliably;
- (5) Establishing methods and mechanisms for monitoring and evaluating circular migration programs; and
- (6) Supporting further research on circular migration, in particular to understand the synergies between circular migration, remittance behaviour and diaspora investments, and to assess the factors that determine how long it takes migrants to save sufficient to return willingly.

⁹⁴ GCIM (2005)

6.5 Human agency

Another challenge for policy implementation, which is especially acute for policies on return migration, is to understand the limitations of policy to achieve desired results as a result of human agency, and effectively to try to overcome these limitations.

A substantial report on understanding the decision to return, prepared in 2001 for the UK Home Office,⁹⁵ found that policy interventions – in the form of either carrots or sticks – were only one of a number of factors considered by migrants. Other significant factors included conditions in origin countries (security, employment opportunities and housing); conditions in the host country (employment and legal status); social relations including the location of family and friends; as well as individual attributes such as age (younger respondents were found to be more willing to consider returning than older respondents), and gender. Clearly these specific conclusions may not necessarily apply to migrants in the contemporary Dutch context, but overall they make the point that policy may not always have its intended consequences.

To some extent human agency is beyond the direct intervention of policy – for example personal characteristics. Nevertheless the report cited above does also identify areas where policy can make a difference. For example, one of the reasons that policy incentives were not found to have a significant impact on decision-making was that many respondents did not know about them, and a clear implication is to ensure that information on policies is accessible for the target populations. Policy can also affect certain of the conditions that are considered in making a decision, especially those in host countries. In this particular study, for example, it was found that people with secure legal status were more likely to consider returning than those with irregular status.

Box 5 Is there a particular ‘psychology of the migrant’ that affects return motivations?

The answer to this question is: almost certainly not. While the act of migration has an impact on everyone, its impact varies considerably according to factors such as age, gender, reasons for moving, experiences en route and so on. Furthermore experiences

⁹⁵ Black *et al.* (2003)

after arrival are also likely to influence return motivations, and these can be affected by variables such as the presence of family and friends, legal status in the host country, employment and so on. The UK Home Office study cited above found some trends in its particular sample, for example that younger migrants were more willing to consider returning home than the elderly, as were those with secure legal status, but these findings cannot necessarily be extended to other contexts.

7. PILOT STUDY

Perhaps the most effective way to respond to the sorts of challenges outlined above is to implement a pilot study. This could serve a number of purposes, including:

- (1) It would provide the opportunity for a consultative process within government and between government and other national stakeholders to define the policy objectives of circular migration in the Dutch context;
- (2) It might cover both low-skilled and high-skilled migrants to permit an assessment of which is the most appropriate target population for a circular migration program;
- (3) It might pilot circular migration programs with two (or more) non-EU countries to allow comparison across the cases and an assessment of prevailing conditions and policies that encourage or mitigate circular migration;
- (4) It would necessitate a thorough review of existing migration and development policies in the Netherlands that pertain to circular migration to identify to what extent existing policies need to be strengthened or new policies introduced;
- (5) It should reveal the extent of the implementation challenges and inform strategies to overcome them; and
- (6) It would necessitate the development of evaluation criteria for circular migration.

8. RECOMMENDATIONS

On the basis of the preceding analysis, this report makes the following recommendations:

- (1) The Dutch government should consider implementing a circular migration program: Circular migration has a limited but positive contribution to make to current Dutch migration and development priorities, and would permit a quick response to changing economic conditions and labour market demands.
- (2) The Netherlands is in a position to become an exemplar on circular migration by adopting an innovative policy approach to circular migration that combines labour market, development and migration priorities.
- (3) Many of the range of policies that comprise a comprehensive circular migration program are already in place in the Netherlands; and where new policies are required they should be integrated into the current managed migration framework and adhere to its underlying principles.
- (4) Circular migration programs in the Netherlands can be targeted on both low- and highly-skilled migrant workers originating outside the EU.
- (5) The effective implementation of a circular migration program will entail coordination across government and with other national stakeholders; cooperation with origin states; and some targeted capacity-building.
- (6) Circular migration should be monitored and evaluated: in this regard it will be essential to define the policy purpose of circular migration and establish clear criteria for assessing its effectiveness; establish or strengthen reliable data collection systems; and have realistic expectations for the benefits of circular migration and the limited role that policy can have.
- (7) A pilot study should be implemented to encourage consultations in defining policy objectives for circular migration; identify suitable target origin countries and migrant categories; identify gaps in existing migration and development policies; inform strategies to overcome implementation challenges; and inform the development of evaluation criteria for circular migration.

