

the Labour Migrant

INNOVATING MIGRATION PRACTICES



WE DON'T NEED MIGRANTS

Migration triggers heated emotions. Some say we desperately need labour migrants; others see them as a threat. All these conflicting perspectives obstruct the development of sensible labour migration policies.

"Elephant in the room"

is an English expression for an obvious problem or risk no one wants to discuss. It is based on the idea that an elephant in a room would be impossible to overlook. Thus, people in the room who pretend the elephant is not there have chosen to avoid dealing with the looming big issue.



More Migrants

Anti-immigration features prominently on the political agendas of many EU Member States. But can we afford to ignore the value that migrants have for European society today and the role they may need to play in the future?

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Pilot Circular Migration

Blue Birds, the pilot circular migration, researched in practice if temporary labour migration could lead to a 'triple win', benefitting migrant workers, their home countries and host societies.

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Supply and Demand

Migration may have a positive impact on development. The truth is that this will only take place if there is a need for labour migrants in Europe. Labour migration thus starts with supply and demand on the labour market.

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Next Steps

The first step towards sensible labour migration policies is a thorough analysis of the problem. At the same time, small policy adjustments and controlled experiments will allow us to learn in practice.

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The EU needs more labour migration

By Cecilia Malmström, EU Commissioner for Home Affairs

Immigration features prominently on the political agenda in many EU Member States, not least due to growing support for populist movements and far-right political parties. Anti-immigrant sentiments have increased amid accusations that migrants take jobs from national workers. But is this really the case?



And moreover, can we afford to ignore the role immigration plays in Europe today and the role it may need to play in the future?

Europe is facing a serious demographic challenge: our working age population is decreasing while the number of dependant old people is increasing. In the next 50 years, the EU workforce will decline by approximately 50 million. In 2010 there were 3.5 persons of working age (20-64) for every person aged 65 or over; in 2060 the ratio is expected to halve to 1.7 to 1. If we want to remain competitive and maintain our European welfare systems we need to consider all options to meet labour market challenges, including migration from outside the EU. Given the sensitivity of the issue we need to enter the debate based on facts and a long-term view.

Contrary to existing misconceptions, migrants do not damage national labour markets in terms of lowering wages or of increasing unemployment among national workers. On the contrary, migrants create relatively little direct competition with national workers, as they take jobs in sectors where nationals do not want to work or are not qualified. Migrants also contribute positively to productivity growth. For example, 30 percent of Spain's GDP growth in the last 15 years has been due to migrants settling in the country.

Of course we need to improve training and employability of our own nationals, but this alone will not be enough to fill the gaps in the labour markets. Several sectors will be affected by severe labour market shortages. For example, by 2020 there will be a shortage of about one million health professionals and another million in ancillary professions. Who will fill these jobs?

Part of the answer is that we will need to bring in workers from outside Europe. But how do we know who we will need and how they can fulfil their potential? It is clear that we need to look ahead more and make better forecasts about where shortages will occur. Moreover, we need to realise that we are not alone in this situation. Other places in the world are also facing demographic problems and are looking for talent. We cannot assume that people will want to come to Europe - we need to make the EU an attractive destination for labour migrants.

One of our tools is the new EU Blue Card Scheme, which facilitates the admission and mobility of highly educated workers. However, we also urgently need to start thinking about how to attract workers with vocational skills, because in the years to come we will not only need doctors, engineers and accountants, but also nurses, construction workers and reach truck drivers, and even people without diplomas at all.

Of course many practical questions arise: how do we recognise foreign diplomas, where will migrants live, can they bring their families, do they get access to our social security systems, how long are they allowed to stay, and so on. And we need to look at the impact on the countries migrants emigrate from. How do we prevent brain drain and under what conditions could labour migration contribute to development?

Only by gaining insight into EU labour market needs and the impact of labour migration, will we be able to come up with a sensible labour migration system.

Labour migration is a policy area where Member States have retained a lot of the power. The EU has the task of developing a common immigration policy aimed at ensuring the efficient management of migration flows, while the Member States are responsible for the numbers of non-EU nationals they admit for work. This means that this is a project that the European Union and the Member States have to take forward together. A common need should be met with a common response, that of an intelligent, EU-wide, migration policy.

Conflicting Perspectives

Migration is a highly controversial topic. When it concerns higher educated knowledge workers, there doesn't seem to be much disagreement: if employers need them, they can contract them. But when it comes to skilled and non-skilled labour, the issue becomes much more sensitive.

Below is a random selection of opinions voiced in the media in recent months.

"There is no single greater engine of mankind's development and evolution than migration. Every mobile living thing will migrate in search of a better life."
- EU citizen

"I'd like to work in Europe, but they won't let me in."
- Wannabe migrant

"The economic net gain of immigration surpasses its cost."
- Economist

"Let our unemployed first roll up their sleeves before we start importing workers from abroad."
- Politician

"A liberal admission policy for migrant workers will enlarge the income difference between low and high educated nationals and will put further pressure on the welfare state."
- EU citizen

"So long as employers offer the same salary, insurance protection and conditions that are offered in collective agreements, they are free to bring in anyone they want."
- EU minister

"Cultural and political problems do exist, but will not persist. As future generations learn the host country's culture and assimilate, they will fully integrate into the political and cultural landscape."
- EU citizen

"Immigration has benefited Europe economically, but divided its spirit."
- Immigrant

"25,000 non-Western immigrants per year with an equal number of descendants, cost Dutch society 7.2 billion euro."
- Politician

"Importing labour is by no means inevitable; it is inexpensive for employers and that's really the only reason it ever started."
- EU citizen

"Labour migration is fine if it fills actual shortages and migrants are employed on equal terms."
- Labour Union

