

WORKING PAPER No.35

Temporary and circular migration: opportunities and challenges

Sheena McLoughlin and Rainer Münz

with Rudolf Bünte, Göran Hultin, Wolfgang Müller and Ronald Skeldon

March 2011

In strategic partnership with the King Baudouin Foundation and the Compagnia di San Paolo

EUROPEAN MIGRATION AND DIVERSITY
EUROPE'S POLITICAL ECONOMY
PROGRAMMES

EUROPEAN POLICY CENTRE

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well being 2030

'Well-being 2030' is a two-year research project, co-funded by the EPC and the European Commission, which started running in April 2009. Based on a belief that policy can shape our future, the project is seeking to establish a strategic vision for the long-term development of social policy in Europe. To that end, the project investigates what policy choices are most inclined to deliver a higher level of well-being for European citizens by the year 2030. The reflection on the future of Europe's economic and social models including the trends, challenges and constraints framing policy choices for improving citizens' quality of life are at the core of the project.

The reflection of this forward-looking project is stimulated through a range of activities, from analysis to research, panels and communication activities, which aim to deliver three key outputs:

- to bring the insights of the research on well-being definition and measurement into the policy debate over the long-term future of Social Europe;
- to analyse Europeans' values and preferences in order to sketch a picture of a future society delivering higher level of well-being for its citizens;
- to identify the strategic policy choices (social, economic and environmental) reflecting Europeans' preferences and considering the current challenges as well as resources available to deal with these challenges.

The project analyses the main policy areas that impact on citizens' quality of life, with a particular emphasis on areas where there is a specific European policy interest. This includes labour market policies, health/lifestyles, education, demographics/migration, integration and inequalities, and public finances/financial sustainability. The key question of how to 'measure' well-being, the challenges and factors which influence social conditions, and what kind of social provision citizens want in the European Union of the future is also addressed. Moreover, the project pays particular attention to highlighting trade-offs or synergies among policy areas.

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Foreword

By Rainer Münz

Some societies which receive migrants expect them to stay for good and become citizens of their countries. These are known as 'traditional' immigration countries and include Australia, Canada, New Zealand and the USA. These countries also have temporary migration schemes, but their migration regimes are based on the idea of permanent settlement.

Other receiving societies do not look for, or want, migrants who will stay for good. This is particularly true for countries like the Gulf States, Libya, Malaysia and Singapore. They receive large numbers of migrant workers, but do not offer them permanent residence status or the option of naturalising and becoming citizens.

Europe is somewhere in the middle. In the past, many European countries both recruited temporary labour and offered permanent status rather to migrants from their colonies and people of co-ethnic descent. Many also allowed labour migrants to remain and be reunited with dependent family members. As a result, some temporary migrants became permanent residents of EU Member States.

In recent years, many EU countries have continued to recruit migrant labour on a temporary basis; for example, agricultural workers, care providers and workers in the hospitality sector. EU enlargement and the gradual integration of European labour markets also led to greater mobility of labour within the Union, with many workers taking up jobs in another Member State without intending to move there forever. This has led to a surge in temporary and circular migration.

Over the coming decades, Europe – with its ageing and shrinking population – will be in need of migrant labour and skills. Some will come on a temporary basis, others as long-term or permanent immigrants. It is in this context that the European Commission and some EU Member States have developed a renewed interest not only in the recruitment of highly-skilled migrants (under the "Blue Card" or points systems), but also in concepts of circular migration.

What is behind this renewed interest? Circular migration definitely is an answer to an existing need to fill seasonal or other temporary jobs. But it is

also discussed as a possible way to replace 'brain drain' with 'brain circulation'. It also includes the option of members of Europe's established migrant diasporas returning to their (or their parents') country of birth for limited periods and engaging in economic activities or civil society there.

From the perspective of receiving European societies, circular migration could be a way of filling gaps in the labour market without having to fully integrate those who only come for a limited period of time, or on a seasonal basis repeatedly for a certain part of the year. In a functioning transnational EU labour market, it could also be seen as a way to increase geographic mobility within Europe. This would increase actual employment and enhance welfare.

Any successful concept of circularity, however, needs to clarify the rights and duties of circular migrants – including admission and return, changing employers, the portability of social security benefits, etc.

In 2010, the European Policy Centre's Task Force on Temporary and Circular Migration discussed key aspects of temporary and circular migration as compared to migration that leads to permanent settlement. This publication summarises our discussions, and contains recommendations developed as a result of these discussions.

Rainer Münz is chair of the European Policy Centre's Task Force on Temporary and Circular Migration, a member of the EPC's Advisory Council, and Head of Research and Development at Erste Bank.

Executive summary

In spite of high levels of unemployment across Europe in the aftermath of the recent economic downturn, labour market shortages persist in a number of sectors. These shortages are likely to become more acute as demographic challenges become more pressing and Europe's workforce shrinks. With fewer and fewer people of working age supporting a growing number of elderly people, the continent's economic and social models will come under threat. Policy-makers must therefore make choices to ensure the future well-being of EU citizens.

The EPC's Task Force on Temporary and Circular Migration investigated whether temporary and circular migration policies are part of the solution to sustaining Europe's economic and social models as its societies age. These policies would essentially permit the entry of third-country nationals for work purposes for a limited period only, and could allow some degree of back-and-forth movement (circularity) between Europe and the migrants' countries of origin. Importantly, from a demographic perspective, most migrants entering via temporary and circular migration channels would return home following their stay, thus not eventually becoming part of Europe's ageing societies themselves.

However, the short-term insertion of migrant workers into the workforce would not suit all sectors of the labour market. Temporary and circular migrants could instead fill low- and medium-skilled job vacancies in defined sectors that experience difficulties in finding workers to meet cyclical demand, be it the seasonal sector or non-seasonal sectors that make use of temporary work agencies. (Employers would be less keen to part with highly-skilled migrants.)

A growing political debate about temporary and circular migration has re-awakened memories of the guest-worker systems of the post-war period that, at their heart, assumed that migrants would eventually return to their countries of origin but did not have the desired effect. The EPC's Task Force discussed these challenges associated with designing contemporary policies to regulate temporary, and perhaps repeated, stays by migrant workers in Europe so as to avoid the errors of past temporary migrant worker programmes.

In this context and based on the discussions of the Task Force, this Working Paper makes a number of recommendations to policy-makers who are considering introducing contemporary policies.

Temporary and circular migrants working in Europe's seasonal sectors: recommendations

While intra-EU migration might in the short term minimise the need for third-country migrant workers in Europe's seasonal sector, in the long term, countries may need to turn to third-country seasonal workers on a significant scale as labour shortages become acute, in which case, this Working Paper makes the following recommendations:

Recommendation 1: attract seasonal migrant workers based on the needs of national labour markets

While there are seasonal sectors where employers struggle to recruit enough workers from the local labour force, even during economic downturns (harvesting and hospitality), temporary and circular migrants should not be encouraged into sectors where there is already ample supply of labour (in the somewhat seasonal construction sector, for instance). Getting the long-term unemployed back into employment is equally important and should not be side-lined by new sources of migrant labour.

Recommendation 2: design policies to prevent exploitation of seasonal migrant workers

The European Commission's July 2010 proposal for a Directive on common EU entry and residence conditions for third-country national seasonal workers contains some positive features to prevent exploitation: the necessity to have a work contract or a binding job offer that specifies a salary before being granted an entry permit; the possibility to change employers within the overall time limit for their stay; an obligation for employers to ensure appropriate accommodation; and, finally, a provision for receiving and handling complaints. However, policy-makers should be aware of the danger of creating two-tier rights systems for workers, given the probable political reluctance to grant seasonal migrant workers access to acquired rights such as unemployment or other social welfare benefits.

Recommendation 3: formulate effective mechanisms to ensure the return of seasonal workers

Migrant workers working temporarily in a host country need to be given

incentives to leave at the end of their contracts, such as provisions allowing for a degree of circularity between the country of origin and country of destination, e.g. multi-seasonal permits or facilitated re-entry procedures for subsequent seasons; allowing the portability of acquired benefits (if workers have access to them) or refunds of social security contributions; the creation of compulsory savings accounts with special high interest rates on condition that the money will only be released when the migrant returns home.

Temporary and circular migrants working in Europe's non-seasonal sectors: recommendations

Temporary and circular migrants could also be considered for Europe's non-seasonal sectors that experience fluctuating demands for low- and mid-skilled workers, e.g. manufacturing, services, construction, agriculture and food processing, hospitality, catering industries, domestic work and care work). As temporary work agencies are often used by companies to help meet this kind of labour demand, this Working Paper considers a number of recommendations relevant for the temporary agency work sector.

Recommendation 4: design policies to prevent the exploitation of non-seasonal workers working in the temporary agency work sector

Setting up a robust regulatory framework would help prevent the risk of exploitation by less-than-reputable temporary work agencies. It should include the following features: measures to prevent agencies from charging extortionate fees for 'assisting' migrants in settling into the new environment, which can leave migrants vulnerable to abuses and malpractice; and the preparation and dissemination of practical information tools on the rights and duties of migrants working in the temporary agency sector, perhaps in collaboration with trade unions and employer associations.

Recommendation 5: formulate effective mechanisms to ensure the return of non-seasonal workers working in the temporary agency work sector

Multi-entry work visas and compulsory savings schemes, similar to those for seasonal migrants, could also work for temporary and circular migrants taking up non-seasonal jobs, but restrictions should be placed on the length time spent in the destination country, perhaps similar to those for seasonal workers. Large and reputable temporary work agencies with the capacity to do so could be involved in providing incentives for migrants to return home at the end of their contracts, by working with governments in public-private partnerships, and facilitating job placements and skills recognition for returning migrants.

Impact of temporary and circular migration policies on countries of origin: recommendations

Temporary and circular migration policies also have potential to have a positive impact on development in countries of origin, particularly in terms of the economic benefits of remittances and investments but also in the bringing back of skills and ideas.

Recommendation 6: a thorough evaluation of existing temporary and circular migration programmes is needed to assess their impact on development
Many contemporary circular migration programmes are small-scale and appear costly and administratively burdensome, and an evaluation of these programmes would enhance understanding of their potential.

Recommendation 7: explore ways to encourage 'brain circulation'
Countries of origin experience 'brain drain' when their educated work forces move to the developed world, often to be under-employed in low-skilled jobs. A system of 'brain circulation' could go some way to compensate for that i.e. policy-makers should look at ways to encourage skilled and semi-skilled individuals with migrant backgrounds to move back to their countries of origin to invest and engage in economic activities or advisory work. A back-and-forth movement of skills would potentially contribute to countries of origin by way of training the local population and sharing ideas, resulting in 'brain circulation'.

Recommendation 8: Implement a legal framework favourable to facilitating back-and-forth movements both of migrants on pathways towards long-term residence and citizenship, and of foreign-born citizens or their second- and third-generation offspring
Circular movements would be encouraged by policies that protect the residence and naturalisation rights of participating individuals in their host countries. Losing accumulated rights associated with residence in a host country constitute a barrier to return, thus providing no incentive to undertake initiatives that contribute to the development of countries of origin. Introducing a 'pause' button would be a good way of temporarily freezing the pathway towards residence or citizenship rather than putting the process in jeopardy. Allowing individuals to hold dual citizenship would also facilitate back-and-forth movement between a former migrant's country of origin, or that of his or her parents, and the country of citizenship. Finally, a mechanism to allow the portability of social benefits, including pensions, should also be considered.

A couple of **principal tensions** emerge from the discourse on temporary and circular migration.

First, fundamentally diverse approaches to temporary and circular migration are emerging in the political discourse across Europe, particularly in relation to the choice between introducing fixed programmes for temporary and circular migrants or introducing more flexible policies to facilitate temporary and circular migrant movements. It remains to be seen whether other EU countries will follow Sweden's example in contemplating a shift away from programmes to policies that provide incentives to circulate.

Second, there are legitimate concerns about the impact and potential costs of increased temporary and circular migration on European society, which remain unresolved. While EU governments have become more sensitive in recent years to the need to integrate migrants into their host societies, their policies tend to focus on those migrants, and their children, who are likely to become permanent members of their societies,. An entirely new and complex set of integration challenges will come with newcomers who stay for a short time.

If policy-makers are serious about temporary and circular migration, they will have to develop specific targeted policies and make provision for the additional impact on public services, perhaps in cooperation with local authorities and city councils. They would also be wise to allow permeability between the channels regulating temporary and circular migration movements, i.e. individuals should be able to change from a short-term to longer-term status under certain defined conditions, although not automatically, and only after taking labour market needs into account.

While these recommendations drew on discussions of the Task Force workshops, they were drafted by Sheena McLoughlin, coordinator of the Task Force, and Rainer Münz, Task Force Chair and responsibility for them rests with these authors alone.

About this Task Force

This Working Paper reflects the discussions which took place within the EPC's Task Force on Temporary and Circular Migration. Final responsibility for the content of this paper rests with the authors.

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Ronald Skeldon is a Professorial Fellow at the University of Sussex.

The following range of experts and practitioners from different backgrounds participated in one or more Task Force workshops. The EPC would like to thank them for their time and energy.

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Åsa Carlander	Permanent Representation of Sweden to the EU
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Dirk Gebhardt	EUROCITIES
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For their guidance throughout this project on Temporary and Circular Migration, special thanks are due to Ferruccio Pastore, Chair of the EPC's Migration and Integration Forum, and Fabian Zuleeg, EPC Chief Economist and overall Coordinator for the Well-being 2030 project.

Introduction

This Working Paper is the culmination of the year-long discussions in the European Policy Centre's Task Force on Temporary and Circular Migration in 2010. The Task Force, chaired by Rainer Münz, a member of the EPC's Advisory Council and Head of Research and Development at Erste Bank, brought together a range of experts and practitioners from different backgrounds to investigate whether temporary and circular migration policies are part of the solution to sustaining Europe's economic and social models as its societies age.

These discussions took place against the backdrop of renewed policy interest in temporary and circular migration policies at EU level and, to differing degrees, at national level. The demographic challenges facing Europe and the consequent inevitable shrinking of the working-age population are prompting rising concern about their impact on the future well-being of EU citizens, given the threat to Europe's economic and social models if fewer and fewer people of working age are asked to support a growing number of elderly people.

Increased labour immigration is one of the policy options available to governments looking for workers to fill the growing gaps in the European labour market and provide additional sources of funding to pay for the public services required by ageing societies. However, substantially increasing the number of immigrants would not be popular with electorates and, besides, many of these immigrants would themselves eventually become ageing EU citizens and thus would not help to address the demographic challenge in the long term.

In this context, the idea of temporary and circular migration policies, which imply back-and-forth movements and the eventual return of migrants to their countries of origin, have become more attractive to the EU institutions and to various national governments, on the grounds that they would enable European economies and public coffers to benefit from migrant labour while minimising the social impacts of immigration.

The Task Force's work was conducted under the auspices of 'Well-being 2030', a two-year research project being carried out by the EPC and funded by the European Commission. The Lisbon Treaty states that: "The Union's aim is to promote peace, its values and the wellbeing of its peoples." Against

this backdrop, the Well-being 2030 project is investigating what policy choices are most likely to deliver a higher level of well-being for European citizens by the year 2030.

