Pilot Circular Migration

Towards Sensible Labour Migration Policies

Lessons Learned & Recommendations
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Pilot Circular Migration
11 November 2011

SENSIBLE LABOUR MIGRATION POLICIES

How to develop (new) frameworks for workers from outside the EU

“Blue Birds”, the pilot for circular migration, demonstrated the need for sensible labour migration policies: policies that have the potential to lead to development as opposed to development policies that lead to labour migration. The main challenge is how to achieve this.

One problem is the fact that the definition of ‘sensible’ depends on one’s perspective. Employers, migrants, politicians and citizens in both receiving and sending countries hold diametrically opposed opinions. This applies particularly in the case of uneducated and skilled labour migrants (as supposed to higher educated professionals). Future research must show whether it is possible to reduce tension between the views of the various stakeholders.

This report shares the lessons of the Dutch pilot on circular migration and offers a perspective on how to move towards creating sensible labour migration policies.

1. Context: Why does labour migration need to be addressed?

The ageing population of the European Union makes it necessary to find solutions for future labour shortages. Most European countries are predominantly focussed on reducing unemployment. While this is undeniably necessary, it will not be enough to meet the anticipated shortages in the labour market. Currently 22% of the EU population is older than 60. This figure is expected to rise to 36% in 2050. The Netherlands alone will probably need 300,000 extra workers by 2020.\(^1\) Given the demographic changes that are simultaneously occurring in the rest of Europe, this additional labour force will have to come from outside the EU.

Crossing the bridge when we get there, allowing groups to come in when labour needs are rising and letting the market sort things out, will give rise to several problems. Firstly, answers to complex problems such as family reunification and duration of stay will not be given. Secondly, and partly as a consequence of the former, this will have problematic societal side-effects on issues such as social cohesion, return, development and migrant rights.

Current policy, which is not preparing for a changing perspective as it is exclusively focussed on reducing unemployment rates, will not stop workers from developing countries wanting to come to Europe to gain experience and income. It also ignores the potential development impact that temporary migration might have. To reach a balance, or even synergy, between the different interests at stake, we will need more sensible labour migration policies.

\(^1\) Source: Eurostat
2. Problem: Conflicting views

Working towards more sensible migration policies is a statement for action that one can hardly oppose. Common sense and statistics show that the matter has a level of urgency. However, action in this field has been limited until now, even though many stakeholders see the need for it. Is this simply because we do not agree on which road to take, or in other words, what sensible actually means? Or is limited knowledge keeping the status quo in place?

What do we know about the future? Europe will continue to attract migrants who will enter either illegally or legally. Employers will need migrants in the future. Countries of origin and destination will continue to search for intelligent and sensible modes to deal with this issue. A crucial factor in this regard is the attempt to match supply and demand, and to limit negative side effects.

Employers want to have access to a cost-efficient, reliable and skilled flexible workforce. HR departments of large companies as well as small and medium scale businesses rely mainly on intermediaries to provide such a workforce. Intermediaries will only recruit from abroad if suitable employees cannot be found in their own country. This will be a growing phenomenon for most, if not all, EU countries.

History teaches us that - notwithstanding negative political sentiments – governments will eventually open up the labour market, should labour demands in the future become urgent so that employers are faced with genuine shortages. Given the experiences in the Dutch pilot, it seems reasonable to expect that specialized international intermediaries will step in and provide these labour migrants. Most intermediaries are commercial parties which do not prioritise dealing with the societal ramifications, except when this might negatively impact their businesses.

Governments of receiving countries do care about these (perceived) societal effects. This is the very reason why many EU governments are - despite the prospected shortages - hesitant to promote non EU-labour migration.

The table below describes these tensions with regards to uneducated and skilled labour migrants. It is, for many reasons, easier to make new and more sensible policies for higher educated migrants and to a certain extent these already exist, such as the knowledge worker scheme (kennismigrantenregeling).

<table>
<thead>
<tr>
<th>Major Tensions</th>
<th>Host country</th>
<th>Employer</th>
<th>Labour migrant</th>
<th>Country of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>“We don’t want labour migrants, but we need them”</td>
<td>“We want labour migrants, but we cannot hire them”</td>
<td>“We want to work in host countries, but we are not allowed to”</td>
<td>“Our labour force can leave for better opportunities, but we want compensation”</td>
<td></td>
</tr>
<tr>
<td>Economy</td>
<td>Migrants contribute to the economy</td>
<td>Migrants can bring in unavailable assets or work cheaper. They increase profits and sometimes help businesses survive.</td>
<td>Most income can be taken home, where it is worth more.</td>
<td>The economy benefits from remittances and from returned migrants who bring back capital and knowledge.</td>
</tr>
<tr>
<td>Employment</td>
<td>Migrants are only welcome if they do not pose a threat to domestic labour.</td>
<td>A flexible and qualified workforce for the cheapest price.</td>
<td>Search for the best social &amp; financial opportunities, wherever that may be.</td>
<td>Brain drain</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Social cohesion</td>
<td>Migrants are expected to adapt to the host society, embracing national values and refraining from too much display of religious beliefs. At the same time, they are not supposed to integrate because they are not allowed to stay forever.</td>
<td>Migrants want to participate, but also want to maintain their identity; a struggle between inclusion and exclusion.</td>
<td>Search for the best social &amp; financial opportunities, wherever that may be.</td>
<td>Brain drain</td>
</tr>
<tr>
<td>Exploitation</td>
<td>Governments condemn exploitation but allow it to happen (with enormous impact on social cohesion).</td>
<td>Too many employers and intermediaries exploit migrants for financial benefits.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>Minimum flexibility to maximize control over cross border labour movements. Minimisation of risks through elaborate procedures, administrative requirements, exclusion and limited duration of stay.</td>
<td>Needs flexible systems supporting business strategies, including hiring &amp; firing of staff; mechanisms that support the balance of supply &amp; demand.</td>
<td>Many migrants are fortune seekers, looking for a better life.</td>
<td></td>
</tr>
<tr>
<td>Social security</td>
<td>Migrants are to be excluded from support systems to keep these systems maintainable.</td>
<td>Too many who see social security as a way of life.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A closer view on existing tensions is a valuable tool for policymaking, debate and agenda setting. It is likely that many more tensions exist than are highlighted in the table. Registering all potential tensions would serve informed decision-making. The risks and benefits of (temporary) labour migration are perceived and valued differently by the different stakeholders. The question is whether this gap can be reduced. How can progress be made towards designing sensible labour migration policies despite these enormous tensions?
3. Lessons Learned