LIST OF REFERENCES

Angenendt, S. (2007) Circular migration: A sustainable concept for migration policy? SWP Comments 11, Berlin: Stiftung Wissenschaft und Politik

Asis, M. (2004) 'When Men and Women Migrate: Comparing Gendered Migration in Asia', paper for the UN Division for the Advancement of Women meeting

Barret, A. and O'Connell, P. (2000) Is there a Premium for Returning Irish Migrants? IZA Discussion Paper 135, Bonn: Institute for the Study of Labour

Basok, T. (2003) 'Mexican Seasonal Migration to Canada and Development: a Community-Based Comparison', *International Migration*, 41(2): 3-26

Black, R. (2004) Migration and Pro-Poor Policy in Africa, Working Paper C6, Brighton: Development Research Centre on Migration, Globalization and Poverty

Black, R., King, R., Tiemoko, R. (2001) Migration, Return and Small Enterprise Development in Ghana: a Route out of Poverty? Sussex Migration Working Paper (9), Brighton: Sussex Centre for Migration Research

Black, R., Koser, K., Atfield, G., D'Onofrio, L., Munk, K., Tiemoko, R. (2003) *Understanding Voluntary Return*, Report for the UK Home Office

Bouwen, F. (ed.), *Declaration of The Hague on the Future of Refugee and Migration Policy* (2002)

Carey, D., Ernst, E., Oyomopito, R., Theisens, J. (2006) Strengthening Innovation in the Netherlands, ECO/WKP (2006) 7, Paris: OECD

Castles, S. (2004) 'Why Migration Policies Fail', *Ethnic and Racial Studies*, 27(2): 205-27

Castles, S. (2006) Back to the Future? Can Europe Meet its Labour Needs through Temporary Migration? International Migration Institute Working Paper 1, Oxford: IMI

Commander, S., Kangasniemi, M., Winters, L. (2004) The Brain Drain: Curse or Boon? A Survey of the Literature', in R. Baldwin and L. Winters (eds) *Challenges to Globalization*, Cambridge MA: University of Chicago Press

Commission of the European Communities (CEC) (2007) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Circular Migration and Mobility Partnerships between the European Union and Third Countries, Brussels, COM (2007) 248

Constant, A. and Massey, D. (2002) 'Return Migration by German Guestworkers: Neoclassical versus New Economic Theories', *International Migration*, 40(4)

Declaration of The Hague on the Future of Refugee and Migration Policy (2002)

Doomernik, J. (2007) The difficulty dealing with labour migration, Essay for the International Organization for Migration, unpublished

Dustmann, C. and Kirchkamp, O. (2002) 'The Optimal Migration Duration and Activity Choice after Remigration', *Journal of Development Economics*, 67(2): 351-72

Ellerman, D. (2002) Policy Research on Migration and Development, Working Paper 3117, Washington DC: World Bank

Global Commission on International Migration (2005) *Migration in an Interconnected World: New Directions for Action*, Geneva: GCIM

Global Forum on Migration and Development (2007) Background Paper for Roundtable One: Human Capital Development and Labour Mobility – Maximizing Opportunities and Minimizing Risks

Hanson, G. and Spilimbergo, A. (2001) 'Political Economy, Sectoral Shocks, and Border Enforcement', *Canadian Journal of Economics*, 34(3): 612-38

Holzmann, R., Koettl, J., Chernetsky, T. (2005) *Portability Regimes of Pension and Healthcare Benefits for International Migrants: An Analysis of Issues and Good Practice*, expert paper for GCIM