The Task Force on Temporary and Circular Migration focused on those policy areas related to this issue which have an impact on citizens' quality of life – including labour market policies, demographics/migration, integration and inequalities, and public finances/financial sustainability – with the aim of developing forward-looking conclusions and recommendations.

To aid the Task Force's investigations, some limits were placed on the scope of its work, by identifying a number of pertinent questions but acknowledging that not all aspects of this issue could be investigated. A series of workshops were then organised to tackle each theme.

The themes of the first two workshops stemmed from the need to identify which of the sectors that suffer from persistent labour shortages would benefit from increased temporary or circular migration to Europe.

The first workshop analysed the seasonal sector and the second examined non-seasonal sectors that make use of temporary agencies. Both rely on low- and medium-skilled labour, and therefore the Task Force did not specifically focus on sectors that rely on highly-skilled migrants. The third and final workshop examined the impact of short-term migration – circular or otherwise – from the perspective of potential circular/temporary migrants and their countries of origin.

The structure of this Working Paper reflects the themes of the workshops. The chapters on these workshops include reports of the Task Force discussions on these themes, and articles by key stakeholders who made presentations at the workshops. Their contributions to this paper reflect the views of the authors and not necessarily those of the EPC or the Task Force as a whole.

The first contribution comes from Sheena McLoughlin, Policy Analyst at the European Policy Centre and Coordinator of the Task Force on Temporary and Circular Migration. Beginning with a brief account of Europe's demographic challenges and a discussion on the concepts of temporary and circular migration, this chapter reviews Europe's past experiences with temporary migrant worker programmes and sets the context for an in-depth analysis of the policy choices open to policy-makers in subsequent chapters.

In Chapter II, Wolfgang Müller and Rudolf Bünte of the German Federal Employment Agency explore the current and potential role for temporary and circular migrants in the seasonal work sector, with a particular focus on the German Seasonal Migrant Workers Programme.

In Chapter III, Göran Hultin, Chairman and CEO of Caden Corporation S.A and Labour and Government Affairs Advisor to Manpower, considers the current and potential role of temporary work agencies in facilitating temporary and circular migration, particularly in sectors with labour shortages or those experiencing persistent fluctuations in labour demand.

In Chapter IV, Ronald Skeldon, Professorial Fellow at the University of Sussex, explores the impact of temporary and circular migration on the well-being of migrants, their families and their countries of origin.

This Working Paper ends with a chapter containing some conclusions and recommendations that emerged from Task Force discussions, written by Sheena McLoughlin and Rainer Münz. While they drew on the Task Force's discussions to produce these recommendations, responsibility for them rests with the authors alone.

I. Addressing demographic challenges: Europe's new interest in temporary and circular migration

By Sheena McLoughlin

Over the coming decades, the countries of the European Union will face a stark demographic challenge: as the total population of the EU region declines, the age structure of societies will change dramatically, with potentially serious consequences for the well-being of Europe's citizens.

This first chapter explains how policy-makers at both national and EU levels have begun, in recent years, to look at temporary migration and/or circular migration as possible solutions to the continent's demographic problems.

The Stockholm Programme, the EU's new five-year plan for the 'Area of Justice, Freedom and Security', has tasked the European Commission with exploring the possibility of "increased temporary and circular mobility"[1] of third-country nationals, with a study due to be published in spring 2011.

This chapter sets the context for the rest of this Working Paper. It begins with a brief analysis of Europe's demographic challenges and the various policy options available to governments to address them. It then reviews the continent's past experiences with temporary migrant worker programmes in Europe, and discusses contemporary concepts of temporary and circular migration.

Immigration as a policy tool to address demographic challenges

The figures outlined in the box below highlight the significant burden facing current and future EU governments and citizens. As the working-age population shrinks, there is understandable concern about who will fill the public coffers to sustain pensions, welfare benefits and other public services that ensure the well-being of Europe's citizens.

Europe's demographic challenges

From 2015, Europe's working-age population (age group 15-64) will begin to shrink, with estimates suggesting that the number of economically

active people in the labour force could decrease from 240 million today to 207 million in 2050. If immigration from third countries to EU27 was halted altogether, the decline would be even more dramatic, down to just 169 million by 2050.[2] There will be more elderly than young people in society, with the elderly living longer than previous generations.

This will pose serious challenges for European societies, given that for every 100 Europeans of working age today, there are 25 senior citizens aged over 65, but by 2050, this ratio will rise to 50 senior citizens for every 100 Europeans of working age. Even more striking, today there are 36 senior citizens (65+) for every 100 Europeans in the labour force. If labour force participation rates remain constant, by 2050 this ratio will increase to 72 senior citizens per 100 workers. If for some reason Europe's immigration levels were to dry up, every 100 workers would have to support 85 senior citizens.[3]

Despite the recent financial crisis and ensuing recession, various sectors will face labour shortages in the short to medium term. Skills shortages persist in many sectors of the European jobs market, including science, health, agriculture, engineering and tourism. For example, according to Home Affairs Commissioner Cecilia Malmström and Employment and Social Affairs Commissioner László Andor, the EU economy will need between 384,000 and 700,000 IT workers by 2015 and between one and two million health-care workers by 2020.[4]

The policy options available to ensure that Europe can meet its future economic and social needs include raising the retirement age, increasing the labour-force participation rates of both women and the long-term unemployed, and actively pursuing family policies to improve fertility rates. Increased labour immigration is another policy option, albeit a highly politically sensitive one, as demonstrated by the rise in support for xenophobic political parties in Europe.

It is widely accepted in policy circles that labour migration has a role to play in Europe's future, be it to relieve the expected demographic pressures on pensions, health and welfare systems, or to boost competitiveness. The Europe 2020 Strategy, adopted by EU heads of state and government in 2010, commits the Union to promoting a forward-looking and comprehensive labour migration policy to respond in a flexible way to the priorities and needs

of labour markets.[5] The Reflection Group report written by the 'wise' men and women who were tasked with developing a forward-looking vision for Europe, also published in 2010, advocates a "more pro-active immigration policy suited to our demographic and labour market needs".[6]

The stated need for *flexible* labour migration policies is revealing, hinting that traditional policies on the entry of foreign workers may no longer be adequate.

Traditionally, immigration is seen as a linear phenomenon, with people leaving their home countries to begin new lives in destination countries where they will presumably remain for the rest of their lives. This kind of permanent migration for work purposes still takes place – particularly in traditional countries of immigration like Canada, the United States and Australia, but also in Europe – albeit generally limited to small numbers of highly-skilled migrants who usually have the opportunity to apply for long-term residence. Admitting more immigrants who are likely to settle permanently will not, however, help to resolve long-term demographic challenges, as many of these newcomers would themselves eventually become ageing EU citizens.

The alternative to permanent migration is temporary migration, with policies that could encourage non-EU workers to migrate temporarily to Europe and eventually return to their countries of origin becoming increasingly attractive to many policy-makers at national and EU levels.

The belief is that such temporary migrants – in the EU for work purposes only and presumably without access to family reunification rights – would be light users of public services. This would minimise the social impact of immigration and thus make it easier to 'sell' to increasingly suspicious electorates. Meanwhile, European economies and public coffers would benefit from the migrant labour needed as a result of the worsening demographic situation.

Alongside temporary migration, there is also increasing interest in the idea of circular migration policies, which will be discussed later in this chapter. It is first necessary, however, to briefly examine Europe's past experience with policies designed to facilitate temporary migration.

Europe's past experience of temporary migration policies

For many, the current debate on temporary and circular migration evokes memories of the guest-worker programmes that were in place in most

Western European countries between the end of the Second World War and the oil crisis of 1973.

The economies of countries like West Germany, Austria, the Netherlands and Belgium were experiencing significant labour shortages and, to satisfy demand, they turned to Mediterranean countries to fill the gaps.[7] The aim was to secure a temporary supply of workers (particularly unskilled and semi-skilled labour) rather than permanent settlers. Each country concluded its own bilateral recruitment agreements, typically first with Southern European countries like Italy, Greece, Portugal and Spain, and generally only later turning to Turkey, Yugoslavia and North African countries such as Morocco when labour demand could not be satisfied from within Western Europe.

It is worth outlining the main features of these programmes, which differed from country to country.

The guest-worker programmes were underpinned by a 'rotation principle', meaning that the migrant workers came as temporary 'guests' and were expected to return to their countries of origin after a limited number of years and be replaced by new, younger workers. It was expected that the temporary migrants would return home during economic downturns, and come back again if labour demand increased once more. There was some evidence that this did happen, for instance, in Germany, with many migrants returning home during the economic downturn of 1967. The Netherlands also experienced high rates of return migration, particularly among migrants originating from Spain and Italy.[8]

Circulating between Europe workplaces and family life in the home country was normal for guest workers at that time. The pattern changed, however, with the 1973 oil crisis. As governments ended their temporary migration programmes, many of the temporary workers already in Europe decided to settle permanently, preferring to wait out the recession in host countries rather than risk not being allowed to come back if they returned home. Thus, what began as temporary migration became permanent for many.[9]

Despite the clampdown on new temporary labour migrants, immigration continued during the 1970s and 1980s, principally via family reunification routes. Newly-resident migrants, many of Turkish or Moroccan origin, brought their families to join them. By the late 1980s, the Netherlands was welcoming approximately 40,000 family migrants each year.[10] In 1973,

there were four million foreign citizens living in West Germany who were from outside the European Community. In 1989, the number had risen to 4.9 million, with the increase largely due to family reunification.[11]

These guest worker programmes have long been considered a failure because, while the majority of guest workers returned to their countries of origin, significant numbers stayed in their host country permanently (four million in Germany); i.e. they failed in the sense that their aim was to secure a temporary supply of workers, but they resulted in a significant number of permanent immigrants. The experience also left host societies frustrated by the perceived failure to integrate immigrants and their children. Contemporary critics of temporary migration programmes point to the high unemployment rates and welfare dependency rates that were not uncommon among the families of those 1960s-era guest workers.

Undoubtedly, policy errors were made. Firstly, Western European countries that had guest-worker programmes did not adopt any specific measures to encourage them to return home. Secondly, a refusal to acknowledge that some temporary workers had become a permanent part of society meant that few targeted integrated measures were put in place.

Thirdly, the actors involved in the programmes all had different and sometimes opposing objectives. Employers, for instance, needed access to a low-skilled and flexible supply of workers that they could not find in the local labour market. They preferred to keep the same workers rather than pay for the costly training that the 'rotation model' demanded with each new intake of foreign workers. Western European governments, while uneasy about introducing new communities into the fabric of their societies, nevertheless went along with employers' preferences and issued back-to-back work permits for supposedly temporary workers.[12] While the workers themselves did not usually view their stay in the host country as long term and often intended to return home with enough savings to start a new life there, family reunification rights had a strong influence on these plans and many did not go back home after all.

Finally, not enough was done to explain to the wider population the need for these additional migrant workers, fostering misunderstanding and mistrust.

If Member States, encouraged by EU institutions, once again begin pursuing policies to admit third-country workers on a temporary basis, it will be

important to ensure that future policies contain certain safeguards so that the mistakes of the past are not repeated.

Temporary migration and 'circular' migration today

While temporary migrant workers programmes came to an end in the early 1970s, regulated temporary migration of third-country nationals to Europe has continued, albeit in a less systematic way. Today's immigration systems in Europe prioritise migration on a temporary basis, with the vast majority of work and residence permits offered for one to two years. What is new to the current discussion is that the European emphasis on time-limited migration is fusing with the emerging concept of circular migration.

The concept of circular migration itself is difficult to define, not least because it means different things to different people. Some view circular migration as meaning 'shaped like a circle', thus entailing continuous back-and-forth movements. These cyclical migratory movements mean that the migrant's return to his or her country of origin may be just a pause before renewing permits and moving back.[13] But governments in migrant-receiving countries in Europe might be more inclined to take circular to mean a one-off movement from the home to the host country and back home, effectively combining temporary migration and return migration and not necessarily implying repeated movements back and forth.[14]

Many separate the concept from policy, and view circular migration rather as a pattern of global and transnational mobility, in which many people spend significant parts of their lives in different countries, travelling back and forth between or among them.[15] Clearly, not everyone agrees on the meaning of circular migration and it was certainly not the aim of the EPC's Task Force to settle on one common definition. There is, however, a common thread in discussions on the topic which deserves some attention here: the development potential of circular migration.

The development potential of circular migration

Part of the interest in circular migration policies stems from the hope that they can serve the interests of both the countries where migrants come from and the countries they move to, as well as individuals who migrate.

In this way, a 'win-win-win' situation is envisaged. Countries of origin and the migrant's family and friends can benefit from the resources, skills and knowledge brought back by the returning migrant, as well as the considerable amounts of money (remittances) sent home. Governments of migrant-destination countries benefit from the additional labour force, without having to be overly concerned about the social and economic costs of receiving migrants from developing countries, as they will presumably return home.[16]

The United Nations, World Bank, International Organisation for Migration and Global Commission on International Migration all promote the idea of circular migration, seeing it as a potential model for migrant management that would maximise the gains and minimise the costs of international human mobility.

Mitigating the effects of 'brain drain' from developing countries as their highly-skilled workers choose to emigrate is thought to be an additional benefit of circular migration. Instead, 'brain circulation' is achieved, as migrants develop their skills abroad and then take them home. Theoretically, these returnees may start new companies or take up senior positions in academia or business, thus helping to ensure that developing countries do not lose out in the global competition for talent.[17]

Circular migration is not a new idea, as Ronald Skeldon points out in Chapter IV of this publication. Nevertheless, it is only recently that policy-makers have begun to try to mould it into a policy tool. As EU governments have started to look for ways to meet future labour needs in an ageing society, the attractiveness of managing temporary and circular migration has not been lost on them.

The December 2006 European Council encouraged the European Commission to explore measures to facilitate circular migration, which resulted in a Communication published in May 2007[18] in which the Commission defined circular migration as "a form of migration that is managed in a way allowing *some degree* of legal mobility back and forth between two countries".

The Communication looked at how relevant measures could be introduced using the legislative instruments proposed in the Commission's 2005 Policy Plan on Legal Migration.[19] It suggested, among other things, introducing

multi-annual residence/work permits for seasonal migrants, which would allow migrant workers to perform seasonal work several years in a row. This is discussed in more detail in the workshop report in Chapter II of this paper, in the context of the Commission's proposal for a directive on seasonal workers.

Besides helping to meet the EU's labour needs, the Communication also underlined the potential of managed circular migration to maximise the benefits of migration for countries of origin.[20] The Commission suggested that third-country nationals should be allowed to come to Europe temporarily for a period of training, and then take the skills learned back to their home countries.[21] Subsequent returns to Europe for limited periods to update skills could be considered. The impact of 'brain drain' would, in this way, be mitigated.

However, alongside the positive implications for Europe's labour market and the development of 'sending' countries, there is another, perhaps more revealing, reason for the EU's interest in circular and temporary migration.