The pilot circular migration “Blue Birds”, was terminated prematurely. The aforementioned tensions were insufficiently acknowledged as a basis for the pilot beforehand. Nevertheless, valuable lessons were learned for future innovation in the field of labour migration and development.

Lessons learned on:

Policy development

• Labour migration is all about supply & demand. Facilitating the needs of employers and employees via existing structures should be at the heart of innovation in this field.
• The next step for development in the “migration & development discussion” is creating sensible labour migration policies that have the potential to lead to development, instead of creating development policies that have the potential to lead to labour migration.
• All stakeholders – employers, countries of destination, migrant workers and countries of origin – have divergent and often conflicting perspectives on what constitutes a ‘sensible’ labour migration policy.
• Stakeholders have different needs; they perceive different risks and value potential risks differently.
• This conflict of interests leads to a standoff situation which blocks advancements in labour migration policy.

Innovation practice

• Innovation in a complex, multi-stakeholder environment with conflicting interests, involves unpredictable and uncertain risks. Pilots can reduce risks to an acceptable level.
• Real learning is achieved by solving real issues, conflicts and problems; these are only encountered in real practice.
• Recruitment of international staff is not the core business of companies. They lack expertise and time for matchmaking within a complex international environment. Companies expect government to create a framework that suits recruitment agencies to fulfil their needs.
• Recruitment intermediaries need to be actively involved in initiating and executing innovative pilots on labour migration. It is their core business.
• An innovative pilot should be flexible and must be allowed to develop in practice. New insights during the pilot should lead to adapting the framework and approach in order to maximize learning.
• Equal partnership between government bodies, organisations and individuals is a necessary basis for success. This means that partners understand each other’s position (goals) and are willing to support and respect this as a necessary basis for shared innovation goals.

2 More information on the pilot and its premature ending are presented in the final report.
4. Next steps

The first step towards sensible labour migration policies is a thorough analysis of the actual problem and the long-term impact if we don’t take action now. This will enable a debate based on facts and freed of emotions. Simultaneously, small policy adjustments and controlled experiments will make it possible to explore the most favourable conditions in practice and to avoid mistakes of the past.

Basically there are three options for policy renewal:

a. **Research and debate:** Labour migration should continue to be discussed between all stakeholders. To achieve a constructive dialogue, a thorough analysis will need to clarify why, when and which type of labour migrants are needed. Facts will help free the debate of its emotions. However, real conflicts only become visible in real life. It is impossible to oversee the magnitude of the risks and differences solely through a theoretical debate.

b. **Small policy adjustments:** Another way to make progress is to adjust standing policies little by little. Because of the perceived tensions, this will have to be done in small steps, and will therefore take a very long time. The problem may escalate due to the increasing gap between policy and practice.

c. **Experiment in practice:** Small-scale experiments in a risk-controlled environment make it possible to explore a variety of options in practice and make adjustments along the way. This limits the risks in terms of people, money and the timeframe. All stakeholders can be part of the decision-making process that will lead to shared insights and solutions.

### Ten Guidelines for New Experiments

Developing sensible labour migration policies through experiments should take the following recommendations into account:

1. Implement them in several EU-countries, preferably under more or less the same conditions;
2. Allow for recruitment in a broad range of non EU-countries;
3. Start with supply and demand on the labour market, and tailor labour migration to the needs of employers and employees;
4. Policies should be designed in conjunction with employers, intermediaries and labour unions;
5. Policies should be co-implemented by a limited number of intermediaries, who receive exclusive rights to the work permits, as they are the natural pioneers for new markets for recruitment;
6. Set a quota (of X thousand) for available work permits for labour migrants;
7. Grant the opportunity to work for one intermediary, but multiple employers on (more) flexible contracts;
8. Be inclusive to low and medium-skilled workers in all sectors;
9. Include extra control mechanisms to combat exploitation in order to create a level playing field;
10. Ensure sufficient monitoring and evaluation.
1. Introduction

HIT Foundation started implementing the ‘Blue Birds' Circular Migration Pilot early 2010. In June 2011, the Ministry of Foreign Affairs decided to terminate the pilot prematurely. Trying out new ways to provide employers with skilled workers from outside the EU no longer supported the goals of the new Dutch government. As the support base for the pilot had eroded, the Ministry considered that it was not politically opportune to continue it.

Based on the experience of setting up and executing the pilot, this report describes the lessons learned and contains recommendations on how to create sensible labour migration policies in the future. The findings are based on action research; they are a reflection of the implementing team’s experiences and hundreds of conversations that team members have had over the past two years with employers, employer organisations, migrants and government representatives. This report does not provide academically substantiated conclusions, but rather gives a practical review of the unique first steps in an experiment to create a sensible labour migration strategy for the future.

First, we will briefly discuss the context in which the pilot was developed, the idea behind it and its framework. This will be followed by an analysis of the perspectives of the most important stakeholders in the idea behind the pilot and its framework. Finally, based on the lessons learned, we provide suggestions on how to set up future experiments to learn about sensible labour migration policies.