House of Commons, International Development Committee (2004) *Migration and Development: How to Make Migration Work for Poverty Reduction*, London: The Stationery Office

Ilahi, N. (1999) 'Return Migration and Occupational Change', *Review of Development Economics*, 3(2): 170-86

Kapur, D. and McHale, J. (2005) *Give Us Your Best and Brightest*, Washington DC: Brookings

Koser, K. (2001) *The Return and Readmission of Rejected Asylum Seekers and Irregular Migrants*, Geneva: IOM Migration Research Series

Kupfer, L., Hofman, K., Jarawan, R., McDermott, J., Bridbord, K. (2004) 'Strategies to Discourage Brain Drain', *Bulletin of the World Health Organization*, 82(8): 616-23

Martin, P. and Miller, M. (2000) *Employers Sanctions: French, German and US Experiences*, International Migration Papers 36, Geneva: ILO

Mesnard, A. (1999) *Temporary Migration and Capital Market Imperfections*, Toulouse: University of Toulouse

Migration Policy Institute (MPI) (2007a) Discussion paper on Migration and Development prepared for the High-Level Conference on Legal Migration of the Portuguese Presidency of the European Union

Migration Policy Institute (MPI) (2007b) *Circular Migration and Development: Trends, Policy Routes and Ways Forward*, Washington DC: MPI

Munz, R. (2004) *Migrants, Labour Markets and Integration in Europe: a Comparative Analysis*, Global Migration Perspectives (16), Geneva: GCIM

Nair, G. (1999) 'Return of Overseas Contract Workers and their Rehabilitation and Development in Kerala', *International Migration*, 37(1): 209-42

Netherlands Ministry of Justice (2006) *Towards a Modern Migration Policy*, The Hague: Ministry of Justice

Ruhs, M. (2005) *The Potential of Temporary Migration Programmes in Future International Migration Policy*, expert paper for GCIM

Salt, J. (2005) *Current Trends in International Migration*, Council of Europe, CDMG (2005) 2

Saxenian, A. (2002) *Local and Global Networks of Immigrants in Silicon Valley*, San Francisco: Public Policy Institute of California

Schiff, M. (2004) *When Migrants Overstay their Legal Welcome: a Proposed Solution to the Guest-Worker Program*, IZA Discussion Paper 141, Bonn: Institute for the Study of Labour

Solimano, A. (2002) *Globalizing Talent and Human Capital*, paper for the 4th Annual Conference on Development Economics, Oslo

SOPEMI (2004) *Migration and Migration Policies in the Netherlands 2004*, Rotterdam: ERCOMER

SOPEMI (2007) *International Migration Outlook 2007*, Paris: OECD

Tanner, A. (2005) *Brain Drain and Beyond: Returns and Remittances of Highly Skilled Migrants*, *Global Migration Perspectives* (24), Geneva: GCIM

Thouez, C. and Channac, F. (2005) *Convergence and Divergence in Migration Policy: the Role of Regional Consultative Processes*, *Global Migration Perspectives* (20), Geneva: GCIM

United Nations Department of Economic and Social Affairs (UNDESA) (2007) *Report of the Expert Group Meeting on Measuring International Migration: Concepts and Methods*, ESA/STAT/AC.119/L.3

Van Ours, J.C. and Veenman, J. (2004) 'From Parent to Child: Early Labour Market Experiences of Second-Generation Immigrants in the Netherlands', *De Economist*, 152(4): 473-90

Vertovec, S. (2007) *Circular Migration: The Way Forward in Global Policy?* International Migration Institute Working Paper 4, Oxford: IMI

Waters, J. (2003) 'Flexible Citizens?' *The Canadian Geographer*, 47(3): 179-92

World Bank (2006) *International Labour Migration: Eastern Europe and the Former Soviet Union*, Washington DC: The World Bank, Europe and Central Asia Region

Zweig, D., Vanhonacker, W., Chung, S. (2005) *Transnational or Social Capital?* Working Paper 7, Hong Kong: Center on China's Transnational Relations