A 2006 strategy paper published at the initiative of the German and French interior ministers spells out how managed circular and temporary migration could also be positive from a migration control perspective.[22] By stating that "we want no uncontrolled migration into our labour markets and social systems", they imply that circular migration makes it easier to control illegal immigration and limit longer-term immigration that would place a burden on social systems. This belief that temporary, or circular, migration programmes are a way to reduce illegal immigration was reaffirmed in the EU Pact on Immigration and Asylum, adopted by EU leaders in 2008. In a context where resistance to immigration is on the rise throughout Europe, as evidenced by the recent electoral success of anti-immigrant political parties in Netherlands and Sweden to name but a couple, the ability to sell a migration policy in these terms makes circular migration seem very attractive indeed.

The choices facing policy-makers

It is clear that politicians and their electorates will be anxious to avoid resurrecting the guest-worker programmes of the past. However, Europe's demographic challenges are such that part of the solution to the inevitable decline of the number of workers in Europe will have to come from increased migration. The EU and its Member States have already begun to consider temporary migrants, and even circular migrants, as a way to fill the demand for labour in certain sectors.

The Netherlands: pilot circular migration programme

The Dutch Ministries of Foreign Affairs, Justice, and Social Affairs & Employment have come to together to implement a pilot circular migration programme aimed at semi-skilled migrants. Launched in December 2009 and entitled Blue Birds,[23] this programme seeks to find out whether circular migration can deliver a 'win-win-win' situation for all the stakeholders involved in the process: migrants, the Dutch labour market and countries of origin. It aims to identify advantages and disadvantages, constraints and risks, to explore the opportunities for temporary/circular labour migration.

This small-scale programme affects just two groups of 80 semi-skilled workers from South Africa and Indonesia. For a maximum of two years, these 160 people will be employed in jobs in the Netherlands that match their level of education and experience. Family reunification is not provided for. The idea is that the migrants will return home after this period, having furthered their professional development, and be in a position to apply their new-found skills back home. Given its pilot status, only one cycle is offered initially, arguably making it more of a temporary migration programme than a circular one.

The temporary migrants will work in sectors with actual or anticipated labour shortages: the metal industry (shipping and machine building), the food industry, agribusiness and logistics. For some reason, the Dutch government excluded the healthcare sector from the pilot, even though it suffers from significant labour shortages. The EU labour market test is still applicable, so jobs can only be offered to migrants under this programme if they cannot be filled by EU nationals. The pilot is unique in that it is the first programme of its kind to involve semi-skilled migrants as opposed to unskilled or highly-skilled migrants.

South Africa and Indonesia were chosen as sending countries for a range of reasons. The Netherlands has had long diplomatic and development relationships with both countries. Dutch companies are present in both and it was felt that their pool of labour matched the Dutch employment market's requirements well. Both countries are also on the partner list of the Dutch Ministry of Development Cooperation and their development potential is considered to be high. Finally, there was the important consideration that migrants from these countries were seen as more

likely to return home at the end of the programme.

The success of the pilot programme depends to a great extent on the return and reintegration of the migrants involved. With the new skills and competences developed in the Netherlands, it is hoped that the returning migrants will have good job prospects that match their professional development. Returnees will receive reintegration support in the form of an active social network and job counselling. They will also be offered possibilities to receive training to set up new businesses.

The pilot is in its very early stages and cannot really be assessed until it ends in the final months of 2011. Nevertheless, early findings suggest that employers are keen to take on international employees if supply and demand are matched properly. However, many have stated that the two-year maximum is too short, and this was a major reason why some employers declined to take part. Others decided that using temporary work agencies, such as Randstad and OTTO Work Force, provided a 'safe' way to participate.

Initial findings from the first stages of the pilot suggest that those who chose to migrate as part of the scheme did so because of the possibility of personal development and of returning to a better position in their home labour market. Reflecting the strong development focus of this pilot, a Personal Development Plan (PDP) is to be drawn up with each migrant at the beginning of his or her period overseas. The Plan focuses on the individual's professional development goals/prospects and the learning process required in the Netherlands to achieve them. A counsellor, who maintains close contact with employers, will help migrants to stay focused on these goals during their stay in the Netherlands. Migrants can receive some training relevant to these goals within the limited budget available. However, the workers for whom it is easiest to find jobs in the Netherlands generally already have jobs in their country of origin. Incidentally, more men than women are taking part in the pilot and most are in the 25-35 age bracket.

While financial investment by the state has been required to implement the pilot programme, the longer-term aim for a circular migration programme in the same mould is that it would be self-financing, with the burden of costs placed on employers rather than on the state.

Some Member States see temporary and circular migration as migration flows that can be controlled within the framework of specific programmes (see box on the Netherlands on previous pages). These countries are exploring the potential of managed programmes that set strict limits on the number of workers to be admitted and the sectors they can enter. They vary in size and overall objective, with Germany's seasonal workers programme (discussed in Chapter II) issuing 300,000 work permits per year, while the programmes in Spain and the Netherlands are small-scale in comparison and their design makes specific reference to development goals in the countries of origin.

Managed programmes may not be the only way forward, however. Sweden believes that circular migration needs to be viewed as spontaneous rather than managed within programmes and projects. It has instead indicated a preference for policies that would facilitate circularity, and will unveil plans for such policies in mid-2011.[24]

This is not the only policy choice to be made by countries interested in developing temporary and circular migration channels. Policy-makers keen to avoid repeating the mistakes of the guest-worker era will be particularly eager to design policies that ensure eventual return to countries of origin. In addition, temporary and circular migrants may not be suited to all sectors.

The following chapters consider these choices, among others, with special attention given to the possible sectors of the labour market that could benefit from temporary and circular migrant workers.

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II. The seasonal sector: what potential for temporary and circular migrants?

Workshop report

The Task Force met on 10 May 2010 to consider the benefits and costs of recruiting circular and temporary migrants to fill mainly low and mid-skilled jobs in seasonal sectors where gaps in the labour market are likely to persist.[25]

The European Foundation for the improvement of living and working conditions (Eurofound) defines seasonal work as a form of temporary employment linked to specific periods of the year and sectors. The most obvious examples of seasonal jobs are in the agricultural sector, particularly for harvesting, but other industries are also partly seasonal, such as tourism, landscaping and, to a limited extent, construction. These are all industries that, in many parts of Europe, have struggled in the past decade to recruit sufficient supplies of workers from the local workforce.

This report summarises the key issues and challenges highlighted by participants and external experts at this workshop.

An overview of seasonal worker programmes for migrant workers

Seasonal migration is the most familiar form of temporary migration. According to a 2003 survey carried out by the International Labour Organization (ILO), 20 countries (of the 92 that took part) had bilateral agreements on seasonal agriculture workers with countries of origin. The differences between the programmes merit some attention, not only in relation to the contracting actors involved (government-to-government only, the use of intermediary partners, direct employer involvement, etc.), but also regarding the incentives designed to ensure that migrant workers return home at the end of their contracts, the length of contracts, the inclusion of training in the programme so that workers can take new skills home, etc.

Task Force participants discussed the seasonal programmes developed by Canada and New Zealand to attract migrant workers. The main points of these programmes are summarised below. The Task Force also discussed current European seasonal work programmes aimed at non-nationals. The German model is discussed in more detail later in this chapter, and one of

the small-scale seasonal work programmes developed in Spain is described in this report.

Canada's Seasonal Agricultural Workers Programme (SAWP)[26]

Canada's Seasonal Agricultural Workers Programme (SAWP) allows for the organised entry of foreign workers into Canada to meet the seasonal demand for labour in the agriculture sector. It has been running for over 40 years, beginning when the Canadian government first signed bilateral agreements (Memorandums of Understanding) with certain Caribbean countries in the late 1960s, and more significantly with Mexico in 1974. Each year, approximately 20,000 migrant workers travel to Canada, mainly from Mexico but also from other Central American and Caribbean countries, to work on farms. The worker can stay for up to eight months if required and can return to the same farm the following year.

To ensure that the programme functions effectively, the key stakeholders have certain obligations and responsibilities:

- The governments of the home countries are responsible for recruiting the workers and for maintaining a pool of workers who are ready to leave for Canada. They must also appoint agents at consulates to serve as contact points for workers with questions regarding their living and working conditions, documentation, health and repatriation.

- The employer/farmer must pay the same wage to the migrant worker as he or she would to a Canadian worker, and ensure that the migrant is covered by medical insurance. Employers must also provide adequate housing and meals and/or cooking facilities. Finally, they must pay part of the transport costs to and from the country of origin.

The temporary nature of the programme appears to be successful, given that most of the migrants go back to their home countries at the end of their contracts. This may, at least in part, be the result of the programme's preference for recruiting workers with young families. The participating Caribbean countries have set up a compulsory savings scheme for their workers, whereby 25% of their wages are withheld by the government. When they return, all but 5%-8% (which is kept by the state to cover the programme administrative costs) is given back to the workers. A large number of the same migrants take part in the programme year after year.

New Zealand's Recognised Seasonal Employers (RSE) scheme[27]

The RSE scheme was only established in 2007 and allows workers from the Pacific Islands to enter New Zealand to fill seasonal jobs in the agricultural sector. As of March 2009, the annual quota is set at 8,000 workers employed for seven months at a time.

The obligations and responsibilities of the stakeholders involved in the RSE scheme include:

- The employers must obtain permission to recruit migrant workers from the Pacific Islands and then cover half of the travel costs. They must also guarantee a minimum of 240 hours work overall (and 30 hours a week) at minimum wage. Housing, health insurance and pastoral care (e.g. transport to banks or to religious services) must also be provided by the employer.

- The workers must have passports and clearance from the police, and must undergo health checks and pre-departure orientation.

- Governments in the countries of origin prepare lists of workers from which employers can recruit directly. Employers can use private recruiters as well as drawing from these lists.

The World Bank has supported New Zealand's RSE scheme from the beginning (as well as Australia's nascent seasonal workers programme). Its role is to evaluate the success of the scheme in relation to its dual purpose: to fill jobs and to have a development impact in the home countries, mainly by way of remittances (money sent home by migrants) but also by making an effort to recruit labourers from poorer backgrounds.

Spain – Colombia Temporary and Circular Labour Migration (TCLM) model[28]

On a smaller scale, Spain and Colombia teamed up with the International Organisation for Migration, local authorities and other civil society organisations to implement a short-term circular migration programme. Between December 2006 and June 2009, 570 migrants travelled to Catalonia in Spain to work as seasonal labourers for up to nine months. The programme encouraged back-and-forth movement of migrants rather than putting them on a path towards longer-term residence.

This programme also focused some targeted projects on the towns and villages where the workers came from: for instance, distributing information about the dangers associated with irregular migration. The programme also emphasised the benefits brought back by returning migrants, who were encouraged to use the skills acquired through their work on the harvest and through training in Catalonia to launch agricultural initiatives at home. It is, however, difficult to measure the impact of the programme, given the low numbers involved.

EU developments in relation to seasonal work

The European Commission has been anxious to make progress on establishing common EU entry and residence conditions for seasonal workers from outside the Union, since the idea of a directive surfaced in the 2005 Policy Plan on Legal Migration. However, it is only now, with the impetus provided by a new five-year strategy for justice and home affairs (the Stockholm programme) and with a new Commissioner for Home Affairs, Cecilia Malmström, that a formal proposal has been tabled.

The rationale behind this common action is to set minimum conditions for the estimated 100,000 third-country seasonal workers who enter the EU each year, some of whom are irregular migrants.

The proposal, published in July 2010, will require the support of both the Council and the European Parliament if it is to be adopted.[29] If it is agreed without being amended too heavily, it would contain the following innovations:

- A fast-track procedure for the admission of third-country seasonal workers, based on a common definition and common criteria, in particular the existence of a work contract or a binding job offer that specifies a salary. This is designed to help prevent seasonal workers being exploited.

- A visa or a residence permit allowing seasonal migrant workers to work for a maximum period of six months in any calendar year (similar to Germany), to prevent migrant workers staying on after the end of the season for which they have been employed.

- A possible prolongation of the contract or a change of employer within the maximum duration of stay. Again, it is hoped that the risk of abuse that seasonal workers may face if tied to a single employer will be reduced.

- An obligation for employers to provide evidence that the seasonal worker will have appropriate accommodation during his/her stay.

- A provision for facilitating the handling of complaints.

- A multi-seasonal permit or a facilitated re-entry procedure for a subsequent season. The explicit aim here is to promote circular migration of seasonal workers between the EU and their home countries.

The proposal does not allow seasonal migrant workers to gain access to certain acquired rights, such as unemployment benefit, because of the limited time spent in the destination country. This does not preclude a Member State from introducing such provisions, as the proposed Directive generally seeks to set minimum standards which Member States are free to build on in their own legislation.

Benefits, challenges and outstanding issues for further policy development of seasonal migrant workers programmes

The components of the programmes described above differ significantly, and can be thus expected to produce different outcomes and achieve varying levels of success. Nevertheless, the potential benefits for each of the stakeholders in the ideal 'win-win-win' situation can be summarised as follows:

- Employers in the host country have access to a reliable pool of agricultural workers, who become more efficient and less in need of training with every year that they choose to return. Communities in the countries of origin can benefit economically as a result of remittances and direct investment by returning migrants in small businesses or agricultural land.

- Migrants have the opportunity to work for a limited period, potentially on an annual basis, earning money for their families and their future while also potentially learning new skills.

The potential challenges posed by implementing seasonal migrant worker programmes raise more questions than they provide answers, given the lack of experience that most countries have in implementing large-scale programmes. Some of these challenges are summarised below:

- *Ensuring return:* This is one the main challenges that policy-makers face when it comes to designing seasonal migrant workers programmes, particularly in countries that experienced a transition of temporary migration to permanent settlement following the end of the guest- worker programmes in certain European countries. The creation of savings accounts with special high interest rates, on condition that the money will only be released upon return, is one way to prevent this. Another is to require employers to purchase a financial security bond for each migrant worker employed, which is retained in the event that the worker does not return home. Several countries have experimented, with some success, with systems based on multi-annual visas or priority access in subsequent years for those who comply with the obligation to return.

- *Pressures on public services:* Given that most seasonal work is in the agricultural sector, rural regions can expect to see their population increase during the working season, and this raises the question of how to prevent public services becoming overwhelmed at these times.

- *Change of employer:* Even in seasonal sectors, there are instances of workers moving from one seasonal job to another in order to remain in work for most of the year (e.g. fruit-pickers moving from region to region to follow different seasons). The raises the question of how this should be regulated.

- *Integration:* Seasonal migrants typically live in the receiving country for no longer than nine months. So, for example, should a special effort be made to provide accommodation among local communities rather than in isolated areas?

It is clear that there are many factors that policy-makers must take into consideration when designing a seasonal migrant workers programme for temporary and/or circular migrants.

A closer look at the seasonal sector: Germany's seasonal workers programme

By Dr. Rudolf Bünte and Dr. Wolfgang Müller

Seasonal migration is originally a demand-driven concept, governed by the needs of the labour market. It reacts to an actual and current requirement for labour in certain areas that cannot be filled by the labour supply in the national market, from either the ranks of unemployed or from among inactive/'hidden' workers.

Originally, seasonal worker programmes did not consider the impact of this type of migration on the sending countries, as the administrative rules put in place to govern them were generally only targeted at establishing the structure necessary to legitimise the process and prevent any unintended impacts on the receiving country (i.e. workers staying on permanently in the host country illegally instead of returning home).