The views expressed in this report are those of HIT Foundation and do not necessarily represent the views of, and should not be attributed to, the donor, the Ministry of Foreign Affairs.
2. The problem

What is a sensible labour migration strategy?

In a world of gaping economic differences and trouble spots, people will continue to search for an existence that offers them a more certain future. Reinforcing external borders does not prevent people from coming to Europe. European policies are primarily reactive. Activity is still largely focused on sending back illegal immigrants and rejected asylum seekers. The opportunity to come to Europe and work legally only exists for an extremely limited group of people who are, in general, highly educated. At the same time, the European Union is ageing: this demographic development has far-reaching consequences for prosperity and welfare, and there are as yet no solutions for it.

We need sensible labour migration policies to deal with this future. But what is sensible? What may be sensible from an employer’s perspective may clash with the views of countries of origin, the population of the host country, or the migrants’ interests. The various stakeholders, in other words, have different wishes, fears and motives. This often leads to conflicting interests:

1. **Employers and intermediaries.** No labour migration strategy will ever be successful without demand from employers in countries of destination. Employers’ wishes are rather straightforward: when shortages on their national labour market exist, they want flexible access to qualified staff. In addition to this, the formal and legally operating intermediaries deem it important that government applies strict law enforcement. Without it, informally operating intermediaries may take over.

2. **Countries of destination.** Though the interests of governments of countries often run parallel to the interests of employers based within their borders, governments also have other concerns on migration policies. Most importantly, such policies should be politically viable. A migration policy is only sensible if civil society and the population in general are supportive of new migration schemes. This, for example, means that a labour migration scheme cannot be abused as a port of entry for illegal migration. Furthermore, such schemes should probably be temporary in nature and should not burden the social security system.

3. **Migrant workers.** Apart from merely being a ‘supply commodity’ to fill the demand of employers, it is now generally accepted that migrant workers need to truly benefit from moving. Migrant workers should not be exploited and wages should be competitive and fair. Furthermore, the time spent abroad should positively affect their career perspectives, either as a migrant somewhere else, or upon return to their country of origin.

4. **Countries of origin.** Governments of sending countries are increasingly considering migration as a potential tool for development. Migrants send remittances to their family members while abroad, and apply newly learned skills upon return. However, there are also threats: relatively skilled and qualified young people are more likely to migrate. An overkill of out-migration can damage the social fabric, lead to brain drain and destabilize the economy.

The need for adaptations in (im)migration policies are acknowledged by most EU Member States and topics such as temporary migration schemes and circular migration are extensively discussed in academic
and policy documents. However, when individual Member States are asked to experiment and ‘walk the talk’ they often back away from real innovations. Many Member States take a passive or even opposing approach towards shaping new labour migration policies.

This lack of willingness is understandable from the perspective of national politicians. The risks are considered too high. Their countries are already struggling with the influx of workers from the newest EU Member States. Their voters want them to tackle unemployment figures before talking about new modalities for migration. It is often argued that there will be no need for migrants from outside the EU for decades to come, thanks to the recent eastern expansion of the EU. It is unlikely that any adaptations will be made until they are necessitated by market demand.

On the other hand, all predictions still conclude that Europe will need migrants from outside the EU sooner or later, be it within five, ten, or twenty years. This gives us the opportunity to experiment now and learn lessons for the future in relatively controlled environments and with calculated risks. How can past mistakes in migration policy be avoided in the future? How can Europe offer an attractive labour market in a rapidly globalising world where every region will want to attract the most talented and skilled workers? Can migration truly be ‘managed’ as is so often suggested in policy documents? And can it have positive effects for migrants and countries of origin, as is so regularly advocated? No matter whether one has a tendency to support or criticize initiatives on expanding future labour migration from outside the EU, experiments provide evidence-based learning for all.

In recent years, HIT Foundation has actively lobbied to take steps and put theory to practice, both within an European context and at a national level in the Netherlands. The outcome of the 2007 ‘Shaping Migration Strategies’ conference in the EU Parliament already concluded that it was time for action. EU Commissioners, members of parliament, academics and other important stakeholders concluded that “after years of discussion, experiments are needed”. It would take another two years before a window of opportunity arose in 2009.

In 2009 the Dutch Ministry of Foreign Affairs issued a tender to execute a small-scale pilot on circular migration. The goal of this pilot was to research in practice if the concept of circular migration could contribute to the development goals of the Dutch government. Could circular migration lead to a ‘quadruple win’ and serve as a sensible labour migration strategy that would benefit employers, the country of destination, migrant workers and countries of origin? The pilot was set up to record benefits and pitfalls and constraints and risks for all actors involved. HIT Foundation was selected to execute the pilot and started this innovative experiment, which it called Blue Birds, in early 2010.

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3 One the most recent examples is the European Policy Centre’s Working Paper “Temporary and circular migration; opportunities and challenges”, http://www.epc.eu/documents/uploads/pub_1237_temporary_and_circular_migration_wp35.pdf
4 http://www.migration-conference-brussels.net/Material/Conclusion.pdf
3. A controlled experiment

The start of a (possible) solution

During the pilot 160 motivated professionals from outside the European Union were given the opportunity to work in the Netherlands. The pilot is unique in that it is the first programme of its kind to involve semi-skilled migrants as opposed to unskilled or high-skilled migrants. While the pilot is referred to as ‘circular migration’, the framework essentially provides a temporary migration scheme, since after a two-year stay in the Netherlands migrants needed to return and were not allowed to extend their contract on the same terms. At the same time, one could argue that at least a full circular migration movement is possible within this framework: workers are recruited in the country of origin, come over to work for two years in the Netherlands and return to their own country.