"The challenge is to offer immigrants the right means to integrate better."
- Ambassador

"Please excuse me but I thought it was my choice via Parliament who I 'choose' to invite into my home. It seems the rules have changed and immigrants determine what happens."
- EU citizen

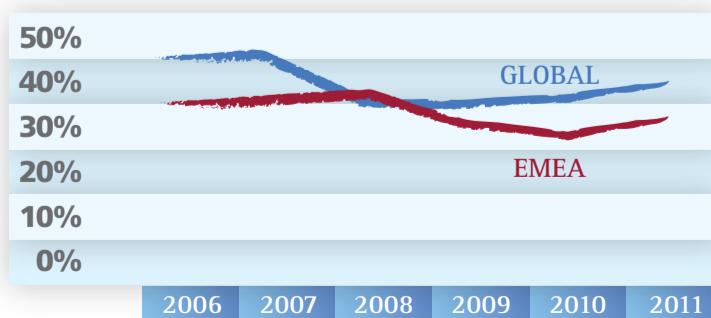
Read more on page 7 > The elephant in the room

Quest for Talent

Even though the number of jobseekers has risen worldwide in the past few years, it is still difficult for employers to find the right employees to fill vacancies.

According to the yearly Talent Shortage Survey conducted by Manpower, one in three employers worldwide (34%) experienced difficulties in filling positions due to a lack of available talent in 2011. In Europe, the Middle East and Africa (EMEA) one in four employers (26%) experienced difficulties. According to the researchers, the mismatch is qualitative: there are plenty of job seekers, but they do not meet employers' requirements.

% of employers having difficulty filling jobs due of lack of available talent



Shortages

The majority of positions that are difficult to fill include skilled workers such as trade workers, technicians and sales representatives. Only two out of ten are knowledge workers.

The 10 jobs that employers in EMEA have the most difficulty filling:

1. Skilled Trade Workers
2. Technicians
3. Engineers
4. Sales Representatives
5. Management / Executives
6. Drivers
7. Secretaries, Personal Assistants, Administrative Assistants & Office Support Staff
8. Production Operators
9. Labourers
10. Mechanics

Source: Talent Shortage Survey Manpower 2011

Pilot Circular Migration

Evidence based learning

The pilot circular migration – Blue Birds – was initiated by the Dutch Ministry of Foreign Affairs. The aim of the pilot was to research in practice if circular labour migration* migration could lead to a ‘triple win’, benefiting migrant workers and their home countries as well as employers in the host society. The pilot aimed to identify the benefits and pitfalls, constraints and risks for all parties involved.



On the 4th of July 2007, the Dutch cabinet of ministers decided to execute a small-scale pilot:

“Although circular migration is a highly topical issue in international fora on migration, there are many question marks about whether and how this concept works in practice. A pilot is intended to clarify the risks, opportunities and disadvantages in order to determine whether circular migration has added value as a new approach in development cooperation. To achieve this, agreements will be set up with the countries of origin (also with regard to return) and participating businesses. The pilot is aimed at people who already have basic vocational training and who will return to their home country after two years in order to deploy the knowledge and experience gained in the Netherlands. A minimum wage, housing and health insurance will be arranged with the companies where they will work. There are two pilots for up to one hundred circular migrants from each country.”

The Ministry of Foreign Affairs wrote out a tender and chose HIT Foundation, innovation platform for labour and migration, to execute the pilot.

Skilled migrants

The pilot took off in March 2010 and gave 160 skilled professionals from South Africa and Indonesia the opportunity to work up to two years. Participants were given the opportunity to work in a regular job that was suited to their education and experience. After two years they will have to return to their home country to deploy the knowledge and experience gained in the Netherlands. All pilot participants received a special work permit, which was enabled by a legal exemption made for this small-scale experiment. This exemption was limited to people who had already completed basic vocational training and therefore excluded both unskilled and highly skilled labourers. The Netherlands already has a knowledge workers’ scheme for the latter group. The health sector was also excluded.

Economic crisis

In the first year, several hundred employers were approached to recruit foreign staff via the pilot. Despite the economic crisis, dozens of them showed serious interest. They were interested for four main reasons:

1. Actual or future lack of qualified employees (mainly in engineering, IT, chemicals, logistics and hand labour)
2. Business development (for international temp agencies such as OTTO Work Force and Randstad)
3. Corporate Social Responsibility (University of Wageningen and Triodos Bank)
4. Current activities or expansion plans in countries of origin (Witteveen+Bos and Royal Haskoning)

Employers require flexibility

In the end only a few companies signed up because the pilot design lacked sufficient flexibility to accommodate employers’ needs. The source countries – Indonesia and South Africa – did not suit all employers. They would have preferred to

choose migrants from countries where they are already operating. For many employers, the maximum period of two years was too short to invest in a foreign employee; they would have preferred at least three years or even longer in the case of technical jobs. Many employers found the process of recruiting, selecting, housing and investing in a migrant worker rather lengthy, complex and full of insecurities. Even though they needed a welder or a software developer, they needed one today and wanted as little hassle as possible. This suggests that unless there is a pressing need, most employers won’t go out of their way to recruit overseas.

Core business

For temporary employment agencies the situation is somewhat more nuanced. They are already suppliers of many unskilled and highly skilled migrant workers and recruitment, selection, housing, visas, work permits and insurances are part of their core business. Therefore, many of the largest employment agencies were very interested in participating in the pilot. Although they could still find candidates in Europe, the pilot provided an interesting business development option. However, just like many employers, intermediaries also ran into the more general limitations of the pilot framework. In particular, the fact the health sector was excluded was seen as a missed opportunity. And the fact that the pilot did not allow intermediaries to place the migrants with different employers, turned out to be an insurmountable hurdle.