This chapter describes the system for dealing with seasonal migration administered by the German Federal Employment Agency (*Bundesagentur für Arbeit/BA*), to provide a broad picture of what can be done through administrative procedures to steer and control this type of migration.

Germany has the largest number of seasonal workers in Europe, with approximately 300,000 work permits; about 27,000 participating employers; and more than 30,000 requests from companies for advice in 2009, the vast majority of them coming from the agricultural sector.

The German system of seasonal work has its legal base in Articles 18 and 19 of the Ordinance on the Admission of Newly-Arrived Foreigners for the Purpose of Taking up Employment (*Beschäftigungsverordnung – BeschV*). Administrative rules are also laid down in an annual regulation, which make the procedure clear and predictable for all stakeholders, including the sending countries.

Seasonal workers programmes are only allowed in a limited number of sectors in Germany: agriculture, hospitality and the carnival industries. As there is an ample supply of labour for the construction sector in Germany, the building industry is explicitly excluded from the scope of the rules.

In any one year, seasonal workers can work a maximum of six months in the agriculture and hospitality sector and up to nine months in the carnival sector. It is up to the employer to decide, in agreement with the seasonal worker, when this period starts and ends. It is therefore possible for employers to opt for the last six months of one year and the first six of the next, thereby providing maximum flexibility for both workers and employers.

As the German system is solely designed to tackle seasonal labour market shortages, the periods spent in this kind of temporary employment do not count towards earning legal residency rights or eligibility for unemployment or other social welfare benefits.

A number of bilateral cooperation agreements with relevant countries (Poland, the Czech Republic, Slovakia, Hungary, Romania, Slovenia, Bulgaria, and Croatia) have made it easier for seasonal workers to enter the receiving country. Arguably, these policies have succeeded in deterring illegal migration and especially trafficking. (As of January 2011, these agreements now only apply to Romania, Bulgaria and Croatia, as the restrictions on access to the labour market for those countries which joined the EU in 2004 have now been lifted.)

Although the German system was introduced to meet the needs of the national labour market, as described above, these bilateral agreements do take into account the sending countries' needs and the situation in each country to some extent, although not in a systematic or pro-active way.

Employers have two ways of asking for seasonal workers: 'anonymously', where only the number of required workers is given to the BA; or by name, where the employer requests the same people repeatedly over a number of years.

Special regulations have been introduced for very small companies (with less than five seasonal workers per year) and for new applicants, to make the process easier for them and to cut red tape. The BA checks the application and, if satisfied that the correct procedure has been followed, hands out the work permits which are a prerequisite for undertaking seasonal work. These work permits are tied to a specific working place, but changes are allowed if notified to the BA.

There is always a limit on the percentage of seasonal workers who can be recruited from abroad, set at a maximum of 90%. This means that in regions with good labour market conditions (i.e. an unemployment rate below 7.5%), only

10% of the seasonal workers must be nationals. Small businesses can also optimise the way they use their seasonal workers' time and reduce costs by forming collectives, in which seasonal workers can be shared (while not exceeding the maximum working hours). They can also be recalled several times during the year, as long as they do not exceed the overall six-month time limit.

Internal quality standards were also introduced, to ensure that applications for workers can be made up until four weeks prior to the start of the work and to make it possible to replace workers who leave on the same working day, again to make the system work as effectively as possible.

There are several regulations in place to deter misuse of seasonal workers, protect their rights, and guarantee acceptable social standards throughout the labour market. First of all, the employer must offer non-national seasonal workers working conditions and remuneration comparable to those offered to German seasonal workers. Basic minimum standards of accommodation are governed by directives issued by the German government. The BA also provides a clearing house for settling disputes over work contracts between an employer and seasonal worker, through the Central Placement Service (*Zentrale Auslands- und Fachvermittlung*). This clearing house can sanction employers for misusing seasonal workers, including imposing temporary bans on them taking part in the scheme.

This system is a fully-fledged, sustainable and proven concept which has been in place for several years and is therefore 'practice-tested'. However, policy-makers have to make a political choice between a broader and a narrower concept of temporary seasonal work.

The broader concept only considers the nature of work in a specific sector; i.e. whether it is seasonal or not. If it is, all the rules and rights apply in the same way. In a narrower concept, the current labour market situation – i.e. the demand-supply ratio – is added to the equation. This means there may be sectors which can be considered as seasonal but where there is a plentiful of supply of national labour, so seasonal migration will not be permitted. Only those sectors where the labour supply is unwilling or unable to provide the necessary workers will be allowed to draw on the pool of labour provided by seasonal work agreements.

That is, for example, why certain sectors are excluded from such agreements, such as the construction sector in Germany. If there is an ample supply of labour

available nationally, seasonal work could be used deliberately to put downward pressure on labour costs, as temporary employment is always less expensive than a permanent contract. This is also valid when weather conditions make it difficult to work.

There is some common ground between the German system for organising seasonal work and the broader concept of temporary or circular migration, but there are also some distinct differences.

The main similarities are:

- the temporary approach – i.e. allowing workers to remain for a limited period (e.g. six months only) and requiring them to wait for some time before they can apply again;

- the fact that the time spent in the host country as a temporary seasonal worker does not count towards acquiring legal residency or access to social welfare benefits;

- the work tends to be low-skilled;

- the migration is based on cooperation between two states, and it is mandatory for migrant workers to return home at the end of their work contracts.

There are, however, some distinct features of the German system. Seasonal work contracts are not only temporary, but in addition, there is no 'rotation system' in place providing for an automatic right of return. While circular migration programmes in some countries are used as a testing phase, where third-country nationals can 'get to know' the country and make an informed decision about whether to apply for a permanent position, this is not the case in Germany.

There is no obligation on either the employer or the receiving country's administration to provide additional services or training (for example, language teaching, or re- or up-skilling activities); and no systematic or pro-active efforts are made to ensure that the sending country's situation – for example, the state of its workforce, its development needs etc. – is taken into account.

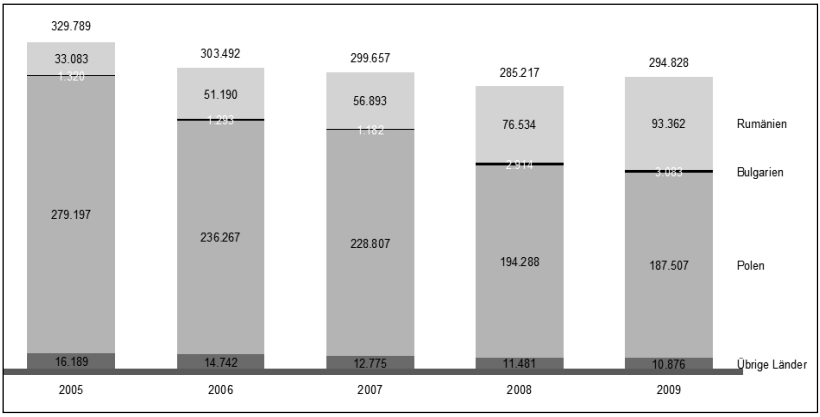
Furthermore, there is no mutual obligation scheme for sending and receiving countries (e.g. the appointment of agents at consulates to serve as

contact points for workers with questions regarding their living and working conditions, documentation, health, repatriation, etc); no agreements on sharing the cost of transport to and from a country; no system for building pools of potential seasonal workers available on request; no setting up of compulsory savings scheme for workers; and no blacklisting of home villages from the system if someone from that village fails to return home at the end of their contract.

As we have shown in this article, seasonal migration is one kind of circular migration, but there are other forms as well. Even the way seasonal migration is organised, both logistically and conceptually, can vary quite substantially. The German model has proved its value and effectiveness over a number of years, even though it has to cope with large numbers of seasonal migrant workers. It therefore provides a possible model for others to follow, while taking into account the specific needs of different national labour markets, which is essential in designing any form of circular migration at European level, be it seasonal or not.

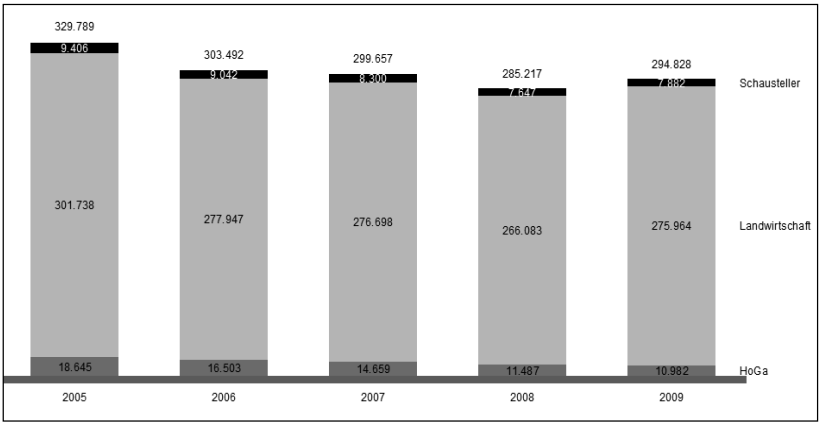
Dr. Rudolf Bünte is a Senior Expert at the German Federal Employment Agency (Bundesagentur für Arbeit/BA) and Dr. Wolfgang Müller is the Director of the German Federal Employment Agency's European Representation.

Number of requests by country 2005-2009



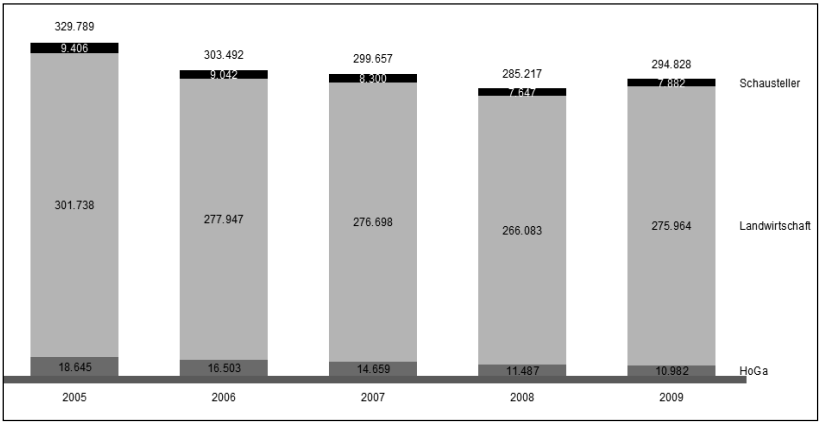
Source: ZAV Statistik, Stand 01/2010

Number of requests by sectors 2005-2009



Source: ZAV Statistik, Stand 01/2010

Number of requests by establishment 2005-2009



Source: ZAV Statistik 01/2010

III. The non-seasonal sector: what potential for temporary and circular migrants doing temporary agency work?

Workshop report

The Task Force met on 8 July 2010 to discuss the current and potential role that temporary work agencies play in facilitating temporary and circular migration, particularly in sectors that experience fluctuations in labour demand. Task Force participants were asked to consider the benefits and costs of recruiting circular and temporary migrants to fill jobs in sectors (going beyond the seasonal sector) where gaps in the labour market are likely to be permanent.[30]

This report provides a summary of the main topics raised during the workshop.

An overview of the temporary agency work sector in Europe

Temporary agency work (TAW) refers to the work carried out by individuals who are hired by a temporary work agency to be placed in a company that needs additional employees. The agency is usually (but not always) responsible for paying the worker's wages and meeting other employer obligations. Temporary work agencies are also known as temporary staffing agencies, temporary employment agencies and private employment agencies.

Employers work with temporary work agencies in order to reduce labour costs or, in some cases, to hand over responsibility to such agencies for ensuring compliance with regulations associated with the employment relationship. It also makes it easier for companies to adapt to changing demand for labour, manage human resources more effectively, and cover short-term leave.[31] Companies whose activity is cyclical benefit especially from the TAW sector, as they can make use of flexible contracts to cope with peaks in activity. Outside these periods, permanent workers can cover 'base-line' activities. Companies with skills shortages or staff absences also turn to agencies to fill the gaps.

The sectoral distribution of agency work use differs across Europe, but tends to be concentrated in the following industries: manufacturing, services, construction, agriculture, hospitality, catering, nursing, teaching and the food sector. The types of work gained by way of a temporary agency vary,

but are predominantly concentrated in low- to-medium-skilled sectors of the labour market. However, the picture varies from country to country.[32]

The TAW industry has been growing at an exponential rate over the past two decades. According to Eurociett, the European body that represents the interests of agency work businesses, 81% of companies worldwide use agency workers to manage economic fluctuations. In 2008, placements by temporary agency work accounted for 1.7% of total employment in Europe (compared with 2.2% in Japan and 1.7% in the United States). There are national variations in temporary agency work markets, with the UK having the most developed TAW sector.

The TAW sector is a significant employer in Europe. Eurociett's membership alone includes 36,000 companies, ranging from small and medium-sized firms to large multinational staffing companies such as Adecco and Manpower. Apart from the 250,000 internal staff that these companies employ, there are an average of more than 3 million workers placed by agencies per day, which corresponds to 10 million workers placed annually.[33] It should also be mentioned that temporary agencies located in various countries of Europe have very different characteristics in terms of size, turnover, ownership, corporate histories and international branch networks.

Europe's migrants as temporary agency workers

Given the predominance of agency work available in the low- and medium-skilled sectors, it is not surprising that temporary agency work is often a port of entry to the labour market for migrant workers as well as for young people and those with medium-to-low qualifications.

There are many reasons why employers turn to temporary agencies and to using migrant labour: local workers may be less willing to work at the available wages or working conditions; there may be lack of appropriately skilled workers available locally; and it is easier and cheaper for employers to source 'bulk labour' from temporary agencies that use migrant workers, and to outsource the responsibilities and costs of complying with employment regulations.

Not all temporary work agencies engage in the business of cross-border recruitment. Some based in destination countries may simply happen to

have a large number of migrant workers on their books, while others might explicitly seek to source workers from overseas.

Temporary agency work in general is regulated at EU Member State level by way of a mix of statutes, collective labour agreements and instruments of self-regulation. National regulatory frameworks coupled with European and international regulations[34] governing temporary agency work also cover migrant workers.

It is important to distinguish between third-country nationals and intra-EU migrants. Those from the latter group engaged in the TAW sector are covered by the Directive on temporary agency work (2008),[35] which establishes the principle of equal treatment to protect temporary agency workers. In addition, the Directive on the Posting of Workers (1996)[36] sets minimum rights for workers posted to another Member State when providing a service and includes explicit mention of temporary agency workers. The laws applicable to third-country nationals depend very much on their immigration status, their country of origin and the immigration regime of the host country. To enter and work in an EU country, they will usually have to secure a work visa or work permit.

There is limited understanding in the research of how temporary staffing agencies are involved in moving people across national borders for work purposes. Some agencies are not only involved in sourcing workers in host countries, but also send workers across national borders and may be specifically set up to do so. Recent research by Katharine Jones[37] presented at the workshop gave participants some insights into the various strategies, as listed below, used by temporary work agencies in sourcing migrant workers from Poland, the Philippines and Australia into the United Kingdom:

1. *A permanent office in both sending country and country of destination:* this appears to be the most expensive way of recruiting and supplying cross-border workers, given the costs of maintaining two offices or more.