The migrants were to be employed in normal jobs that would match their level of education and experience for a maximum of two years. Unskilled and highly skilled migrants would be excluded from the pilot. The basic idea was that employers would themselves select employees that fitted their needs, while assistance in finding qualified candidates was to be provided by professional recruiters. After two years, the migrants were to return to their country of origin where they could potentially apply their newfound skills in order to further their professional development. Basically, HIT Foundation would facilitate the entire process: it would inform employers about the possibilities of the pilot; bring them into contact with professional recruiters; prepare and assist the migrants with their travels and stay in the Netherlands; support migrants and employers with any problems at hand and assist migrants in their reintegration upon return. A summary of the project proposal and working structure can be found in Appendix 1.

The donor set the following strict limitations:

- High-skilled and unskilled migrants were excluded. Participation was limited to semi-skilled migrants with verifiable ‘basic vocational diplomas’;
- Employment in the health sector was excluded;
- Migrants had to originate from two countries mentioned on the country list of developing countries by the Ministry of Foreign Affairs. HIT Foundation opted for South Africa and Indonesia;
- Migrants were supposed to be contracted for a period of two years;
- Migrants could not bring family members along;
- Temporary employment agency contracts were not allowed. Migrants had to sign a contract for at least four days a week with a salary in keeping with market rates;
- Employers could apply for the special work permit from March 2010 to March 2011.

During the execution phase, proposals for adjustments and modifications were forbidden or allowed only to an extremely limited extent.

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5 For a recent and elaborate discussion about the concept of circular migration, see the GURN report ‘Circular migration; a triple win or a dead end? (2011) http://www.gurn.info/en/discussion-papers/no15-mar11-circular-migration-a-triple-win-or-a-dead-end
Premature termination

Execution of the pilot proved difficult for a number of practical reasons. It was hard to find interested employers, establishing contact with the right actors was time consuming and technical details about the framework were continuously discussed between the ministry and HIT Foundation. From early 2011, however, some large employers and intermediaries had committed themselves to the pilot and were actively recruiting and selecting migrants.

The Ministry of Foreign Affairs decided to prematurely terminate the pilot in June 2011. With a new cabinet in place, steering all the unemployed in the Netherlands towards the labour market became a priority. Trying out new opportunities to provide employers with skilled workers from outside the EU did not support the goals of the new Dutch government. With the support base for the pilot eroded, the ministry believed that it was not politically opportune to continue. At that moment only eight participating migrant workers had been granted a work permit. Around 30 migrants had already been selected and were prepared to come over. A further 80 migrants were in the pipeline of recruitment and selection. With the decision to terminate, one of the few innovative projects that was experimenting with new migration regimes in the EU, was brought to a halt.
4. Perspectives on the pilot

A migration policy cannot be defined as sensible if it is not supported by the four identified key stakeholders. It is therefore relevant and interesting to view the perspectives of these different stakeholders on the pilot. This is done below.

For each stakeholder we assessed the extent to which they valued the idea of experimenting in learning about future labour migration policies. Do they applaud it; do they believe it is necessary and/or timely? Furthermore, it will be assessed how they valued the framework of the pilot. Was it feasible to work within the framework? Which advantages/disadvantages did they note? Such an analysis provides valuable lessons that can be used to shape future experiments in particular and to define whether or not migration policies are sensible in general.

Country of destination

A country’s perspective is difficult to establish. It consists of many different stakeholders, is fluid and may change over time. Economic and societal transformations affect the views of voters, politicians and policy makers. In the process of executing the pilot we have, nevertheless, made several observations that could be relevant in this regard. When assessing the perspective of a country of origin, it is important to differentiate between the perspective of ‘government’, ‘civil society’ and ‘the population’.

Government: “A potential tool for development with strict limitations”

Rather than having one perspective that changed over time, the four most relevant ministries had considerably different views from the start. After intensive consultations they all agreed with the final framework, but with differing interests and aims.

Although circular migration is mostly seen as a tool for solving problems on the (future) labour market from the perspective of countries of destination, the Ministry of Foreign Affairs was the only ministry involved that took an actual interest in the pilot from that perspective. The Ministry of Social Affairs was reserved about the idea of setting up a pilot study from the early consultations onwards. It had reluctantly accepted the creation of an exception in issuing work permits for participants of the pilot. The ministry, however, explicitly took the position that it did not perceive the pilot as an experiment that could help to learn lessons about sensible labour migration policies in the future. The argument was – and still is – that it is not necessary to experiment with labour migration from outside the EU. The Ministry of Justice/Interior Affairs has from the early start mainly focused on the issues of illegality and return. Its main interest was that migrants would not overstay their visa and would return voluntarily. With a mission statement to ‘promote sustainable economic growth in the Netherlands’ and a focus on ‘knowledge economy and innovation’, one would expect the Ministry of Economic Affairs to value and applaud the pilot initiative. Nonetheless, a consultation at the ministry soon made it clear that it did not see a role for itself in actively promoting the pilot. It took a neutral position and neither supported or criticised the idea of the experiment.

These different perspectives can explain the strict and limited framework of the pilot to a large extent. It is the outcome of a compromise in which the ministries hoped to achieve the prevailing development agenda of Foreign Affairs, without entailing the risks that the other ministries were not prepared to accept.
Civil society: “Timely and necessary; but is it about development or labour?”
An Advisory Board consisting of prominent representatives from civil society closely monitored the progress of the pilot. It included spokespersons from employers’ organisations, workers’ unions, political parties and other relevant social stakeholders such as NGOs. Although all members had different perspectives on the pilot and did not anticipate the execution to be easy, they agreed the pilot was both timely and necessary and would provide an opportunity to learn how circular labour migration works. Workers’ Unions especially valued the fact that market conform salaries were to be paid. Employers’ organisations praised the fact that first steps were taken. NGOs especially valued the focus on development.