So although the pilot was meant to innovate, there was insufficient room in its design to enable ongoing adjustments based on advancing insights during the pilot.

Discontinued

In June 2011 the pilot was terminated prematurely. The goals of the new Dutch government no longer converged with the goals of the pilot. A strategy to get all of the unemployed in a job simply did not match with the pilot’s goal to learn from involving skilled labour migrants. Although the pilot was cut short, valuable lessons were learned which are presented in this newspaper.

**Circular migration was in this case interpreted as coming and returning with one return ticket in-between.*

Read more about the pilot on www.hitfoundation.eu/bluebirds

About the Labour Migrant

To learn in practice how Europe could responsibly deal with labour migration, the Dutch government set up the Pilot Circular Migration. Due to diverging views on the goals of the pilot it was ended prematurely. Despite its limited time frame, many valuable lessons were learned that could be used to design new actions for further innovation in this field. After all, migration remains a highly complex issue and one of the main challenges facing the world in the 21st century.



In this publication we present the lessons learned in the pilot, perspectives on labour migration from various stakeholders and recommendations for next steps.

Pilot Interest

During the first year of the pilot, approximately 800 companies and intermediaries based in the Netherlands were informed about the pilot scheme. Out of this group, 21 expressed serious interest in employing temporary employees through the pilot.

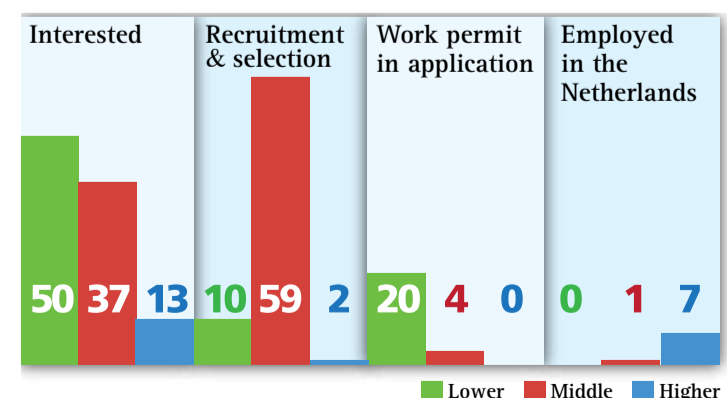
250 candidates entered the recruitment and selection process for just over 100 jobs. A match was established with 32 candidates, eight of which – two from Indonesia and six from South Africa – are currently working in the Netherlands. Work permits were requested for another 24 candidates, but were rejected for various reasons. The recruitment and selection process for 70 positions was prematurely terminated due to the premature ending of the pilot. In total employers identified more than 200 jobs that could potentially have been filled by pilot participants.

Job Types

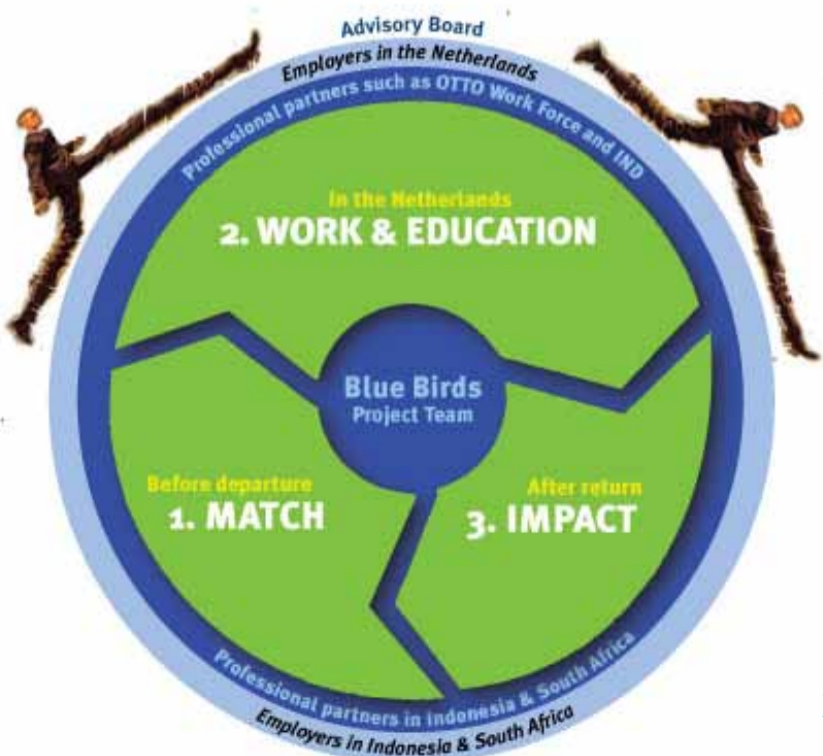
22 higher educated: engineers, consultants, test engineers and plant managers

101 middle level: graphic designers, CAD drawers, technicians, process operators, pharmaceutical logistics employees, assistant restaurant managers, hotel project managers, fitness instructors and masseurs

80 lower level: reach truck drivers



Interest by education level and stage in the job application process.



Supply & Demand They want to earn

Stakeholder perspectives

We hold many discussions on circular migration and triple win. The fact is that both can only exist if there is a need for labour in Europe. Labour migration starts with supply and demand. If there is no match between the two, there is no justification for labour migration. How do the main players – employers and employees – value labour migration?

Migrants' perspectives

More than 200 applicants in South Africa and Indonesia were interviewed for a job through the pilot. Their reasons to apply varied considerably, but they all had one thing in common: they were very eager to come and work abroad temporarily.