2. *Agencies located in the host country subcontracting the sourcing of workers to agencies or recruiters in sending countries:* this appears to be most cost-effective system for agencies, but is riskier, as they are not always able to ensure that contracts are fulfilled and payments made by partner agencies. Several agencies may be involved and they may opt to hire local consultants in countries of origin on a per-head fee basis rather

than establish a permanent office there. Subcontracting enables agencies to deliver a large number of workers quickly, but it is risky for workers, who are not always able to establish who their ultimate employer is.

3. *'Virtual' transnationals:* agencies can also choose to have a temporary or virtual presence in source countries through job fairs, use of the Internet, and/or press advertising.

The sectors that cross-border agency workers are recruited for vary by migration route. Polish workers in the UK, for instance, are often placed by agencies in sectors such as agriculture and horticulture, logistics, engineering, social care and pharmacy. Temporary migrant workers from the Philippines usually work in the nursing and social care sectors. Australian temporary workers in the UK can be found in the teaching, nursing, and social care sectors.

Research shows that the larger operators within the TAW sector do not generally get involved in actively recruiting cross-border low-skilled workers, tending instead to focus on high-level (very individual) movements. This is perhaps because cross-border recruitment can be costly and the big multinationals would need to be sure of return on investment.

What role for the temporary agency work sector in facilitating temporary and circular migration?

From the presentations made during the workshop, it is clear that agencies are making it easier for migrant workers to get temporary employment in Europe. Participants were asked to consider the possibility of temporary work agencies being tasked in a more formal way with placing temporary or circular migrants from third countries in sectors of Europe's job markets where there are labour shortages.

The main points of the discussion are summarised below, often in question form, given that more questions arose from the discussion than answers.

a) Should temporary work agencies act as facilitators of integration on behalf of temporary/circular migrants?

The potential services that temporary agencies could provide to migrant workers in the host country include assisting with immigration regulations (completing

forms etc.); providing loans; arranging transport to the host country; arranging temporary agency work in the host country; arranging for accommodation; providing mobile phones; organising driving licenses; registering with professional regulatory bodies; and providing language and skills training.

This wide range of potential services raises some concerns. Charging for services may leave migrants vulnerable to abuses and malpractice.[38] Providing accommodation could give agencies extra elements of control over the workers. Providing loans could mean that agencies encourage people to migrate who would not otherwise have the funds to move and again, give them extra elements of control over agency workers, effectively forcing them to stay on their books until they have repaid the loan rather than leaving to work for a competitor agency. Often workers are so keen to migrate that they will not complain and just accept these costs.

There are also some positive signs, however. UNI-Europa and Eurociett have discussed the possibility of national trade unions and employers setting up joint training and social funds that target cross-border agency workers and aim to assist social integration. But the question remains: to what extent do migrants who will stay for a short period of time (as is presumed in temporary and circular programmes) need to integrate?

b) What are the challenges for agencies in placing temporary/circular migrants into jobs?

First and foremost, temporary work agencies are businesses striving to make a profit in a competitive TAW sector. There are costs involved for an agency in complying with cross-border regulations and in acting as employers of migrants as they enter a Member State. These costs are ultimately borne by the employer or the individual who migrates. In other words, the agencies need to recoup their costs in order to make a profit.

The agencies also take risks to some extent, for example when subcontracting the sourcing of workers in sending countries. This raises potential problems because of the lack of transnational regulation. Agencies need to decide whether it is worth investing in the process of bringing temporary and circular migrants to European countries.

It is interesting to note that the big multinational players in the TAW sector have largely avoided entering the business of placing migrants in the

low-skilled jobs. One of the many questions highlighted in the Task Force discussion was whether temporary work agencies should take on the responsibility for returning the temporary/circular migrants to their country of origin at the end of their contracts.

c) What are the challenges for temporary/circular migrants engaged in agency work?

There is also a lack of trade union organisation of these types of workers, as they are difficult to recruit given that they often move between sectors and workplaces. This lack of representation renders these migrant workers particularly vulnerable to abuses.

Abuses can also begin in the source country, with agencies charging extortionate fees for interviews, medical certificates and arranging high-interest loans. In a worst-case scenario, a bogus agency could traffic vulnerable people to work in Europe.

Trade unions have become more active in pointing out the potential abuses suffered by cross-border agency workers if the regulatory framework of a country is not sound or if the laws are not enforced.[39] The European Observatory on cross-border temporary agency work activities, a joint initiative between UNI Europa and Eurociett, is working to prepare practical information tools for temporary work agencies and temporary agency workers wishing to work abroad regarding their rights and duties, the responsibilities of each stakeholder (the user company, temporary work agency, public authorities) and the relevant contacts in the host country. However, these tools will target mobile EU citizens rather than third-country nationals.

It was evident from the workshop discussion that there are many considerations that policy-makers need to take on board if and when designing temporary and circular migration policies.

Opportunities and challenges for private employment services

By Göran Hultin

Labour migration has never been an easy issue and the recent economic crisis, the current austerity measures and cutbacks have not made it any easier. Jobs have been lost, EU-wide unemployment is stuck at 10% and many people are struggling to get back into work. Promoting labour migration is therefore understandably not high on the policy agenda of politicians who aspire to be re-elected. Yet the politics of labour migration and the policy debate surrounding it are framed by some uncomfortable longer-term realities.

From a labour force perspective, the demographic outlook is problematic. By 2025, an ageing Europe will have lost 24 million workers from its indigenous workforce. The viability of our social systems will be increasingly challenged, with fewer people available to fund them while the number of those benefiting from them keeps on rising.

The non-availability of the right skills is holding back economic growth potential. According to Siemens CEO Peter Löscher, his company currently has 65,000 job vacancies and is struggling to find workers with the right skills. Manpower Inc., one of the world's largest private employment service providers, has also warned that despite high unemployment, employers still cannot find the skills they need to fill job vacancies. According to its recent survey, even during the economic crisis, one in five employers could not find people with the right skills in the labour market. In the post-crisis economy, there are already signs that skill shortages are increasing.

The challenges are multifaceted and require broad-based solutions. Migration is not a single solution that will address them all, but it is one of the means, and needs to be considered as part of an overall labour market strategy. The requirements for high-, mid- and low-level skills are different and require different policy responses. The same is true for labour migration. We cannot promote labour migration of highly-skilled professionals in the same way that we deal with mid-level or low-skilled migrant workers.

Competing for global talent

Global labour markets are also changing and the premise of a one-direction migration lane, either to Europe or the United States, no longer holds true.

The distinction between source and destination countries is blurring. Traditional sending countries are also becoming receiving countries. India and China are increasingly making their presence felt in global talent markets, attracting migrants with the right skills to join their workforce and help their economies to develop and expand.

For instance, an analysis by the Talent Strategy Research Office suggests China is casting its net wide in a global labour market to attract talent to contribute to the country's scientific and technological progress and to increase its capacity for innovation. It is particularly interested in experts in the fields of energy, water, mineral resources, the environment, bio-technology, new materials and what it calls 'frontier technologies'. It also wants to attract management talent in finance, law and trade. In other words, China has embarked on an ambitious and broad-based talent attraction strategy, which began by primarily targeting Chinese living overseas, but now includes non-Chinese experts and talent.

The increasingly unwelcoming attitude towards migrants in the EU has not done much to deter those who have little or nothing to fall back on in their home countries, but it is affecting those whose talents mean they can opt to go elsewhere. If Europe rejects global talent at a time when others are eagerly welcoming it, this will have serious implications. The challenge for European labour migration policy is therefore not only to control or contain the inflow of migrants, but also to be able to compete with talent strategies such as that of China and to attract the right skills to secure Europe's future.

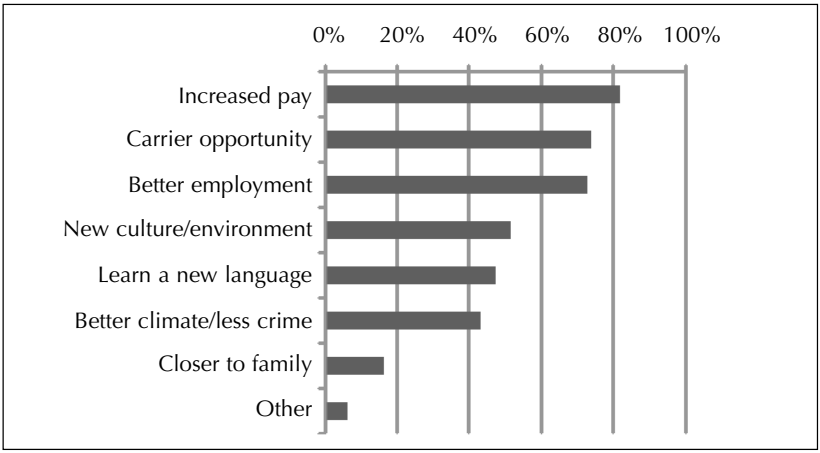
Providing solutions for the highly-skilled

According to a research paper by Manpower Inc., pay, career, a new culture and language, figure among the top reasons that motivate white-collar workers to take up foreign assignments[40] (Graph 1). With career advancement and life-style experiences driving this process, circularity, returning home or moving on to new opportunities is already inherent in the high-skilled sector. It is not determined by the length of a visa or work permit, but is rather driven by competing global opportunities and the career decisions that sought-after people with the right skills choose to make.

Circular migration of the highly-skilled therefore seems relatively straight forward: they move to pursue an available opportunity; they address themselves to specific employers, usually known and large organisations;

the barriers to their entry are usually low; and, they are likely to move on when a new opportunity presents itself.

Graph 1. Reasons for high-skilled international mobility



Source: Manpower Inc., Relocation for Work Survey, 2008

As prospecting for talent goes global, new challenges emerge. Crucial recruitment procedures, such as candidate assessment and skills verification, are easily carried out when face-to-face interactions are possible. But the Internet is creating a truly global job market and, at the same time, separating the recruitment process from the employment process geographically. Leading enterprises are therefore turning to private employment service providers with a global footprint. For instance, Manpower Inc. is mobilising its global presence to provide employers with a 'Borderless Talent Solution', a service that integrates the recruitment and employment processes: understanding employers' specific needs; providing access to (and the ability to ascertain) the skills available elsewhere; and matching them with the job requirements.

Addressing mid-level skills – Europe's biggest labour shortage

Gaining access to international talent and moving it around globally is important for companies to maintain their competitive advantage, but the focus on high-level skills often overshadows the importance of mid-level

skill shortages such as skilled trades. Consistently, year after year, Manpower's annual Skill Shortage Survey confirms that, worldwide, skilled trades are the hardest positions to fill. Employers in most European economies ranked skilled trades as the sectors where it was most difficult to find the necessary workers (Table 1).

Table 1. Ranking of skilled trades shortages

Country	Rank
Austria	1
Belgium	1
Czech Republic	1
France	1
Germany	1
Greece	9
Hungary	1
Ireland	2
Italy	1
Netherlands	6
Poland	1
Romania	2
Spain	5
Sweden	1
United Kingdom	not in top 10 list

At first glance, this does not seem to be in line with the ambition of developing competitive and dynamic knowledge-based economies. We need to keep in mind, however, that for every highly-qualified job created, three or four other jobs elsewhere in the economy are required. In this light, the output of knowledge-based jobs is crucial to Europe's future, but it is the mid-level skills that enable those jobs to be effective.

This requires broad-based labour market responses to skills shortages. In order to foster long-term economic health and fuel business growth, countries must address this problem by promoting a positive attitude towards careers in skilled trades and aligning technical training with the needs of business. Skilled blue-collar work is also resistant to one of the trends of modern

economies – sending work offshore – as, by and large, it is place-based work. Nevertheless, even if the solution does not lie in the mobility of the actual work, it does lie – at least in part – in the mobility of workers.[41]

Managing the circular migration of workers with mid-level skills raises quite different challenges from those relating to high-level skills: they pursue opportunities abroad because of the lack of them in their home countries; they address themselves to labour markets, not to specific employers; the barriers to their entry are higher and consequently they are more likely to stay on; and there are more of them than those with high skills.

Establishing and enforcing principles of cross-border recruitment

Labour migration is set to continue to grow. Increasing global income disparities, on the one hand, and persistent skill shortages in industrialised and emerging countries, on the other, will ensure that there will be a supply of, and demand for, migrant labour. However, the absence of a globally agreed and managed labour migration regime provides a fertile breeding ground for inefficient employment agencies and, often, violations of workers' rights.

Even if the international community has not developed a universal system for labour migration, this does not mean that we are left with nothing to build on. While the International Labour Organization's Convention concerning private employment agencies (Convention 181) was not designed with labour migration in mind, it nevertheless provides solid principles and is perfectly applicable to cross-border recruitment.

From the employment agency industry point of view, the most important element of Convention 181 is the principle of not charging the job-seeker an employment service fee. The violation of this principle often explains the plight of heavily-indebted workers who spend most of their earnings on paying back loans and are forced to live a subsistence existence in their host country. What is needed is a strong global drive for countries to ratify the convention and make it legally binding and enforceable at the national level.

Aligning the recruitment process in home countries with the employment process in host countries remains a challenge for many employment agencies operating locally. Too often, promises made at the time of recruitment are not fulfilled when the worker takes up employment in the

host county. For the employer, inadequate skills and job matching can become a costly affair, but for the worker, the consequences are more serious: disappointment at best; exploitation and even trafficking at worst.

Scaling up best practices through public private partnerships

Circularity is not inherent in the migration of low- and medium-skilled labour in the way that it is for the highly-skilled. The motivation to return home is weak, and the lack of employment services makes access to home-country job markets difficult. The enhanced skills profile and international job experience that the migrant worker accumulates mostly goes unrecognised and is wasted when he or she goes back home.

The mechanisms for circular labour migration still require much strengthening, particularly in relation to how it responds to actual skills needs; how the recruitment process in the sending country is aligned with the employment process in the receiving country; the upgrading of migrant workers' skills; recognition of migrant workers' enhanced skills profiles; and facilitating re-entry into the labour market for returning migrant workers.

Leading private employment agencies can bring their tools and global practices to bear in addressing these challenges, but they cannot do this alone. Governments also need to play their part in changing attitudes towards labour migration, lowering the barriers to entry, and ensuring that internationally recognised recruitment standards and principles are respected at both ends – in the sending as well as in the receiving countries.

While the tools and procedures required to make this work are proven, and the principles widely recognised, governments and the private sector need to work in close partnership to scale them up and apply them not only to highly-skilled migrants, but also to mid-level skilled and low-skilled workers. Leading private employment agencies can contribute to this, as is demonstrated by the public-private partnership on labour migration in Vietnam (see box on public private partnership on next page).

Everywhere in the world, skill shortages are growing. Many countries have already woken up to the fact that competing for global talent is a reality, and this is not only an issue for developed countries. Emerging economies are already active in attracting the skills that they need for their development.