A considerable number of actors, however, voiced criticism on the framework:

- Actors with a focus on development believed the framework to be too market-oriented. “Why not first select people in the countries of origin for whom a stay abroad might really have an added value, instead of letting the market decide?”, was an often-heard criticism.
- At the same time actors focusing on labour believed the framework to be too complex and ‘soft’. “Why dress this straightforward and basic idea of bringing supply and demand together up with all sorts of developmental goals?” was a commonly voiced criticism.

These reactions demonstrate the challenges of trying to bring together the two distinct fields of employment and development.

Population: “Why are we doing this?”
A survey on the perspective of the general population regarding the pilot initiative and framework does not exist. However, given the current economic and political climate in the Netherlands, it is safe to say that the overall sentiment when it comes to labour migration is rather negative. “Why let people from Africa enter our country when unemployment figures are on the rise?” Though discussed in parliament, a broad-based social debate about the reasons for setting up the pilot never took place. It was hardly discussed in the media and was basically conducted below the radar. The fear of the ‘vox populi’, goes a long way towards explaining the eroding support base within government.

Employers & Intermediaries

Employers: “Interesting, but…..what a hassle!”
The timing for gaining interest from employers for the recruitment of non-EU workers could hardly have been worse. When we first informed employers about the pilot in early 2010, the economic crisis was just over its peak. Indeed, many employers were more occupied with picking up the pieces after reorganisations and forced dismissals than with searching for new staff. The construction sector in particular, but also the industry and IT sector had been hit hard. Consequently, there were few proper shortages on the labour market. Employers were not desperately in need for anyone who fitted a job profile. If they had vacancies, they preferred to provide a one-year contract to a Dutch-speaking candidate than a two-year contract to an English-speaking Indonesian via Blue Birds. Employer organisations were generally interested in knowing more about the pilot, but did not actively promote it among members.

Nonetheless, of the hundreds of employers contacted, dozens were interested in learning more about the initiative. They acknowledged the need to experiment with future labour migration policies and/or noticed that the pilot could provide a solution to their (future) problems or their business policy. Employers had basically three reasons for showing initial interest:

- Demand for employees. Current or future lack of suitable and qualified employees in the (EU) or the Netherlands;
• *Corporate Social Responsibility*. Organisations with vacancies that could be matched with Dutch candidates, but with a strong support of the development goals;

• *Training on the job for local employees*. Dutch companies with branches in South Africa and Indonesia regarded the pilot as an opportunity to send local employees to the Netherlands so that they could return with better skills.

The first group was by far the largest and also the most interesting for measuring a potential quadruple win effect. After initial interest, many of these employers, however, decided not to partake. Certainly, the pilot offered the opportunity to contract a migrant from outside the EU with relative ease and a great deal of assistance. However, the employers questioned the inflexible framework in which this had to take place. Here are a few examples of their reactions:

“Why can they only stay here for two years? If it would have been four, I could get some return investment. Two years is just too short.” (major employer in the industry sector)

“We are working on a big deal now. I might be interested in a year or so. Why is that not possible?” (major construction employer)

“I would be interested in hiring them for a shorter period. Can I contract them for – say – half a year?” (medium scale employer in logistics).

“We have good experience with highly skilled IT staff from the Ukraine. I would be interested in recruiting lower skilled guys as well….network administrators and such. Why isn’t it possible to recruit from Ukraine?” (small employer in IT sector).

Many others considered the process of recruiting, selecting, housing and investing in a migrant worker too lengthy, complex and insecure. Indeed, they might be in need of a welder or a software developer. But they needed one next month and wanted as little hassle as possible. Recruiting new staff is not a core activity for either large or small companies. Instead of contracting migrants themselves, they would rather outsource such issues and leave contact temporary employment agencies to solve the problem.

Intermediaries: “Interesting, but…what a hassle!”

A major lesson learned in the pilot is that the end user (the employer) is not the most likely actor to show interest in circular migration programmes. Instead, specialized intermediaries (temporary employment agencies, secondment and outplacement agencies) are much more likely to do so. Indeed, they already supply many unskilled and highly skilled migrant workers. Recruitment, selection, housing, arranging visas, work permits and insurances; these activities are their core business and therefore they are the most obvious and logical actor to investigate and experiment with the opportunities of any labour migration scheme. It is therefore no surprise that some of the biggest employment agencies demonstrated much interest and wished to participate in the pilot. Although they can currently still find candidates in Europe to fill up their vacancies, the Blue Birds pilot provided an interesting option for business development. Virtually all intermediaries spoken to believe that the European labour market will open up for non EU-migrant workers sooner rather than later. They therefore considered the pilot an opportunity to experiment with future business models in a controlled environment.

However, just like many employers, the intermediaries were sometimes frustrated by some of the more general limitations in the pilot framework. In particular, the fact the health sector was excluded was felt as a lost opportunity. As one director mentioned:
“It is a pity the health sector is excluded. Nurses, operating assistants and attendants…our clients are especially in search of such profiles” (large employment agency)

More importantly, a seemingly insignificant and rather technical limitation of the pilot framework discouraged them from fitting it into their regular business model. Typically, intermediaries provide their clients with a ‘flexible shell’ of (migrant) workers. Employers are provided with solutions to a temporary shortage of staff and can get rid of this staff at any given time. Employers make use of (expensive) intermediaries precisely because this buys them flexibility. Intermediaries can only fulfil these needs if they have a pool of employees waiting to start work at any given employer.

Such flexibility was impossible within the pilot framework. The main problem was that intermediaries could not place their employees with different employers. Temporary employment agencies were not allowed to offer migrants the so-called ‘staffing agency agreements’ they would normally use. Instead, they were to sign a minimum of a one-year contract with a migrant worker. In practice, they were only prepared to do so if they could find an employer who guaranteed to hire the worker for the same period. However, not many employers were willing to commit themselves for such a period of time, because this would take away the flexibility that drove them to hire staff from intermediaries in the first place!