Hendri: "Here things are more structured"

Heru: "I want to adopt Dutch working practices in Indonesia"



Kirshen: "A company I can build a long-term career with"

Some wanted to work overseas to increase their income, send money home and ensure a better lifestyle upon return. Others wanted to grasp the opportunity to learn specific skills that were difficult or even impossible to acquire at home. Several candidates saw the pilot as a chance to grow both professionally and personally. Many specifically stated that they saw the pilot as an opportunity to give back to their communities when they return. Who are these young – and not so young – professionals and what are their reasons for wanting to work in Europe for a while?

Erasmus, a 45-year-old truck driver from South Africa is a family man – his two teenage daughters came along to the interview – and is a little afraid of being away for so long. But the pilot offered him a unique opportunity to increase his income. *"While in the Netherlands I hope to send 400 to 500 euro home each month. Upon return I think it will be easier to work for one of the larger companies because of my foreign experience."*

Reckson (35) is a conscientious, slightly timid South African. Over the past eight years, he has worked as a lab assistant, a plumber and more recently as a logistics assistant. At the time of the interview

he only had day jobs, and was earning 12 euro per day, with which he also had to support his wife and two young children. *"With a higher income I can send my children to a better school than the one I went to and I can support my wife and mother. I expect to develop myself professionally and secure a job upon return."*

Greg (29) was working as a graphic designer in South Africa. He applied for a job with a cross media production agency. Greg said: *"South Africa's animation industry is not as developed as Europe's. Lukkien is a large company with many different departments and facilities under one roof. I am interested in gaining a better understanding of how these departments work together to complete a project from start to finish."*

Heru (41) is an experienced structural engineer from Indonesia. He wants to learn how to work in an international design team and gain project management experience. *"Once back home, I'll try to find a way to adopt Dutch working methods in Indonesia, which has different conditions, natural environment, circumstances and customs."*

Kirshen (27), a junior engi-

neer from South Africa, applied for a job at Royal Haskoning. *"Royal Haskoning seemed like a good, reputable company. They have many offices internationally and they work on international projects. This is something I want to gain more experience in. It also seems like a company that I can build a long-term career with."*

Lucky (39) has more than 10 years of experience in logistics and warehousing. *"Working in the Netherlands will give me international exposure and knowledge and help me to get a better salary when I come back. With the extra earnings I can grow my own construction company and employ more people, which will help fight poverty in the community."*

Franklin (24) recently finished his Bachelor in International Hospitality Management. He is eager to learn and bring back newly acquired skills. *"The first contribution to my country will be one changed life – mine. I will be one less unemployed graduate, of which there are too many in South Africa. I will be contributing to society by doing my job in the best way I can, changing visitors' opinion of my country and even by paying taxes. Small things."*

Read more → page 6: Dutch experience

& learn

We need labour to stay competitive

Employers & Intermediaries Perspectives

Employers and labour market intermediaries in the Netherlands can't wait until the borders for temporary labour migrants open up. To them it is obvious: if we are not able to attract enough skilled workers, we are going to lose our competitive position. This will eventually lead to a loss of prosperity and welfare for everyone.

"Labour migration is desperately needed", says Frank van Gool, CEO of OTTO Work Force, the largest temporary work agency for foreign employees in Europe. OTTO employs approximately 10,000 temporary workers, mainly from East-Europe, on a daily basis. Van Gool: "Due to the aging of the population, we'll lose 1 million employees on the Dutch labour market in the years to come. The German working population is decreasing even more and faster, from 42 million to 27 million later in the next decennia. Within 10 to 15 years, we will no longer be able to attract foreign workers from Eastern Europe, so we will need to look beyond Europe."

produce brain gain." Van Gool argues that although we need to ensure that everyone in the Netherlands has a job, there will always be a small percentage of unemployed in order to have a well functioning labour market. Snellens agrees: "I often speak with people in local and provincial governments. They acknowledge that we have a problem with vacancies. But then they send me people who are long-term unemployed, without any skills or the ability to learn new things in a technical environment. That doesn't help me at all." Snellens is not alone in this. An often-heard argument from multinationals is that long-term unemployed nationals do not fit into the competitive climate these companies operate in.

ditions, why isn't there much progress? The problem is that migration has become an extremely sensitive topic. As Muntz puts it: it's the elephant in the room. "What is lacking is a good analysis of the problem. The trouble is that nobody dares, as people are afraid of a nationalist debacle. We have always had open borders and now that migration is very badly needed, we are closing them. Addressing this issue will cost you votes. Politicians know and fear this." Van Gool also argues that it is the responsibility of a democratically elected government to make choices and explain the consequences of these choices to the public. "It is a choice. If we choose not to allow migrant workers in an aging economy, welfare will decrease. Look at Japan. If PVV voters (a Dutch anti-immigration party) realized that blocking labour migration will hit their wallets, the PVV would halve."

Muntz states that there is a European Directive for Posted Workers, which in practise is mainly geared at Eastern Europeans, but is applicable to all fellow EU-workers. "We don't know exactly - at least on the European level - which rules regarding working and employment conditions are applicable to migrants from outside the EU. We need action research to find out." She also argues that, in addition to visa and work permit requirements, practical matters, such as accommodation, healthcare, social security and socialisation also need to be addressed, on a national level, by relevant social partners. "We are conducting a very strange debate in the Netherlands. If we - Philips or Randstad - temporarily send people abroad, they are not obliged to learn the language, while our government expects all immigrants to learn Dutch. Perhaps we should start calling them expats. That would hopefully change the perspective."



Next steps

So what could be the next step? Are new experiments the way forward, or are there other conceivable paths towards achieving sensible labour migration policies? Muntz again stresses the need for a thorough analysis. "A good analysis will help us to understand why, when and which type of labour migrants are needed. For a good analysis, we need all stakeholders: employers, government and, of course, we must not forget the trade unions. Their role is instrumental to achieving a broad support-base for any scheme."