Public private partnership

Vietnam and Manpower Inc. signed a Memorandum of Understanding in 2008, agreeing to combine their efforts to better link the supply of migrant labour with the demand from global job markets. This cooperation will introduce tools and leading practices of candidate assessment, skills profiling, job matching, pre-migration training and briefing, job introductions, and skills upgrading while overseas. The partners will jointly address the process of migrants returning to Vietnam in terms of skills recognition and job placement. Both parties recognise that it will be a learning process, and will therefore jointly monitor progress, and evaluate and report on results annually.

Urgent action is required if Europe is to be able to attract the talent it needs. It is not just a question of *accepting* foreign workers, but also of *attracting* them. It needs to go hand-in-hand with addressing concerns about the social impact of migration: the contribution that migrant workers make to the societies and economies of their host countries needs to better understood.

Two things are therefore important: first, labour migration must be considered as part of overall labour market policies and programmes; and second, a better alignment of migration with the labour market and skill needs of the host country is required.

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IV. The impact of temporary and circular migration on countries of origin

Workshop report

The Task Force met on 12 October 2010 to examine the 'reverse' side of the migration process, i.e. the benefits and costs of temporary and circular migration for migrants, their families and their countries of origin. Essentially, the discussion focused on the actors, other than European receiving countries, involved in the 'triple win' scenario to which supporters of circular migration often refer.[42]

If the 'win' for destination countries in Europe is addressing the continent's demographic challenge and filling labour market shortages, workshop participants questioned some of the supposed 'wins' for migrants and their countries of origin. In other words, how important are remittances from short-term migrants to the families they leave behind? Do circular/temporary migrants return home with improved professional prospects, and do countries of origin benefit from 'brain gain' as a result of their return? And what are the costs of short-term migration for migrants, their families and their countries of origin?

Little is known about the multidimensional impacts of this short-term migration on the migrants themselves, the families they leave behind and their countries of origin. Much of the research on temporary migrants comes from South-East Asia and South Asia, where the Gulf region is the major destination for migrants. Migrants working in the Gulf have no prospect of long-term stays and can only be temporary/circular migrants. They do not generally have rights to family reunification and therefore have to leave their families behind. Visits home tend to be infrequent, with many migrants leaving for two or more years at a time.

Ronald Skeldon elaborates more substantially on the costs and benefits of short-term migration for migrants, their families and their communities later in this chapter. Task Force participants highlighted a number of considerations for policy-makers to take into account when formulating temporary/circular migration policies to encourage a positive impact.

First, policies governing the stay of migrants should be flexible enough to allow them to return to their country of origin, perhaps to assist in

development initiatives, without the risk of being refused re-entry or any future application for long-term residence or citizenship. The UK government and Sweden are among the countries considering the use of a 'pause button' on a migrant's path to long-term residence/citizenship to allow them to return to their countries of origin for certain periods of time.

Second, frequent visits home for migrants should be part of temporary and circular migration programmes. Some participants wondered if migrants might actually prefer fewer visits home when working overseas on temporary permits, so that they could send back more remittances. On the other hand, groups such as migrant mothers might prefer short-term migration that allowed more regular visits home.

Third, policy-makers should explore more ways to encourage members of the diaspora resident in destination countries to contribute to the development of their countries of origin. Many analysts consider citizens and permanent residents with a common immigration background in receiving countries as largely untapped agents for change and development in countries of origin. Highly skilled individuals could be encouraged to return to their countries of origin (or that of their parents) to train people in local communities, resulting in 'brain gain' rather than 'brain drain'. Well-organised diasporas can also be effective funding sources for efficient development initiatives, and are more likely to invest in home countries that are free from corruption and have characteristics that favour investment.[43] Many second-generation Indian Americans are even returning to live and work indefinitely in their 'home country' because of an economic environment which is conducive to starting up businesses.

Fourth, return migration requires some kind of stimulus package. Those who have options to remain in wealthier countries are unlikely to return to their home country unless they have a compelling reason to do so. Depending on the length of time spent in destination countries, the 'pull factors' for returning would certainly need to include the portability of social benefits gained in destination countries (including pension rights). A package that also included prospects of a good salary, perhaps with privileges in relation to paying local taxes or consular protection, could also be envisaged.

The impact of temporary and circular migration on families and areas of origin

By Ronald Skeldon

An ideal model of the impact of circular migration

One of the major theories of migration is that migrants act collectively as families or households rather than as individuals, seeking to minimise risk as well as to increase the income of the group.[44]

In this "New Economics of Migration" approach to the topic, migration can be conceptualised as a form of livelihood strategy through which household members seek to expand the resource base of the household as a whole. Part of that strategy may be to allocate the available labour off the farm to work on plantations, in urban labour markets or at other centres where income-generating activities become available through the introduction of a modern economy into what had, until then, been a subsistence agricultural economy. This transformation can be the result of specific development policy or, more generally, of unplanned urban or commercial expansion. The resultant migration tends to be primarily short term, often during slack periods in the agricultural cycle, and over relatively short distances. This is the ideal model of circular migration.

This circular migration has been observed as an integral part of internal migration throughout the developing world.[45] As migrants were moving from their homes for relatively short periods of time in order to achieve an objective set within the households and communities from which they came, the impact of the migration was likely to be supportive of their families, communities and areas of origin. In some areas, the migration might be motivated by a desire to obtain money for bride price or a dowry, for example, to support the demographic future of the community.

Such systems of mobility operate in environments largely without migration controls and within countries. Two questions arise: whether such systems of circular mobility can operate indefinitely through a combination of mutually supportive activities both in the countries of origin and destination; and whether they can operate across international borders that are subject to the regulation of entries, exits and lengths of stay in

destination countries. Hence, the impact of circular migration may change over time and space, particularly when an international border becomes an intervening factor.

Systems of circulation are subject to 'leakage' as family members stay longer in destination countries, perhaps because they marry someone they met there or because they have secured employment with attractive longer-term prospects.[46] Thus, over time, it can be expected that the circulation is gradually transformed to more permanent migration, which may eventually undermine migrants' home communities by removing a greater proportion of their productive and reproductive capacity.

The cumulative nature of migration, with initial migrants encouraging siblings and other relatives to join them, is an integral part of this process.[47] Hence, its ultimate impact may be the disintegration of the community and depopulation, as seen across rural areas in the developed world. While it must be expected that the impact of circular systems of mobility will change over time, largely because the nature of the circulation itself changes, a second question must be addressed: what is the significance of crossing an international border in terms of the impact of circulation on migrants and their communities of origin?

The impact of circular and temporary migration across borders

Where international migration across national borders happened virtually free of regulation, as in much of the transatlantic migration to North America in the mid-19th century, circulation and temporary movements did occur, with very significant rates of return for certain groups.[48]

Today, however, international migration regimes are filtered through complex immigration (and sometimes emigration) policies. Only rarely are people able to move freely across international borders, with access to another country's labour market, with the exceptions of the EU/EEA countries, Australia and New Zealand, and Nepal and India.

Hence, most international migration today is subject to selection criteria and residence requirements that act against the flexible mobility for internal migration outlined above. The regular backward and forward movements described, which are at the heart of systems of circulation, may not be feasible within the context of immigration regulations.[49]

Nevertheless, a large number of different systems of more regulated temporary migration do exist and the fact that the migrants *must* go back to their areas of origin gives the impression that these systems are essentially circulatory in nature. However, these temporary migrations are different from circulation in terms of spontaneity, frequency and distance.

The remainder of this section looks at the impact of these systems of temporary migration on communities of origin, with a particular focus on movements towards the oil-rich Gulf countries of western Asia from South and Southeast Asia.

The Gulf Cooperation Countries make up the third-largest migrant destination area in the world after North America and Europe, with some 12.8 million migrants who account for some 36% of the resident population.[50] Unlike North America and Europe, none of the Gulf countries permits the settlement of non-nationals, or only under very exceptional circumstances, and the overwhelming majority of migrants are temporary workers who do not have the right to arrange for their families to join them.

The impacts are largely economic, principally in terms of remittances sent home and their impact on physical and human capital in areas of origin. However, social impacts are also important in terms of the separation of family members and gender relations.

Economic impacts: remittances

Remittances, or transfers of money from migrant workers resident in destination countries to recipients in their countries of origin, make up one of the largest financial flows in the world, with US$325 billion transferred to developing countries alone in 2010. Despite a 5.5% decline in the volume of remittances from 2008 to 2009 as a result of the financial crisis, World Bank estimates for 2010 indicate a recovery to 2008 levels.[51]

While these remittances have a significant impact at the macro level, accounting for as much as 35% of GDP in the case of Tajikistan and 28% in Tonga, it is their impact at the level of individual families and households that will be examined here.

Much discussion revolves around whether these remittances alleviate poverty, whether they stimulate development and whether they are used

productively. The evidence remains conflicting, often because of the different methodologies applied in the various surveys designed to gauge the impact of remittances but also because of real differences among families, communities and countries. The most difficult issue is to separate out a 'remittance-impact effect' within a matrix of ongoing change, which can only really be identified by addressing the counterfactual: i.e. what would have happened if the remittances had not been received? This is not an easy question to answer.

The key findings of the many studies undertaken to assess the impact of remittances appear to show that they do lower poverty levels in recipient countries, but that the impact is relatively modest and considerable inter-country variations exist.[52] Remittances also tend to increase the participation of children in education and help to improve their health, but these trends are most obvious among the poorest remittance-receiving households.

In the words of a World Bank team investigating the evidence of the impact of remittances in Latin America, "once again, the positive development impact of remittances must be qualified". Further cautionary results emerge from the findings of the Child Health and Migrant Parents in South-East Asia (CHAMPSEA) project, where researchers found that remittances were mainly used for basic needs, with little evidence of investment in businesses.[53]

However, a comparison of households in the CHAMPSEA project that received remittances with those that did not clearly showed that children in remittance-receiving households benefited in terms of increased funds for schooling and housing. Interestingly, in those households where the mother was present and the father was working temporarily abroad, the benefits tended to be greater than in those where the mother was absent and the father was present. However, the researchers also noted that migrant families could accumulate serious short-term debt to pay for the migration, which diverted the use of remittances. In villages where families had been able to use the remittances to invest in housing or improve access to services such as electricity, tensions could build up between the 'haves' (those with a family member overseas) and the 'have-nots'.

Often, a distinction is made between remittances being used for 'productive' investment and for 'consumption'. However, the differences between the two are perhaps not as clear as is supposed, with so-called consumption uses (such as housing construction or wedding feasts) having significant

impacts on local economies in creating or maintaining local industry or food production. The results of one multi-country assessment of the impact of remittances on communities of origin suggested that "the average migrant worker spends his money prudently – his behaviour largely influenced by the knowledge that his employment is temporary and that he must use his resources to plan for a stable future".[54]

Perhaps more important, however, is the fact that many areas of origin countries remain largely untouched by international migration, and that the international migrants – and migrants in general – come from the less poor social groups; that is, the areas of origin of migration and particularly international migration are concentrated in specific parts of any country. Hence, remittances flow back to these specific areas, leaving others largely untouched. Given that the poorest do not move across international borders, or only move locally, one of the economic impacts of remittances may be to increase wealth disparities both between communities, and between richer and poor groups within communities.[55]

Social impacts

Perhaps less understood, and certainly less studied than remittances, is the impact of circular and temporary migration on the social aspects of family life and households.

In the ideal model of circular migration outlined at the beginning of this chapter, temporary separations are part of the household's strategy; they are usually short, even if regular; and, initially at least, they are unlikely to have a major negative impact on the family. However, longer absences associated with international labour migration can have a profound impact on families, households and communities of origin, even if the evidence is conflicting.

One multi-country study notes that "there is evidence that the separations (of spouses) have promoted a new appreciation for family ties and have strengthened relationships".[56] However, more nuanced findings have emerged from a large-scale survey of labour migrants from Kerala in southern India.[57] Some 45% of the husbands who migrated to the Gulf from Kerala had done so within a year of their marriage and two-thirds of those on their first migration after marriage had been away for between 13 and 48 months. Less than one-fifth returned within one year and some 60% of wives interviewed wished that their husbands would come back home. Younger women reported greater

impact of separation than older women. While leaving wives in charge of children and the household could empower women by placing them in positions of responsibility, the separation could also bring distress as a result of having to deal with that responsibility, for example, in the handling of remittances. The trauma of separation is not a trivial issue.

The CHAMPSEA researchers examined the impact of the absences of parents on the health of children left behind. Unlike South Asia, which was dominated by the migration of male workers, labour migration from Southeast Asia involved large numbers of both single and married women. It was estimated that around 70% of labour migrants from the Philippines and Indonesia were women (although the figure was below 20% from Thailand and Vietnam), and many of these female migrants were married and left their children behind.

The researchers measured the nutritional status of the children and investigated whether children with migrant parents were less likely to experience stunting (low height for age as a result of poor nutrition) in their formative years. However, the results were not very clear-cut, with stunting no less likely to happen to the children of migrant parents in most of the countries surveyed.

The study also sought to verify whether the physical and mental health of young children might be adversely affected by an absent parent, particularly if the migrant was the mother. Again, the survey findings were mixed, with results varying by country. However, emotional stress appeared more likely if the father was overseas and the children were looked after by their mother alone.

Some evidence on subjective happiness was also gathered in the survey. Asked if they (children aged 9-11) were happy, those living in migrant households were less likely to say they were happy than their neighbours in non-migrant households. They did not want to burden the parent left behind with sadness and children in migrant households often had less social support than their peers with both parents at home.

The extended family, usually grandparents, often stepped in to provide support systems in countries where welfare systems were generally underdeveloped. This might seem somewhat ironic, as many migrants are leaving their families behind to work as domestic workers, nurses and other carers, helping to solve the care problems of wealthier countries facing demographic challenges as their populations age. As systems of migration

develop, the elderly themselves may begin to feel isolated without care, as more and more of their children and grandchildren leave. In Kerala, internal migration was seen to be bringing about this change rather than the temporary labour migration to the Gulf.

Social impacts can also be assessed through what are known as "social remittances" – the ideas that are sent or brought back to a community by migrants.[58] These could include different ways of thinking and doing in terms of family planning, agricultural or business practices, as well as new attitudes towards the political process, or gender and religious beliefs.

Clear links exist in terms of the economic impact but again, the major problem is to separate out a 'migration impact' from the other forces acting in society through government policy and the whole process of globalisation, particularly through the mass media and communications. Perhaps central to this discussion is the role of the returning migrants, as – theoretically and in practice throughout Asia – circular and temporary migrants must go back to their countries of origin.

Return migration has proved to be perhaps the most difficult dimension of an already problematic field in which to measure, as well as to assess, the impact. Many migrants return simply to re-migrate. The absorption of large numbers of returning migrants into economies of origin where unemployment may already be high is difficult. Skills learnt overseas may not be relevant to life at home. Among those who left Kerala, for example, 23% had been involved in agriculture before they left and 25% of returnees went back to agriculture, even though 95% had been involved in non-agricultural activities while they were away. Hence, social mobility among the returnees was limited, although there was a slight tendency for them to engage more in trade and commerce within the sector than they had done before.[59]

More is perhaps known about the impact of the return of the highly skilled than of less-skilled migrants, as it is the skilled who are likely to make the greatest impact.[60]

Policy and circular and temporary migration

A basic question is whether policy can be designed for circular migration, where the movement is regular and often spontaneous? Once incorporated and regulated through the umbrella of policy, such movements become

essentially temporary worker programmes. Nevertheless, several examples of purpose-designed circular migration programmes do exist in Europe.[61]

From the cases discussed during Task Force meetings and mentioned elsewhere in this publication, it appears that policy approaches to the management of circular and temporary migration to the EU are in a state of flux.