The pilot framework, in other words, did not provide opportunities for intermediaries to follow their normal procedures and set up a pool of workers. Nonetheless, several intermediaries considered the pilot so important that they were willing to invest in seeking like-minded clients to cooperate with.

Countries of origin

Again, although it is difficult to map how a country perceives a certain project, we dare to say that governments of both countries of origin did not approach the pilot programme negatively. In the course of the project, HIT Foundation talked to various representatives of embassies and ministries. Both countries especially applauded the idea of the circularity/temporality of the pilot. However, they did have slightly different perspectives.

The South African Perspective: “We live in a globalizing world.”

The South African government takes a very liberal approach towards the topic of circular migration. It fears the effects of brain drain to some extent, but also argues that remittances and the return of experienced migrants might have positive effects. Essentially, however South Africa takes it for a fact that the world is globalizing. The country benefits from an open economy and this entails that people will move. This just has to be accepted. South Africa therefore neither applauded nor criticized the idea and framework of the pilot.

Indonesian Perspective: “Very promising project, how can we engage?”

The Indonesian government takes a less liberal and more steering approach. It highly promotes oversees labour for its citizens. Remittances and savings flow back to the country and may bring back knowledge and experience upon return, especially in the context of circular migration. However - and this is partly informed by several bad experiences, especially in the Middle East - Indonesia wishes to keep an eye on what is happening in this context. In contrast to the South African government, the Indonesian government expressed a wish to be actively involved in promoting, selecting and training workers before migrating. It consequently applauded the idea of an experiment, but would have wished to have been more involved.
Migrants

In the course of the project, HIT Foundation and the recruiters working on its behalf held interviews with more than a hundred potential migrants, either in person or via Skype. A Personal Development plan was drafted with roughly 30 of them. This document provides information on how the migrants and their social network hoped to benefit from their work experience in the Netherlands. Most persons contacted were South African reach truck drivers. Amongst the others were assistant restaurant managers, engineers, sport instructors, IT testers, operators and cooks from either South Africa or Indonesia. Stemming from these conversations we can state that potential migrants had roughly the following perspective on the pilot:

Migrants before departure: “A once in a lifetime opportunity!”
Recruiters in South Africa and Indonesia received an incredible number of reactions after posting advertisements for vacancies in the Netherlands. This is not to say that all who reacted had the right qualifications and attitude to be contracted, but it does demonstrate the interest that the scheme attracted. Several aspects made the prospect of participating in the pilot very appealing: the experience of living and working in Europe, the (especially for Indonesians) very significant raise in salary, and the opportunity to gain skills and knowledge.

The limited framework was mostly taken for granted. Some suitable candidates withdrew after they were informed that they were not allowed to bring family members over for the time of their contract period. Others were not interested once they learned the prospective salary and costs of living in the Netherlands. Such issues especially played a role for well-educated starters from South Africa for whom the salaries in their home country are relatively high. However, most people were not put off by these limitations. The above-mentioned advantages outweighed the listed disadvantages.

Perspective migrants after ten months stay: “I would do it again”
In early July 2011 we interviewed six migrants who had been in the Netherlands for approximately ten months. Below you can find three excerpts of these interviews. They illustrate the considerably different, but overall positive, experiences of living and working in the Netherlands:

Tshifhiwa Maphwanya, South African, instrumentation engineer (27)
Employer: Royal Haskoning

“...I came here for the experience. I just wanted to get experience outside of my country that would benefit my career in the future (...) I am not earning any more than I would have in SA. There isn’t really any salary difference. May be a little. 200, 300 euro because of price differences. I am looking for experience more than anything (...) My expectations have been exceeded. I didn’t think I would learn so much in such a short period of time. I have the best mentor (...) My parents and brothers thought it was a good idea. They don’t think I’ll come back home. (...) I will always come back home (...) I am not saving any money for anybody; I am saving it for myself. I am saving because when I get back to SA I am going to have to move to Alberton, which is where Royal Haskoning is.”
Hendri Hendrawan, Indonesian, designer civil engineering (27)
Employer: Witteveen & Bos

“When I said I was leaving, my family reacted positively. Of course they didn’t like the idea of missing me, but they were supportive. My daily tasks here consist of making calculations – we are designing a drinking water plan for buildings. I make a 3D model of buildings and pipes etc. I am involved in making plans for Ghana, Vietnam and Holland. (...) I do like it. I really want to complete the 2 years of the pilot as planned. The first year I am acquiring a lot of technical knowledge and the plan is to focus more on management knowledge in the 2nd year. That was my personal goal. I have learned a lot professionally and personally. To be assertive for instance, something that is definitely required and appreciated here. Don’t wait, stand up for yourself. Experience here is very valuable upon return; it will be valuable to influence others, it can boost a team or company. (...) I thought that I could save more than is actually possible. On weekends I want to go to Amsterdam for example and then at the end of the month I don’t even want to see my bank account. I can still save, but just not as much as I had planned. Depending on their personality I would encourage people to do this; if you are open minded and eager to learn new things, I would definitely recommend it. My advice would be: if you set a goal, stick to it whatever happens. Just go there, stay focused, overcome difficulties, just do it, but don’t expect too much.”