Snellens is more pragmatic: "The knowledge migrant scheme is pretty good. We should expand that to include skilled workers as well. We need to return to the well-trained guest worker. In England, 20% of production workers are foreigners, so apparently they are ahead of us in that aspect. The government has to facilitate, and business should do the rest." Munz is more sceptical about simply expanding this scheme. "We have little experience with it. When we started using it, the crisis hit. In practice the scheme is used creatively. All of a sudden we saw an influx of Chinese cooks. I doubt that cooks qualify as knowledge workers? It illustrates that the government has so far only made a small hole in the wall, whereas we should be taking an integrated approach." Van Gool suggests that the way to make labour migration manageable is by making it circular. "Truly circular, so that people can come two or three times for a couple of years; but only if we need them and they want to come. Then we will have a win-win situation."



The pilot started in the midst of the economic crisis. Employers were busy surviving and were not actively preparing for potential future shortages. However, Frank Snellens, HR Director of Philips Consumer Lifestyle, indicates that jobs are on the rise in his sector. Snellens: "I'm almost forced to hire foreigners. And while the government has made adequate policies to hire knowledgeable workers, we also need well-educated production workers. The Netherlands is very attractive as a production location, but we can only sustain this if we have enough skilled employees. If Dutch companies can't find adequate staff, this will eventually lead to a loss of labour, because companies will move their production facilities abroad. If the employee doesn't come to the company, the company will go to the employee."

Annemarie Muntz, President of Eurociett (European Confederation of Private Employment Agencies) and Director of Group Public Affairs at Randstad Holding: "We already know that we need migration - not only knowledge workers, but also lower skilled workers, such as caretakers, cleaners and logistical workers. It won't take long before the water spills over the dike. Now we still have time to prepare."

Sensible policies?

So if the Netherlands will need labour migrants sooner or later, how can we organise this sensibly?

Van Gool: "We need to look at shortages in the Netherlands and surpluses elsewhere. Look at which nationalities will fit in here, because of know-how, culture, language skills and previous experience, such as Philippine and Vietnamese. You must also guard against brain drain. Making migration circular, however, may



Finally a migration policy is only sensible if there is transparent information and strict enforcement and monitoring. The temp agencies themselves are very much in favour of this. Van Gool: "We need to put demands on the intermediaries who are going to do this, via certification or licensing to combat exploitation." Minister Kamp (Social Affairs) has made a first step towards this. In September 2011, he announced a bill that requires all temp agencies to register with the Chamber of Commerce. Agencies that do not register risk a fine of up to €36,000 per employee or even a penalty that would put them temporarily out of business.

The elephant in the room

If we need labour migrants and more or less agree on the con-



Tshifhiwa: "I will definitely return home"



Augustine: "You grow as a person"

Dutch Experience



Thanda: "I can go anywhere after this"

Six South Africans and two Indonesians currently work and live in the Netherlands under the pilot. How are they coping with the cultural differences, what are they learning and where do they see their future?

Thanda (32) has a university degree in mechanical engineering. His family didn't want him to leave and asked him over and over again why he had to go so far away. Thanda himself is not having any trouble adapting. "I am happy and I like my work. It is challenging and I am learning many new things. Engineering is the same everywhere; you're applying the same principles and following the same standards. So I can go anywhere after this. Back home it would take me 10 years or more to get where I can be after two years in the Netherlands."

Augustine (26) is an outgoing process engineer from Johannesburg. He has already met

a lot of people of all nationalities in the Netherlands. "I want to gain experience, not just in terms of technical abilities. I expect a lot of myself, but the environment and situation can make it easier or more difficult to achieve. Here, you can experience a different culture and a different way of working. You build a bigger network. It really broadens your mind and you grow as a person."

Hendri (27) is a modest and cheerful civil engineering designer from Indonesia. He is working for Witteveen+Bos in Deventer, whom he already knew through a local partner in Jakarta. "The way projects are managed here is different than in Indonesia where a project has to be finished as soon as possible. Here things are more structured; every step is monitored, mistakes are discovered quickly and it is possible to fix them."

Gareth (27) is an environmental scientist from Randburg, South Africa, who worked previously as a researcher, a teacher and a consultant in the mining industry. In

the Netherlands he is working as a process facilitator at Wageningen University. "The type of work we do here at the university is quite new. In South Africa we're still trying to satisfy a shortage in the technical professions. Linking them is quite new. This knowledge is in great demand, as is applying the multi-stakeholder approach in the private sector."

Tshifhiwa (27), an instrumentation engineer from South Africa, has been in the Netherlands for 6 months now: "When I got here I was a bit lonely. Now I've met people at the gym and by going out. Last week I went to Luxembourg with this girl that I met. We also went to an African festival in The Hague. I meet people from everywhere, of all nationalities, but mostly it's African people. My parents and brothers don't think I'll come home. I might stay on a bit longer if I can, but I will definitely return home."

*All quotes are from real people. Some names have been changed for reasons of privacy.

Only if necessary and only under strict conditions A Union's Perspective

Trade Unions play a pivotal role in protecting workers' rights. How does FNV, the largest Dutch trade union, look at labour migration? A talk with Lucia van Westerlaak, senior policy advisor with FNV and member of the Advisory Board of the Pilot Circular Migration.

Van Westerlaak is rather sceptical about all the forecasts about future shortages on the labour market: "All these predictions are saying that demand for labour will increase again. But predictions often don't come true due to developments that cannot be foreseen. It is too early to simply say that we just have to open up our migration policies. We should not base our actions today on developments that might never occur. However, if it turns out to be true that a shrinking labour population will cause problems in the future, we will need to re-examine the regulations. Controlled experiments are a good way of preparing for the future."