Circularity seems desirable from the points of view of both origin and destination countries: the latter receive labour and skills, while the former do not lose their skills. Ideally, the migrants also should benefit. However, employers in destination countries, at least in some sectors, might not want a regular turnover in their labour force and the migrants themselves may develop a longer-term attachment to their destination countries. As in the case of the ideal circular system described at the outset, there may be a built-in tendency for circular migration to trend towards longer-term movement. It is also not clear just how programmes of circular migration are to be differentiated from those of temporary migration.

Nevertheless, programmes in the developed world which attempt to encourage skilled and semi-skilled migrants to return to their countries of origin on a short- or longer-term basis to engage in development work at home may have potential.[62]

Central to the success of such schemes may be policies to protect the residence and citizenship rights of migrants in their host countries. These could include, for example, introducing a 'pause' button to ensure that they do not lose 'credit' that they have accumulated towards qualifying for permanent residence or citizenship, should they decide to return home to carry out certain tasks. Issues such as consular protection, taxation, and whether they are treated as returning citizens of their home country or expatriates, would need to be resolved. Ideally, dual citizenship would go a long way towards resolving such issues.

Circular and return migration exist in all migration systems. What is not so clear is whether that circulation and return can be managed for the benefit of both origin and destination areas as well as of the migrants themselves. Returning migrants, and particularly returning skilled migrants, can and do bring benefits to their countries of origin. However, these migrants tend to return only when there is something to return to, and when they can earn a livelihood in a safe and secure environment.

Circulation and return are an integral part of the whole process of development, and are driven by development in home and host countries. The EU and its Member States are still at an early stage in assessing whether such circular and temporary migration can be managed to foster development in countries of origin.

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V. Conclusions and recommendations

Temporary and circular migration are attracting growing interest among Europe's policy-makers. Tasked with exploring the possibility of increased temporary and circular mobility among third-country nationals within the timeframe of the Stockholm Programme (2009-2014), the European Commission and Members States are assessing the potential of such policies to deliver a range of objectives, including fostering development in countries of origin and stemming irregular migration flows. Their potential to address persistent labour market shortages provides another, perhaps more powerful, reason for this interest.

In spite of high levels of unemployment across Europe in the aftermath of the recent economic downturn, labour market shortages persist in a number of sectors. These shortages are likely to become more acute as demographic challenges become more pressing and Europe's workforce shrinks. With fewer and fewer people of working age supporting a growing number of elderly people, the continent's economic and social models will come under threat. Policy-makers must therefore make choices to ensure the future well-being of EU citizens.

The EPC's Task Force on Temporary and Circular Migration was set up to investigate whether temporary and circular migration policies are part of the solution to sustaining Europe's economic and social models as its societies age. These policies would essentially permit the entry of third-country nationals for work purposes for a limited period only, and could allow for some degree of back-and-forth movement (circularity) between Europe and the countries of origin. Importantly, from a demographic perspective, most migrants entering by temporary and circular migration channels would return home following their stay, thus not eventually becoming part of Europe's ageing societies themselves.

Temporary and circular migration could, in this way, have a positive impact on the competitiveness of Europe's economies by filling labour and skills shortages in sectors ranging from low- to high-skilled shortages that are likely to get worse, with gaps in the labour market becoming more permanent.[63] The sustainability of filling long-term shortages with short-term workers on time-limited work permits must be questioned, however. The guest-worker systems of the 1960s arguably failed because employers did

not want to train new staff, and instead preferred to retain their existing temporary workers.

Inserting temporary migrant workers into the workforce would not suit all sectors of the labour market. The EPC's Task Force considered those sectors that could potentially benefit from temporary or circular migration, focusing on those that experience difficulties in finding workers to meet cyclical demand, be it the seasonal or non-seasonal sectors. The kind of jobs considered by the Task Force were generally low- to medium skilled, given that employers are generally less keen to part with highly skilled migrant workers after a short period. In any case, highly skilled migrants already have privileged access to Europe's labour market.

The Task Force's discussions on the sectors that could benefit from temporary and circular migrants are detailed in Chapters II and III of this publication. While it is clear that there is still no common definition of circular migration among experts and policy-makers, some recommendations can be drawn from the workshop discussions, and are summarised below. Particular emphasis is given to the measures required to prevent the exploitation of temporary/circular migrants and to provide incentives to ensure they return to their home countries at the end of their contracts, thereby ensuring the viability of such policies.

This chapter also looks at the potential of temporary and circular policies to foster development in countries of origin, which is discussed in more detail in Chapter IV. It ends with a discussion of the principle policy tensions highlighted in the Task Force's discussions that merit attention.

The seasonal sector: what potential for temporary and circular migrants?

A large number of migrants travel across borders to work in the seasonal sector each year. Germany has by far the most well-developed system (described in more detail in Chapter II) and issues an impressive 300,000 work permits each year, albeit with most of these going to citizens of countries that joined the EU in 2004/2007 who now either no longer need permits or will not require them from 2014 onwards. Countries like Spain, on the other hand, have a handful of smaller-scale seasonal work programmes designed to facilitate circular migration. Most other Member States do not have a specific system to regulate third-country seasonal workers.

Some argue that European countries can source all of their needs for seasonal workers from inside the EU's borders, not least given the high level of intra-EU cross-border movements already taking place. The UK, for instance, discontinued its seasonal workers programme aimed at third-country nationals when it became clear that post-2004 immigration from Central and South-eastern European countries was meeting the demand for seasonal workers. While it will be important to monitor the impact of the lifting of work restrictions on citizens of new EU Member States in 2011[64] and 2014, this trend may not continue as the economies of these countries improve, reducing their citizens' desire to do low-skilled seasonal work abroad.

The European Commission estimates that 100,000 third-country nationals enter the EU each year (sometimes irregularly) to work in seasonal sectors. Labour shortages in these sectors may become even more acute in the long term, given the ageing of Europe's societies. In this context, those designing policies to facilitate the entry of temporary and circular migrants to carry out seasonal work will have to bear in mind some key considerations. Based on the workshop discussions, this Working Paper makes the following recommendations:

Recommendation 1: attract seasonal migrant workers based on the needs of national labour markets

Some countries already have well-developed systems to regulate the entry of seasonal migrant workers to take up available jobs in certain seasonal sectors, most commonly harvest work in the agriculture sector, but in other sectors as well. (For example, Germany's seasonal migrant workers programme issues permits for seasonal work across the agriculture, hospitality and carnival sectors.)

These are sectors where employers struggle to recruit enough workers from the local labour force, even during economic downturns. Seasonal workers programmes give employers access to a reliable pool of agricultural workers, who become more efficient and less in need of training with every year that they choose to return.

When designing temporary and circular migration policies, it is essential that policy-makers take into account the specific needs of different national labour markets. For instance, Germany excludes the construction sector (which can be seasonal to a certain degree) because there is ample labour supply from the local workforce. This is important in order to deter employers from deliberately using temporary migrant workers to put downward pressure on labour costs.

Getting the long-term unemployed back into employment is equally important and should not be side-lined by new sources of migrant labour.

Recommendation 2: design policies to prevent exploitation of seasonal migrant workers

Migrant workers in low-skilled seasonal jobs (particularly harvesting), which may only be lightly regulated, risk being exploited by employers, and policy-makers need to introduce measures to prevent this.

The European Commission's proposal for a directive on common EU entry and residence conditions for third-country national seasonal workers, published in July 2010, contains some such measures: non-EU seasonal workers would be required to have a work contract or a binding job offer that specifies a salary before being granted an entry permit; they would be allowed to change employers during their stay; employers would be obliged to ensure appropriate accommodation; and, finally, the state would have to set up a mechanism for receiving and handling complaints from migrant workers. These proposed provisions are welcome.

However, neither the Commission's proposal nor the German programme allow migrants access to basic 'acquired' rights, such as unemployment or other social welfare benefits. While the rationale behind this is understandable, given the limited periods for which seasonal workers are normally permitted to stay in destination countries, policy-makers should be aware of the danger of creating two-tier rights systems for workers. That being said, it can be argued that a system which regularises the work of seasonal migrants, and gives them certain basic rights but no entitlement to acquired rights such as social security benefits, is preferable to the current situation where irregular migrants work in the seasonal sector with no rights at all.

Alongside a system for handling complaints, there should also be a requirement to provide information to seasonal workers, including warnings about the risks involved in entering and remaining in a country illegally.

Recommendation 3: formulate effective mechanisms to ensure the return of seasonal workers

Ensuring that temporary migrants return home when their permits expire is a crucial issue for policy-makers considering introducing temporary and

circular migration programmes. History has shown that migrant workers working temporarily in a host country need to be provided with incentives to leave.[65]

Policies to attract seasonal workers should therefore include provisions allowing a degree of circularity between the country of origin and country of destination. If migrants are not given a guarantee that they will have a chance to return when the new harvesting or tourism season begins, they may be tempted to stay on after their residence permits expire. For this reason, policy-makers should consider multi-seasonal permits or facilitated re-entry procedures for subsequent seasons.

Ensuring the portability of any acquired benefits, such as pensions, would also encourage return. In countries where seasonal migrants do not have access to such benefits, as in the German seasonal workers programme, alternative incentives could be provided. The creation of compulsory savings accounts with special high interest rates, on condition that the money will only be released upon return, is one approach that appears to encourage return and repeat migration.[66] Consideration could also be given to refunding any social security payments made by the migrant to the host state to such an account when they return home.

The temporary agency work sector: what potential for temporary and circular migrants?

The Task Force also examined the potential role that temporary and circular migrants could play in non-seasonal sectors that experience difficulties in finding workers to meet cyclical demand.

As outlined in Chapter III, much of the work of temporary work agencies involves recruiting and placing workers in companies which experience regular but short-lived peaks in activity (e.g. manufacturing, services, construction, agriculture and food processing, hospitality, catering industries, domestic work and care work). Of course, some of this work will require permanent employees, and migrants in Europe on temporary permits might not be a good match. Nevertheless, for some of these positions, a system of job-sharing could be imagined. For instance, migrants carrying out domestic or care work could potentially share the one job between them on a six-month rotation basis, thus allowing for more back-and-forth movement to countries of origin to visit their families.

Despite high levels of unemployment across Europe in the aftermath of the recent economic downturn, employers still often find it difficult to fill jobs in non-seasonal sectors from the local population and a channel of temporary/circular migrants could be a good source of labour.

The Task Force was asked whether temporary work agencies could be given the task of placing temporary or circular migrants in these non-seasonal sectors. The response here was more cautious than in relation to seasonal sectors, given that no existing programmes or policies currently take this approach. However, based on the workshop discussions, below are a few recommendations for policy-makers to consider if they decide to move in this direction.

Recommendation 4: design policies to prevent the exploitation of non-seasonal workers working in the TAW sector

The Temporary Agency Work (TAW) Sector is very diverse and has very different characteristics in terms of size and turnover. Alongside large multinational companies such as Manpower, Randstad and Adecco, many small-scale agencies are also active in this area (see Chapter III for a more in-depth discussion of the TAW sector).

Migrants who get involved with less reputable agencies risk exploitation. For instance, it was a bogus company posing as a temporary work agency that brought a group of Chinese cockle-pickers to the UK in 2004 who, through neglect and inhumane working conditions, suffered tragic deaths.[67]

Setting up a robust regulatory framework would help prevent the risk of exploitation. For instance, the UK's Gangmaster Licensing Act, adopted in the aftermath of the 2004 tragedy, allows for fines and custodial sentences to be imposed on companies and individuals found guilty of abuses.

Such a regulatory framework should prevent agencies from charging extortionate fees for 'assisting' migrants in settling into their new environment, which can leave migrants vulnerable to abuses and malpractice as it can give agencies a great deal of control over them, effectively forcing them to stay until they have repaid loans/fees , etc.[68]

Policy-makers in destination countries should consider preparing and disseminating practical information tools on the rights and duties of migrants working in the temporary agency sector. Given the experience that trade

unions and employer associations have in this sector, this could be done in collaboration with them.[69]

Recommendation 5: formulate effective mechanisms to ensure the return of non-seasonal workers

The viability of introducing policies to regulate temporary and circular migrants working in non-seasonal jobs depends on mechanisms to ensure they return home at the end of their contracts. This poses a particular challenge for policy-makers, as the motivation for migrants working in low- and medium-skilled jobs to return home is often weak. In addition, the limits on the length of permits are less clear than for seasonal workers, who are allowed entry usually for between six to nine months. Multi-entry work visas and compulsory savings schemes, similar to those for seasonal migrants, could also work for temporary and circular migrants taking up non-seasonal jobs.

Could temporary work agencies be involved in ensuring that migrant workers return home when their permits expire? Agencies already take risks when sourcing workers in sending countries and it is far from clear whether they would be willing to invest in ensuring return as well, particularly in relation to low-skilled workers. Small-scale companies may not have the capacity to do this and multinationals have thus far largely avoided entering the business of placing cross-border workers in low-skilled jobs.

That said, the main players in the TAW sector could play a role in encouraging the return of temporary/circular migrants in the non-seasonal sector. Multinationals have the capacity to work with governments (mainly in source countries) on addressing a range of needs, including return to countries of origin. One example of this, given in Chapter III of this publication, is the public-private partnership on labour migration signed between the government of Vietnam and Manpower Inc. Such a partnership, which includes features such as job placements on return to the home country, indicates the potential of the TAW sector to facilitate the entry of low- and medium-skilled temporary/circular migrants.

Development in countries of origin: what potential of temporary and circular migration policies?

While the Task Force principally examined the potential of temporary and circular migration policies to address Europe's labour market challenges,

their potential to foster development in countries of origin was also addressed. (Chapter IV discusses this issue in more depth.)

Recommendation 6: a thorough evaluation of existing temporary and circular migration programmes is needed to assess their impact on development

The potential that return migration and circulation has for fostering development is clear, particularly in terms of the economic impact through remittances and investments but also in the bringing back of skills and ideas. What remains unclear is how the EU and its Member States can foster development in countries of origin most effectively through temporary and circular migration policies.

Some Member States are trying to do this by way of programmes such as the one run by the Dutch Ministries of Foreign Affairs, Justice, Social Affairs and Employment discussed in Chapter I of this Working Paper. These programmes are usually small-scale, involving hundreds rather than thousands of migrants. Arguably, if successful in terms of their development aims, they could grow from pilot programmes into large-scale programmes. However, this could be expensive – the implementation of existing small-scale programmes is already costly and entails significant administrative burdens. For this reason, a thorough evaluation of existing temporary and circular migration programmes, which have development objectives is needed.