Gareth Boman, South African, process facilitator/knowledge broker (27)
Employer: University of Wageningen – Centre for Development & Innovation

“It was not that I couldn’t find a job in South Africa. There is a large market for environmental scientists. In the private sector, environmental impact assessment is a big issue. That would have been a logical next step. The pay is similar to what I am earning in the Netherlands. But it seemed boring. (...) Also, I didn’t necessarily want to work in the private sector. I was more interested in working for the World Nature Fund or the World Bank. Make a difference. (...) In South Africa we’re still trying to satisfy a shortage in technical professions. Linking them is quite new. Applying the multi-stakeholder approach, in the private sector - this knowledge is in great demand; (...) Wageningen has a very international community. Last night we went out for dinner with 10 people from 9 different nationalities. It’s been easy to make friends. Also, Wageningen is like a village to me. I come from Johannesburg. (...) If I could, I would extend my stay at the end of the 2 years. I will go home one day, I am very passionate about home. But right now, I don’t miss it. (...) My advice to anyone coming over: don’t be afraid to initiate conversations, both socially and in the work place. There is a culture shock, but you could expect that anyway. You don’t need to be witty or trendy. Just be sociable, be confident.”
International actors

Apart from the four identified ‘direct’ stakeholders that could potentially benefit from the ‘quadruple win’, other relevant ‘indirect’ stakeholders in the international field of labour, migration and development kept track of the pilot. These ‘bystanders’ critically and/or interestingly followed the steps taken and had their own perspectives on the idea of experimenting with the pilot.

**Intergovernmental organisations: “Interesting project”**

HIT Foundation discussed the project framework with representatives of three important international intergovernmental organisations: the International Organisation for Migration (IOM), the International Labour Organisation (ILO) and the International Centre for Migration Policy Development (ICMPD). All organisations highly appreciated the daring attitude of the Dutch government in experimenting with the concept of circular migration. Given the complex and sensitive context in which such pilots are developed, they understood the limitations of the framework.

**European Commission: “Keep us updated”**

Given the few practical experiments actually taking place, representatives of the European Commission applauded the initiative and asked to be updated on the project. Again, given the complex and sensitive context in which the pilot was developed, most representatives of the EU understood the limitations in the framework.

**Academic field: “This is not about circular migration……but very interesting even so……”**

The primary reaction of most academics to the project was that the framework did not enable ‘circular’, but rather ‘temporary’ migration. After such semantics were discussed and taken for granted, all agreed that the pilot was a unique undertaking. Some temporary migration schemes with unskilled workers moving to Europe already exist, but the focus on semi-skilled workers was new and especially interesting for the researchers. Also the option to keep track of all migrants from pre-departure to post-return was highly appreciated.
5. To conclude

At the end of the pilot, only a handful of migrants had been granted a work permit. Over a hundred more in all stages of recruitment were informed of the negative decision of the pilot coming to an end.

The most important reasons for the project not meeting its projected results were:

- **Legitimacy**: the main government stakeholders did not – or ceased to – agree on the goals, framework and essential value of the experiment.
- **Inflexibility of the framework**: the framework proved to be rigid for employers. Even the most committed employers needed long periods of time to fit the project offer into their work processes.
- **No options for adjustments**: the pilot framework was based on compromise, not on maximising innovative value. This, in combination with fading legitimacy, led to the stricter interpretation of rules for contracts and inclusion and exclusion.
- **Timing**: starting the pilot during an economic crisis was not the best timing.

It is unfortunate that the pilot could not be finalised properly. In the future, Europe will continue to attract migrants who will enter either illegally or legally. Employers will need migrants in the future. Countries of origin and destination will continue to search for intelligent and sensible modes to deal with this issue. A crucial aspect in this regard is if supply and demand can be matched, without creating negative side effects.

Employers want to have access to a cost-efficient, reliable and skilled flexible workforce. HR departments of large companies as well as small and medium scale undertakings rely mainly on intermediaries to provide such a workforce. Intermediaries will only recruit from abroad if suitable employees cannot be found in their own country.

Intermediaries, not employers, will therefore be the key actors in executing (circular) labour migration activities in the future. Given the specific contextual factors that apply (providing housing, arranging visas & work permits, insurances, transport) relatively small-scale specialists currently dominate unskilled and low-skilled intermediation activities from central European countries to western European countries. Highly skilled migrants are currently mostly intermediated by specialist departments of large-scale intermediaries or specialist secondment and outplacement agencies.

Should labour demands in the future become urgent and employers face genuine shortages, history has taught that - notwithstanding any negative political sentiments - governments will eventually open up the labour market. Given the experiences in the pilot, we forecast that specialised international intermediaries will step in and provide these labour migrants. Such intermediaries are commercial parties and it is not in the nature of their business model to care about societal ramifications, except when this might negatively impact their businesses. In other words, we foresee that the market will solve problems on the labour market. It will, however, not take the most pressing societal effects into account. Pilots can help to identify risks and test real-life situations within a controlled environment.
The framework of a new pilot

Should any actor wish to set up a new pilot based on the lessons learned from executing Blue Birds, we believe that the following should be taken into account:

1. “Create labour migration experiments that have the potential to lead to development, rather than development projects that have the potential to lead to labour migration”

It is much easier to theorise about a potential win for all stakeholders involved on paper than to serve all interests in actual practice. During the execution phase HIT Foundation faced many challenges in trying to bring together the two distinct worlds of development and employment. There are obvious interrelations, but in the end we are convinced that circular (labour) migration is about the market and supply and demand. Experimental innovation on circular migration depends totally on cooperative and interested employers. The country of destination, the individual migrant and the country of origin can never benefit from changes to the immigration regime if they are not on board, simply because migrants first have to find a job before any other effects can take place. Looking back, we have to conclude that the Blue Birds pilot framework was too focused on development, too much of a compromise and too inflexible to truly serve the interests of employers. New pilots should give primacy to employers’ needs.