FNV has three clear conditions that sensible labour migration policies should meet:

1. Only targeted recruitment in sectors with shortages in the Netherlands and of migrants whose brains or hands are not needed in their own countries.
2. No unfair competition, meaning no crowding out of Dutch employees.
3. Equal employment conditions to prevent the exploitation of migrants and to ensure that labour conditions for national workers aren't put under pressure.

Van Westerlaak: "Throughout the pilot, we at FNV have come to realise that it is difficult to work on migration policies when the current debate on migration is so heated. It is time to free the debate of its emotions. That is my message to the politicians. If we want to talk about migration in more rational terms at some point - assuming that people who come to work here will eventually want to stay - we will need to conduct the debate on the basis of facts. This responsibility lies with the government in The Hague."

The debate needs to be stripped of its emotions

I believe that controlled experiments are an excellent way to make progress. However, this is practically impossible in the current social climate. It is only when you can demonstrate that things are going wrong in specific sectors that you might be able to force a breakthrough. We keep talking about future expectations, but it is much better if you can show actual shortages. For example in healthcare, there are often skilled mid-level jobs that can't be outsourced. Hard data is more helpful than warnings of something that may or may not be relevant in 20 years' time."

Can we make migration temporary - or even circular?

Sheena McLoughlin, Policy Analyst, European Policy Centre (EPC), and Coordinator of the EPC's 2010 Task Force on Temporary and Circular Migration

Increased labour immigration is one of the policy options available to governments looking to fill the gaps in the European labour market. It may also provide an additional source of funding to pay for the public services required by ageing societies. However, a substantial increase in the number of immigrants encounters resistance of electorates. And many of today's new immigrants may eventually become ageing EU citizens themselves.

This may explain a renewed interest in the potential of temporary and circular migration policies: policies that permit the entry of third-country nationals for work purposes for a limited period only, with perhaps some degree of back-and-forth movement (circularity). This way European economies

could benefit from migrant labour and social contributions while minimising the societal impacts.

This sounds like utopia for Europe and even for migrants. However, the temporary and circular migration debate has re-awakened memories of the guest workers who came here after the war. They were also meant to return to their home countries eventually, but many of them stayed.

Avoiding errors of the past

To investigate whether temporary and circular migrants could be part of the solution to sustaining Europe's economic and social models, the European Policy Centre (EPC) set up a Task Force on Temporary and Circular Migration. Chaired by Rainer Münz, Head of Research and Development at Erste Bank, the task force brought together a range of experts and stakeholders from different backgrounds in a series of workshops in 2010.

An important issue that emerged from the discourse is how to accommodate migrants who only stay for a short period. They bring a whole new set of integration challenges, very different from the ones

concerning immigrants and their families who become permanent members of society. Temporary stay requires specific targeted policies and provisions to address the impact on public services, perhaps in cooperation with local authorities and city councils.

Recommendations

Based on the discussions, the EPC makes a number of recommendations mainly concerning low-skilled seasonal and non-seasonal work.

1. **Attract on basis of labour market needs:** temporary and circular migrants should not be encouraged into seasonal sectors with ample supply of labour (i.e. seasonal construction), but rather into sectors that have shortages even during economic downturns such as harvesting and hospitality. Temporary migrants could also be considered for non-seasonal sectors with fluctuating demands such as manufacturing, services, construction, agriculture and food processing, hospitality, domestic and care work. However, getting the long-term unemployed back into employment is equally important and should not

be sidelined by new sources of migrant labour.

2. **Prevent exploitation:** Last year's EC proposal for a Directive on common EU entry and residence conditions for third-country national seasonal workers contains some positive features to prevent exploitation:
 - a. The necessity for a work contract to specify a salary before being granted an entry permit;
 - b. The possibility for migrants to change employers within the overall time limit for stay;
 - c. An obligation for employers to ensure appropriate accommodation;
 - d. A provision for receiving and handling complaints.

However, policymakers should be aware of the danger of creating two-tier rights systems, given the probable political reluctance to grant seasonal migrant workers access to acquired rights such as unemployment or other social welfare benefits. A robust regulatory framework that concerns non-seasonal workers would also help prevent the risk of exploitation by less-than-reputable temporary work agencies. This framework would include: meas-

ures to prevent agencies from charging extortionate fees for 'assisting' migrants in settling into the new environment and practical information tools on the rights and duties of migrants.

3. **Ensure return:** Formulate effective mechanisms to ensure the return of seasonal and non-seasonal workers. Migrant workers should be given incentives to leave at the end of their contracts, such as multi-entry work visas, compulsory savings schemes, portability of acquired benefits (if applicable) or refunds of social security contributions. Temporary work agencies could work side by side with governments in public-private partnerships, to facilitate job placements and skills recognition for returning migrants.

The full report can be found in the EPC Working Paper No. 35 (March 2011) published on www.epc.eu.

The European Policy Centre is an independent, not-for-profit think tank on EU affairs. It aims to promote a balanced dialogue between the different constituencies of its membership, spanning all aspects of economic and social life.

The Elephant in the Room

Major tensions obstructing the development of sensible labour migration policies

The EU cannot create sensible labour migration policies on its own. Member States should take the lead, as they are responsible for the number of non-EU nationals they admit for work. But this is exactly where the tension lies. Placed under pressure by nationalistic sentiments, individual member states seem to be afraid of tackling the issues that need to be addressed if Europe is to take advantage of skilled labour from overseas.

Below are some of the major tensions that are hindering the development of sensible labour migration policies.

1. Social cohesion

Migrants are expected to adapt to the host society, embrace national values and refrain from too much display of religious beliefs. At the same time, they are not supposed to integrate, because in temporary or circular programmes they are not allowed to stay forever. Migrants want to participate, but they also want to maintain their identity; this gives rise to a struggle between inclusion and exclusion.