Recommendation 7: explore ways to encourage 'brain circulation'

Countries of origin experience 'brain drain' when their educated work forces move to the developed world, often to be under-employed in low-skilled jobs. A system of 'brain circulation' could go some way to compensate for that i.e. policy-makers should look at ways to encourage skilled and semi-skilled individuals with migrant backgrounds to move back to their countries of origin to invest and engage in economic activities or advisory work. Such individuals may be migrants themselves or people who were born in the host country and are part of an established diaspora. The back-and-forth movement of skills would potentially contribute to countries of origin by way of training the local population and sharing ideas, resulting in 'brain circulation' rather than 'brain drain'.

Recommendation 8: Implement a legal framework favourable to facilitating back-and-forth movements, both of migrants on pathways

towards long-term residence and citizenship, and of foreign-born citizens or their second- and third-generation offspring

Circular movements such as the ones described above would need to be facilitated and encouraged by policies that protect the residence and naturalisation rights of participating individuals in their host countries. Losing accumulated rights associated with residence in a host country constitute a barrier to return, thus providing no incentive to undertake initiatives that would contribute to the development of countries of origin. For those with short-term residence and work permits, it would therefore be important to ensure that they do not lose any 'credit' they have accumulated towards qualifying for permanent residence and eventually citizenship.

Introducing a 'pause' button, such as that currently being considered by the UK and Swedish governments, would be a good way of temporarily freezing the pathway towards residence or citizenship rather than putting the process in jeopardy. Allowing individuals to hold dual citizenship would also facilitate back-and-forth movements between a former migrant's country of origin, or that of his or her parent(s), and the country of citizenship. Finally, a mechanism to allow the portability of social benefits, including pensions, should also be considered.

Implementing temporary and circular migration policies: unresolved policy tensions

The recommendations set out above were drawn from the discussions between Task Force participants. A couple of principal tensions, described below, also surfaced during these discussions.

Policy tension 1: managed programmes versus facilitated temporary and circular migration?

Fundamentally diverse approaches to temporary and circular migration are emerging in the political discourse across Europe, particularly in relation to the choice between implementing fixed programmes for temporary and circular migrants or introducing more flexible policies to facilitate temporary and circular migrant movements.

In this Working Paper, a number of examples have been given of ways in which Member States are experimenting with managed temporary/circular

migration programmes (the Netherlands, Spain). These programmes generally set strict limits on the number of workers to be admitted under such programmes and which sectors they can work in. The European Commission is interested in exploring the feasibility of this approach and has supported these (mainly pilot) programmes.[70] However, it can be assumed that programmes large enough to meet the needs of both seasonal and non-seasonal sectors would be costly and potentially difficult for states or regions to implement, even with the help of implementing partners like the International Organization for Migration (IOM).

There is an alternative approach to controlling temporary and circular migration channels by way of managed programmes. A cross-party Parliamentary Committee on Circular Migration and Development in Sweden, for instance, published a report in May 2010 which concluded that circular migration should be viewed as spontaneous rather than managed within programmes and projects.[71]

Sweden is instead considering policies that would facilitate circularity by, for example, providing incentives for migrants to move back and forth. This approach would also aim to enhance the positive impact on development in countries of origin by removing obstacles to circular migration and facilitating increased mobility. The policy measures Sweden is considering include more flexible rules for labour migration; provisions for dual citizenship; allowing for the portability of social benefits, including pensions; and plans to facilitate contacts with family members in migrants' countries of origin.

It remains to be seen whether other EU countries will move towards a model of the kind envisaged by Sweden. There may be room for both small-scale programmes with a focus on development potential and policies to facilitate the entry of sufficient numbers of workers into Europe to work in seasonal and non-seasonal sectors where labour shortages are set to become more acute. An evaluation of current programmes for managing temporary and circular migration is required to assess whether a shift is indeed underway towards implementing flexible policies outside of programme frameworks.

Policy tension 2: what kind of integration measures for temporary and circular migrants?

While EU governments have become more sensitive in recent years to the need to integrate migrants into their host societies, their policies tend to focus

on those migrants, and their children, who are likely to become permanent members of society. Access to family reunification is, for instance, usually considered as key to a migrant's integration in a host country. Yet it is unlikely that temporary and circular migration programmes would allow family members to join migrant workers during their time in an EU Member State.

The current political discourse on immigrant integration has shifted in recent years towards emphasising the provision of language and civic orientation classes for newcomers or migrants struggling with integration. These policies generally target individuals who are likely to stay in European countries for a significant period of time. There are therefore legitimate concerns about the impact and potential costs of increased temporary and circular migration on European societies. Clearly, an entirely new and complex set of integration challenges will come with newcomers who only stay for a short time.

If policy-makers are serious about introducing temporary and circular migration policies, they will have to develop specific targeted policies and make provision for the additional impact this would have on public services, perhaps in cooperation with local authorities and city councils.

They would also be wise to allow 'permeability' between the channels regulating temporary and circular migration movements: individuals should be able to move from a short-term to longer-term status under certain defined conditions, although not automatically and only after taking labour market needs into account.

The way ahead

This Working Paper has argued that increased temporary and circular migration could have a positive impact on the future well-being of EU citizens. There is no doubt that Europe's ageing societies will make labour shortages more acute in the years to come, and that EU Member States will struggle to sustain their economic and social models with shrinking workforces.

Temporary and circular migrants could fill low- to medium-skilled job vacancies in certain defined seasonal and non-seasonal sectors. However, to avoid repeating the mistakes of the guest-worker era, it is important that those contemplating new temporary and circular migration policies design them in such a way as to both prevent the exploitation of workers and ensure that they return to their home countries when their contracts end.

The development potential of these policies should also be explored, and consideration given to how best to resolve tensions between the need to integrate foreign-born workers into their host societies and the need to ensure that they go home when their work is done.

While these recommendations drew on discussions of the Task Force workshops, they were drafted by Sheena McLoughlin, Coordinator of the Task Force, and Rainer Münz, Task Force Chair and responsibility for them rests with these authors alone.

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30. The workshop discussion was aided by external presentations and contributions from Katharine Jones, a researcher from the Geographies of Temporary Staffing Unit at the University of Manchester; Rachel Owens, a Policy Officer from UNI Europa, a European trade union federation for services and communication; Michael Freytag, Policy Advisor at European Confederation of Private Employment Agencies (Eurociett); and Göran Hultin, Chairman and CEO of Caden Corporation.
31. For more reasons why companies turn to temporary agency work, refer to the Ciett Economic Report 2010 (particularly pages 60-64), available via www.ciett.org
32. Temporary agencies also operate in the highly-skilled sectors (e.g. contract work), for instance in Sweden, which uses agencies to staff high-level tech service market companies.
33. These figures do not account for the agencies that are not represented by the Eurociett. Also, It is extremely difficult to obtain precise figures for the number of agency workers placed each day as agencies tend to report the numbers of workers on their books rather than those placed each day, so some people may be counted twice.
34. At international level, the ILO Convention 181 sets common standards on private employment agencies. Adopted in 1996 and currently ratified by 23 countries, the Convention sets common principles of regulating private employment agencies.
35. Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work
36. Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services.
37. www.sed.manchester.ac.uk/geography/research/gotsu/projects/project3/
38. Katherine Jones' research found that, In the UK, where language and skills training were offered by the agencies, this was paid for a) by the end employer (e.g. in the case of the large bus companies in the UK which recruited Polish drivers); b) funds provided by the EC; c) the sending government (e.g. in the case of the Philippines, where the government pays agencies to provide pre-departure orientation seminars, or specifically trains nurses for export).
39. In the UK, the occurrence of incidences of abuse by temporary agencies and their serious exploitation of migrant workers in 2004 led to the adoption of the Gangmasters Licensing Agreement (GLA) for certain sectors. The GLA states that agencies can be fined and individuals imprisoned for abuses. Trade Unions are campaigning to extend the scope of the GLA beyond the sectors it is currently limited to (agriculture, horticulture, fish processing, gathering shellfish, dairy farming, or the packaging or processing of food and drink products), to include the social care and other low-medium skilled sectors.
40. Manpower Inc., The Borderless Workforce, 2008.
41. Manpower Inc., Strategic Migration-A Short-Term Solution to the Skilled Trades Shortage, 2009.
42. Presentations were made by Ron Skeldon, a Professorial Fellow at the University of Sussex, and Elspeth

Graham, a Reader in Geography at the University of St Andrews, and Co-director of the ESRC Centre for Population Change.

43. In the context of discussing the importance of diasporas for the development of sending countries as well as for providing a sense of community that newcomers can rely on, the point was made during the workshop that, perhaps ironically, it is permanent rather than temporary migration that builds up strong and effective diasporas. Sustained short-term migration to destination countries may make migrant communities in destination countries more vulnerable.
44. For a discussion of the major theoretical approaches adopted in migration studies see D. Massey et al, *Worlds in Motion: Understanding International Migration at the End of the Millennium*, Oxford, Clarendon Press, 1998, pp. 17-59.
45. For discussions of circular migration see M. Chapman, "On the cross-cultural study of circulation," *International Migration Review*, 12, No. 4, 1978, 559-569; R. Mansell Prothero and Murray Chapman (eds.), Circulation in Third World Countries London, Routledge and Kegan Paul, 1985; G. Hugo, "Circular migration in Indonesia", P*opulation and Development Review*, 8, 1982: 59-84; R. Skeldon, *Population Mobility in Developing Countries: A Reinterpretation*, London, Belhaven, 1990; R. Skeldon, "Managing migration for development: is circular migration the answer?", *The Whitehead Journal of Diplomacy and International Relations*, 11, 2010: 21-33; G. Cortès and L. Faret (eds.), *Les circulations transnationales: lire les turbulences migratoires contemporaines*, Paris, Armand Colin, 2009.
46. The evidence is summarised in Skeldon 1990, *op. cit.*
47. The idea of cumulative causation is perhaps best developed in D. Massey et al, "Continuities in transnational migration: an analysis of 19 Mexican communities", *American Journal of Sociology*, 99: 1492-1533.
48. For the importance of return migration in nineteenth-century transatlantic movements, see D. Baines, Emigration from Europe 1815-1930, Basingstoke, Macmillan, 1991 and W. Nugent, *Crossings: The Great Transatlantic Migrations*, 1870-1914, Bloomington, Indiana University Press, 1992.
49. It must be recognised that much circular migration of a type described for internal migration does occur irregularly across the boundaries of adjacent states, although the irregular status of the migrants involved in destination societies clearly creates differences with the patterns of internal migration.
50. Data from *World Migration 2008: Managing Labour Mobility in the Evolving Global Economy*, Geneva, International Organization for Migration, 2008.
51. Data on remittances are taken from *Migration and Remittances: Factbook 2011*, Washington, The World Bank, 2011, second edition.
52. The literature on impact is substantial. For just a sample, see P. Acosta et al, "The impact of remittances on poverty and human capital: evidence from Latin American household surveys", in Ç. Özden and M. Schiff (eds.), *International Migration, Economic Development and Policy*, Washington, The World Bank, 2007, pp. 59-98; R. H. Adams, "Remittances, poverty, and investment in Guatemala", in Ç. Özden and M. Schiff (eds.), *International Migration, Remittances and the Brain Drain*, Washington, The World Bank, 2006, pp. 53-80. Studies that have focused mainly on temporary migration to the Gulf include, K. C. Zachariah et al, *Kerala's Gulf Connection: CDS Studies on International Labour Migration from Kerala State in India*, Thiruvananthapuram, Centre for Development Studies, 2002; G. Gunatilleke (ed.), *The Impact of Labour Migration on Households: A Comparative Study in Seven Countries*, Tokyo, United Nations University Press, 1992, A. Amjad (ed.), *To the Gulf and Back: Studies on the Economic Impact of Asian Labour Migration*, New Delhi, International Labour Organization, 1989; M. M. B. Asis and F. Baggio (eds.), *Moving Out, Back and Up: International Migration and Development Prospects in the Philippines*, Quezon City, Scalabrini Migration Center, 2008, as well as the CHAMPSEA presentation given to the EPC on 12 October 2010.
53. Acosta et al, *op. cit*, p. 96 and CHAMPSEA in footnote 9.
54. G. Gunatilleke (ed.), *Migration of Asian Workers to the Arab World*, Tokyo, United Nations University Press, 1986, p. 15.
55. These issues are explored in more detail in R. Skeldon, "International migration as a tool in development policy: a passing phase?" *Population and Development Review*, 34, 2008: 1-18.
56. Gunatilleke, 1986, op. cit. note 11, p. 21.
57. Zachariah et al, 2002, op cit, note 9 and K. C. Zachariah, et al, *Dynamics of Migration in Kerala: Dimensions, Differentials and Consequences*, Hyderabad, Orient Longman, 2003. The following three paragraphs are based upon findings from these studies, as well as from the presentation at EPC on the CHAMPSEA project.
58. P. Levitt, "Social remittances: a local-level, migration driven form of cultural diffusion", *International Migration Review*, 32, 1999: 926-949.

59. Data from Zachariah et al, 2003, *op cit*, note 14.
60. See, for example, R. Iredale et al. (eds.), *Return Migration in the Asia Pacific*, Cheltenham Edward Elgar, 2003.
61. See, for example, to the pilot circular migration programme launched by the Dutch Ministries of Foreign Affairs, Justice, and Social Affairs and Employment in December 2009 described in the first chapter of this Working Paper.
62. See also the projects to foster the return of mainly skilled migrants to African countries by the International Organization for Migration through its Migration for Development in Africa (MIDA) programme in *The MIDA Experience and Beyond*, Geneva, IOM, 2009.
63. European Commission Communication, *Policy Plan on Legal Migration*, COM (2005)669 final.
64. This will only have an effect on immigration to Austria and Germany, as all other 'old' EU Member States have already opened their labour markets to workers from countries that joined the Union in 2004.
65. Without clear incentives to return, migrants may choose to 'lock' themselves into host countries, as has happened along the United States-Mexico border since the 1980s and occurred in Europe in the era of guest-worker programmes. Newland, K. (2009), "The Paradox of Permanency: An Incentive-based Approach to Circular Migration Policy in the European Union", Paper prepared for 15-16 October 2009 conference on *Labour Migration and its Development Potential in the Age of Mobility* in Malmö, Sweden. www.se2009.eu/polopoly_fs/1.16135!menu/standard/file/bakgrundsdokument2_090222_webb.pdf
66. Canada's seasonal agricultural workers programme (SAWP) contains such a mechanism in its agreement with certain Carribbean countries, whereby 25% of the migrant's wages are withheld by the government and made available to workers upon return (5%-8% is withheld to cover administration).
67. www.guardian.co.uk/world/2004/feb/06/china.uk
68. The ILO's Convention 181 concerning private employment agencies also gives examples which provide solid principles applicable to cross-border recruitment; e.g. not charging the job-seeker an employment service fee.
69. UNI Europa and Eurociett have teamed up to launch a similar initiative, preparing practical information tools for temporary work agencies and temporary agency workers wishing to work abroad regarding their rights and duties, the responsibilities of each stakeholder (the user company, temporary work agency, public authorities) and the relevant contacts in the host country. However, these tools will target mobile EU citizens rather than third-country nationals.
70. European Commission (May 2007), Circular migration and mobility partnerships between the European Union and third countries, Brussels: MEMO/07/197.
71. Sweden's Cross-party Parliamentary Committee on Circular Migration and Development www.sweden.gov.se/sb/d/12680/a/152650

Mission Statement

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