2. “The employment sector should take the lead”

Stemming from the above, new experiments to achieve sensible labour migration need a strong support base from stakeholders with socio-economic interests such as employers, employers’ organisations and workers’ unions. In the pilot, HIT Foundation - a relatively unknown and small non-profit organization - approached companies out of the blue with the idea to recruit migrant workers for a project idea from the Ministry of Foreign Affairs. We were not the logical organisation to execute the pilot. The Ministry of Foreign Affairs was not the logical donor organisation. Instead, the private sector - employers and intermediaries - should be the executing parties while the relevant ministries - Social Affairs and Economic Affairs - give active support. Labour Unions should be actively involved in setting up the framework. Innovations in the field of labour migration are likely to fail if they do not have these parties on board. Companies expect the government to create a framework that suits intermediaries to fulfil their needs. Intermediaries are the natural pioneers for new markets of recruitment as it is their core business. Recruitment intermediaries need to be actively involved in initiating and executing innovative pilots on labour migration. The interests of all stakeholders, including migrants, should obviously be taken into account, but these parties should be the ones to take the lead and bear responsibility for setting up new initiatives.

3. “Flexibility, flexibility, flexibility”

The framework of the Blue Birds pilot was too rigid. Flexibility is the key to successful innovation in the field of labour migration. Such flexibility is demanded from all involved:

• A flexible donor. Pioneering projects tread unpaved roads by definition. No matter how well prepared, unforeseen issues remain. Based upon newly gained insights along the way, donors should, to a certain extent, be willing to accept that adjustments to planned actions might be necessary. A certain ‘leeway’ for amendment and revision is necessary.

• Flexible executing organization. A flexible donor comes with flexible executing organisations. Evaluators should have the capacity to readjust their methodologies to realities on the ground.
Executors of the project should be able and willing to adapt strategies and apply provisional lessons learned in the approach.

- **A flexible framework.** Employers see migrant workers predominantly as a solution within a flexible shell. Intermediaries step in and provide these solutions. The framework should be tailored to their needs and wishes as closely as possible. When workers from more countries of origin can be selected, employers are better enabled to select. A time frame to contract workers from ½ year to 4 years would be a good option. The more straightforward the framework, the better it will work.

**Guidelines for new experiments**

When applying these lessons more concretely, we believe a new pilot framework should have the following characteristics:

1. It should include a broad-based social debate about the need to experiment
2. It must be based on equal partnership. This means that partners understand each other’s position and are willing to support and respect this as a necessary basis for shared innovation goals.
3. It must be executed in several EU-countries under more or less the same conditions;
4. It must allow for recruitment in a broad range of non EU-countries;
5. It should be designed in conjunction with employers, intermediaries and labour unions;
6. Set a quota of (X hundred/thousand) available work permits for labour migrants;
7. It should be co-executed by a limited number of reliable intermediaries that receive exclusive rights to obtain work permits.
8. Allow migrants to work via an intermediary, but obtain flexible contracts with multiple employers;
9. Be inclusive to low and medium-skilled workers in all sectors;
10. Include extra control mechanisms to combat exploitation and create a level playing field;
11. Include sufficient monitoring and evaluation.
Appendix 1: Management Summary Pilot Proposal
HIT Foundation / September 2009

This document is a proposal by the HIT Foundation for the Circular Migration Pilot. The pilot will study how temporary labour migration can contribute to sustainable development in developing countries and how Dutch businesses can benefit from this.

The pilot is a global first because the impact of migration flows of uneducated and poorly educated migrants (as opposed to highly-skilled or ‘knowledge’ migrants) has never been examined in practice, taking development as its primary objective. The pilot offers the Netherlands a unique opportunity to increase its learning capacity and profile itself internationally as a trendsetter in this area. As a tripartite organisation, HIT has been working on major innovative projects on the cutting edge of migration and labour for over 10 years. HIT instigates practical innovation and looks for individual solutions that can be standardised to serve as input for implementation and policy.
The pilot consists of a small group (maximum 160) of semi-skilled labour migrants from Indonesia and South Africa who will work in the Netherlands for a maximum of 2 years. They will work in regular jobs in industries currently experiencing labour shortages on the Dutch employment market. This work experience will enable the migrants to improve their employment position upon their return and contribute to sustainable development in their country.

The essence of the proposed working method:

- **Development perspective** – A Personal Development Plan (POP) will be drawn up with each migrant before they depart for the Netherlands. This plan will focus on the development perspective after return and the learning process required in the Netherlands to achieve this. This is also the contract between the participant and the project organisation. Progress will be monitored by a counsellor.

- **Indonesia & South Africa** – Maximum development potential; match with the Dutch employment market, Dutch companies; long diplomatic and OS relationships and the greatest chance of return.

- **Industry sectors experiencing labour shortages** - The pilot will be carried out in sectors with a shortage of semi-skilled employees. An analysis by UWV Werkbedrijf and conversations with employers and international temporary employment agencies currently point to jobs in the metal industry (shipping and machine building), the food industry, agribusiness and logistics. In view of the volatile nature of the current employment market, this analysis will be carried out once more during the start phase of the pilot. Migrants will be employed by an international temporary employment agency that will also facilitate with regard to housing and support.

- **Return** – Return is a basic condition for development and therefore for the pilot’s success. Circular migrants will learn new skills and competencies that they could not have learnt in their country of origin and that will benefit them when they return. The prospect of work in their home country is central to this. All participants will receive reintegration support and actively maintain contact with their homeland.

**Why HIT?**

10 years of practical experience with integration and return has convinced HIT that migration policy’s focus should extend to the beginning of the process, the place where migration begins. At the same time, HIT sees temporary migration as one of several solutions to future shortages in specific sectors in the Dutch employment market. HIT is a regional expertise centre but maintains active working relations with The Hague, Brussels and across national borders. It therefore has a special position with regard to taking important steps forwards in this global issue.

It is necessary to reach a better understanding of the complex migration process and steer its direction if sustainable innovation is to be achieved. This requires the involvement of all stakeholders, from politicians to international administrators, academics and migrant organisations. As a tripartite organisation, HIT has a broad base in society. Major innovation projects on the cutting edge of migration and employment have proved that HIT is able to mobilise this broad support base effectively.