The question is: Do we expect temporary migrants to fully integrate into our societies; in other words 'walk like us and talk like us'? Or

are we prepared to treat them just like expats; temporary visitors who should obviously respect our local cultures and beliefs, but who do not need to give up their own cultural values and beliefs and who could even enrich the host society?

2. Flexibility

Host countries want a minimum of flexibility to maximize control over cross-border labour movements. They try to minimise risks through elaborate procedures, administrative requirements, exclusion and restricting the length of time that migrants can stay. Employers, on the other hand, need flexible systems that support their business strategies, and efficient mechanisms that support the balance of supply & demand and allow for the flexible hiring and firing of staff.

The question is: Can we think of a system that provides maximum control over the number of migrants that can come and over the time they can stay, while meeting the flexibility needed by employers?

3. Exploitation

There are still too many employers and intermediaries that exploit migrant workers purely for their own financial benefit. And they get away with it. Governments condemn exploitation but allow it to happen. This has an extremely detrimental effect on social cohesion. At the same time, many migrants are fortune seekers, looking for a better life. They accept exploitation as a necessary evil.

The question is: Is it impossible to enforce legislation in this area, or is it just a lack of priorities? If so, what is needed to prevent unscrupulous people from taking advantage of an imperfect system? And what can be done to help migrants to combat exploitation?

4. Social Security

Migrants are to be excluded from social security systems to keep these systems maintainable. Too many migrants see social security as a way of life.



The question is: can we imagine a fair system, that allows temporary migrant workers to bring home pension and other social savings they have earned, while at the same time, preventing freeloaders from exploiting and thereby eroding these benefits for national employees?

5. Brain Drain or Gain

Most governments in host countries are officially against brain drain, but most schemes do exactly that by attracting higher educated migrants. As a result, gov-

ernments in developing countries are requesting compensation for their loss, albeit temporary, of knowledgeable labour.

The question is: can we manage migration in such a way that we don't drain sending countries of workers they need themselves? And might temporary brain drain be compensated by a positive impact on development, because temporary migrants will send back remittances and eventually return home with improved knowledge and skills?

Does migration benefit development?

Lecture by Hein de Haas, Senior Research Fellow at the University of Oxford

In 2008 the Dutch government linked migration to the development agenda under the assumption that migration may provide a new approach to development cooperation. Professor Hein de Haas is sceptical about the forced link between the two.

During a presentation organised by the Society for International Development (SID) in May 2011, he argued that development is the responsibility of states, not of migrants. At the same time he emphasized the positive impact that migration can have on alleviating poverty for both individuals and their immediate surroundings.

De Haas has done extensive research on the impact of migration on development. Over time he has seen the debate shift from 'deep fears' to 'high hopes'. It has moved from concerns about brain drain seriously undermining local development, to almost naïve optimism about development potential through knowledge transfer and, more recently, through remittances. According to De Haas, the issue is more complex than just brain gain and brain drain. Individual migrants can only ever have a limited impact on the development of his or her country. "I am also a migrant in the UK, but I have never been asked to contribute to the development of my country of origin, the Netherlands. Therefore, we should be cautious about asking migrants from developing countries to carry that burden."



Remittances allow people in developing countries to improve their standard of living.

Migration can increase the ability of migrants and their families to invest

This is not to say that migrants cannot contribute. On the contrary, research shows that migration, if successful, increases the ability of migrants and their families to invest. Their earnings are consumed locally and are often used to improve the standard of living, thus boosting regional development. In the short term, however, migration is likely to increase inequality. De Haas also notes that obstacles to migration do not necessarily stop migrants from coming. On the contrary, increasing restrictions have pushed migrants into more permanent settlements. He too is a fervent advocate of circular migration.

So far, governments have instituted "targeted" policies to realise the development potential of migration, such as the facilitation of remittances and the formulation of policies to engage migrants in development processes. De Haas believes that these policies are only capable of producing a marginal impact. More general economic and political policies to create favourable development conditions, along with less restrictive entry requirements for lower skilled migrants, would have a much greater effect. He advocates the creation of adequate mechanisms for labour migration, not only for so-called knowledge migrants, but also for lower and medium skilled labour. "These are the people who will be needed in Europe in the years to come."

Round Tables

In the autumn of 2011, HIT Foundation, acting in collaboration with the International Centre for Migration Policy Development (ICMPD), gathered two groups of stakeholders together to discuss their views on how to bring about sensible labour migration policies.



The main conclusions expressed during the dialogues:

DUTCH EMPLOYERS

1. Demand can and should be the main priority.
2. It is necessary to create clear, but flexible conditions.
3. Involve professional intermediaries and do not accept exploitation.
4. Support is crucial: remove the emotion from the debate and get the facts on the table.
5. Learn in practice from successes in other countries via targeted policy changes and through controlled experiments.

Participants: Frank van Gool (OTTO Workforce), Karoline Moors (Manpower Borderless Talent Solutions), Evert Hondema (Randstad Cross Border Staffing), Erik van Leeuwen (International Recruitment Creyfs / USG People), Walter Lammers (Xelvin), Stef van Bladel (T&S Group), Remco Doensen (Interfind Recruitment), Piet Luijckx (Royal Haskoning), Huub Luyten (Academisch Ziekenhuis Maastricht), Veronique Oonk (Intelligence Group), Wil Houben (KvK Limburg).

Facilitators: HIT Foundation

EU POLICY MAKERS & ACADEMICS

1. We are at the threshold of a change that will occur within the next three years. This requires a pragmatic approach.
2. The issue is shifting from justice to employment.
3. Labour policy comes first and is demand-driven; development is secondary.
4. A European-wide debate including all stakeholders is necessary to identify needs and legitimise changes.
5. Only small practical steps are feasible for as long as social tensions exist.

Participants: Jean-Louis de Brouwer (DG Employment, European Commission), Sara Monterisi (DG Devco, European Commission), Judith Sargentini (European Parliament), Ronald Skeldon (Sussex University), Asa Carlander (Swedish PR), Adri Zagers (IOM NL), Philip DeBruycker (Universite Libre de Bruxelles), Anna Platonova (IOM Brussels).

Facilitators: ICMPD and HIT Foundation

Read the full minutes at www.hitfoundation.eu/bluebirds

10 guidelines for new experiments

Experiments can be a valuable instrument to help develop sensible labour migration policies. Based on the lessons learned in the Pilot Circular Migration, we advise that new experiments:

1. Start with supply and demand on the labour market and are tailored to the needs of employers and employees;
2. Are executed in several EU-countries under more or less the same conditions;
3. Include low and medium-skilled workers in all sectors;
4. Allow for recruitment in a broad range of non EU-countries;
5. Are designed in conjunction with employers, intermediaries and labour unions;
6. Are co-executed by a limited number of reliable intermediaries that receive exclusive rights to obtain work permits;
7. Set a quota of available work permits for labour migrants;
8. Allow migrants to obtain flexible contracts with multiple employers via one intermediary;
9. Include extra control mechanisms to combat exploitation;
10. Are carefully monitored and evaluated to achieve maximum learning.

Pilot Lessons

Even though the pilot was terminated prematurely, valuable insights were acquired that should be taken into account when considering new steps towards designing sensible labour migration policies. Although some of these lessons might be typical for the Dutch situation, others are applicable to policy innovation anywhere in Europe.

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 in the “migration & development discussion” is creating sensible labour migration policies that have the potential to lead to development, instead of development policies that lead to labour migration;
- All stakeholders – employers, countries of destination, migrant workers and countries of origin – have divergent and often conflicting perspectives on what a ‘sensible’ labour migration policy is;
- Stakeholders have different needs; they perceive different risks and value potential risks

differently;

- This conflict of interests leads to a standoff situation in which advancements in labour migration policy are blocked.

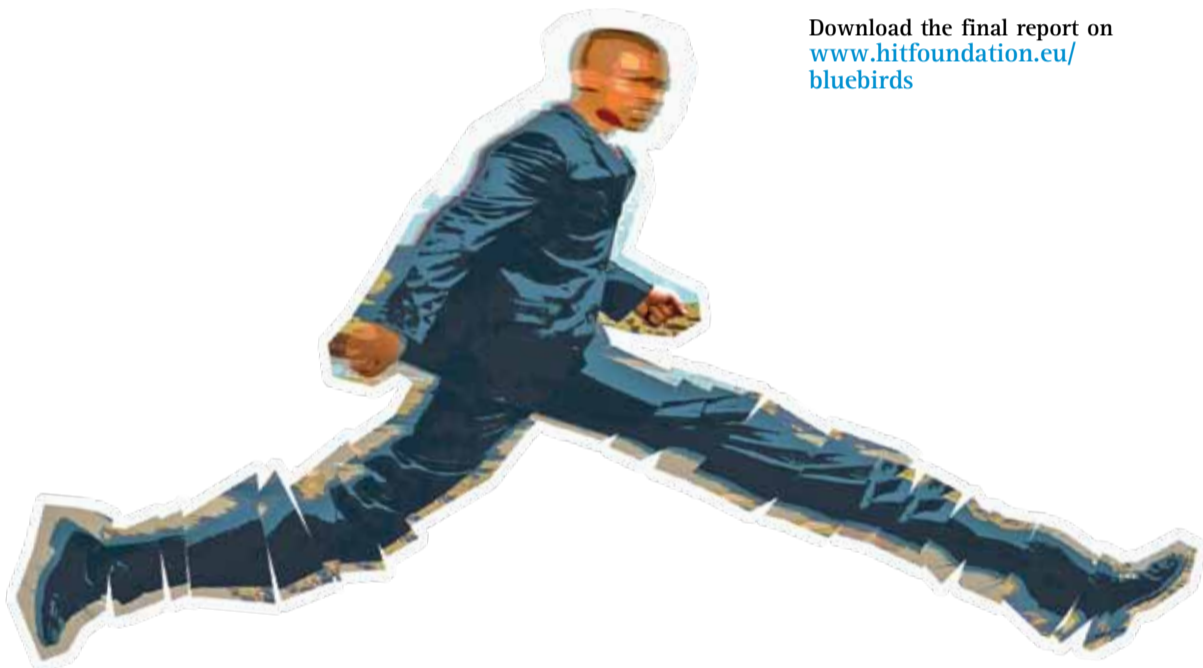
Innovation practice

- 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 the expertise and time for matchmaking within a complex international environment. Companies expect government to create a

framework that suits recruitment agencies in order to fulfil their needs.

- Recruitment intermediaries need to be actively involved in initiating and executing innovative pilots on labour migration. Employment is their core business;
- An innovative pilot should be flexible and allowed to develop in practice. New insights during the pilot should lead to the adoption of a framework and approach 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.

Download the final report on www.hitfoundation.eu/bluebirds



Next Steps

Towards sensible labour migration policies

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 enable us to explore the most favourable conditions in practice and to avoid repeating the mistakes of the past.

Basically there are three options for policy renewal:

- 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 through a theoretical debate only.
- 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.
- Practical experiments:** 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. Risks are limited in terms of people, money and the timeframe involved. All stakeholders can be part of a decision-making process that will steer towards shared insights and solutions.

About the Labour Migrant

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