

Chapter 2

Circular Migration: Triple Win, or a New Label for Temporary Migration?

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2.1 Introduction

The term ‘circular migration’ has become fashionable in migration policy circles. The Global Commission on International Migration (GCIM) in 2005 concluded that ‘the old paradigm of permanent migrant settlement is progressively giving way to temporary and circular migration’ (GCIM 2005, p. 31). In the same year, the International Organization for Migration argued in its World Migration Report that circular migration would bring benefits to developing countries (IOM 2005). The debate was further stimulated through the European Commission’s 2007 Communication on Circular Migration and Mobility Partnerships (European Commission 2007) and debates at the annual Global Forum on Migration and Development (*see* various chapters of Betts (2011)).

It is very hard to define circular migration (*see* below for more discussion), but it is generally taken to mean ‘repeated migration experiences involving more than one emigration and return’ (Wickramasekara 2011, p. 9). In other words, it denotes a situation in which migrants are able to move between an origin country and one or more destination countries repeatedly, for stays of varying duration. Circular migration is frequently characterized in policy documents as a ‘triple win’:

It offers destination countries a steady supply of needed workers in both skilled and unskilled occupations, without the requirements of long-term integration. Countries of origin can benefit from the inflow of remittances while migrants are abroad and skills upon return. The migrants are also thought to gain much, as the expansion of circular migration programs increases the opportunities for safer, legal migration from the developing world (Agunias and Newland 2007, p. 1).

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Agunias and Newland (2007, pp. 1–2) also argue that circular migration is appealing because many migrants do want to return to their countries of origin after a period of working abroad.

Critics of current policies on circular migration, on the other hand, argue that the supposed benefits to origin countries and migrants are often not achieved. Such critics see circular migration as attractive to destination country governments, because it allows them to overcome public hostility against the recruitment of migrant labor through the claim that migrants will not settle and that they will not bring about social and cultural changes. In other words, it reflects the desire of destination countries to ‘bring in labour but not people’ (Wickramasekara 2011, pp. 85–86), similar to the intentions of past ‘guestworker policies’ (Castles 2006). If this is the case, then circular migration might be seen simply as a new label for temporary migration, especially for lower-skilled workers. This can be a way of recruiting labor to meet employer demands, while restricting worker rights and entitlements, and thus reducing both the social and political costs of migration.

In this article, we will discuss the various understandings and policy models of circular migration, particularly with regard to different skill categories. We will provide brief case studies of some national approaches, and discuss the extent to which worker and human rights are affected by circular migration policies. We will come back to the question of ‘triple win or new label for temporary migration?’ by discussing evidence on the development impacts of circular migration and the effects for workers, their families and communities, as well as examining which groups might benefit in destination countries. We will argue that migration policies are bound to fail if they do not consider the social dynamics and the human side of migration.

2.2 Conceptualizing Circular Migration

There is no generally agreed definition of circular migration. Governments, international organizations, academics, NGOs and trade unions focus on different aspects of circular migration, and therefore use different definitions. For example, Vertovec (2007, p. 2) argues that the shift to circular migration has come through ‘a rather sudden realisation that remittances, the transnational flows of money earned by migrants abroad, have become a major global economic resource.’ Hence, he claims that international organizations and governments look for ways to help migrants to invest in hometown associations and to ‘tap’ diasporas for various purposes (mainly through philanthropy, entrepreneurship or political lobbying)’ (Vertovec 2007, p. 3).

This official approach is based on a neoclassical understanding of migration theory, which considers migrants as financial assets rather than as social beings. Neoclassical macroeconomic approaches, developed initially by Lewis (1954), Ranis and Fei (1961) and Harris and Todaro (1970), suggest that migration occurs because of differentials between areas in economic needs and wages. Microeconomic, neoclassical theories, developed by Sjaastad (1962), Todaro (1969) and Borjas (1989) assume that migrants take their decisions rationally by calculating the costs

and benefits of moving between two countries. Similarly, present advocates of circular migration assume that origin and destination countries would develop such programs because of their economic needs and that individuals would participate based on their rational calculations.

On the other hand, Skeldon (2012, pp. 44–45) points out that there has been considerable research going back many years on circular internal migration, that is, regular, short-term movement back and forth between villages and towns. He goes on to argue that the extension of such internal migration models to international migration is linked to newer ideas on transnationalism and the importance of social networks for shaping patterns of movement and residence. Examples of such circular international migration can be found in the long-standing ‘sojourner behaviour’ associated with Chinese migration, as well as more recently in the ‘shuttle migration’ from Eastern Europe to the West following the collapse of communism (Skeldon 2012, p. 46). Such movements mostly take place in areas where free movement across international borders is allowed. Examples include the European Union’s Schengen zone and the Trans-Tasman agreement, which allows free movement between Australia and New Zealand (Skeldon 2012, p. 47).

The key point here is that such forms of circular migration are based on the freedom of individuals and groups to decide about their own cross-border movements. Many current models of migration management are precisely about constraining such freedom through limitations on who may migrate, restrictions on length of stay, denial of such labor rights as medical insurance or choice of employers and occupations, and enforced return to the origin country after a certain period. Skeldon states that ‘It is a contradiction in terms to speak of managing circular migration, as the very fact of managing the process will turn circular migration into temporary programs of migration’ (Skeldon 2012, p. 53). Cassarino (2013) labels this as ‘securitised temporariness’:

Circular migration programmes do not only build upon past practices designed to regulate the movement of international migrants; they also react against such inherited practices in a subtle manner by linking the adoption of temporary and circular migration programmes with new security-driven safeguards. (Cassarino 2013, p. 23)

Most present models are based on the neoclassical model and involve movements of migrant workers to immigration countries for limited periods of time. Migrant workers may include low-skilled workers, trainees and people with middle-level trade skills or highly skilled professionals. Usually, such workers get residence and work permits that only allow them to stay for a certain period, sometimes with the possibility of renewal. Such arrangements can include seasonal work permits limited to a certain number of months, as well as longer-term permits for a certain number of years. The GCIM stated that ‘each year, for example, some two million Asian workers leave their own countries to work under short-term employment contracts, both within and outside the region’ (GCIM 2005). Clearly, in such models circular and temporary migration programs are seen as more or less identical.

The European Commission (EC) defines circular migration ‘as a form of migration that is managed in a way allowing some degree of legal mobility back and forth between two countries’ (European Commission 2007, p. 10). The two most relevant

forms of circular migration for the EU are seen as those concerning migration of third-country nationals settled in the EU (i.e., not citizens of an EU member state) and circular migration of persons residing in a third country. The former can be seen as a way of facilitating the temporary return of diaspora members (often highly-skilled persons) for business, professional and voluntary work or other activities. The latter category is about providing opportunities for people to come to the EU temporarily for work, study, training or a combination of these on the condition that they return home after a certain period. 'Ensuring effective return' is a key aspect of the EC Communication and circular migration is closely linked with 'mobility partnerships,' which are designed to 'better manage migration flows, and in particular to fight illegal migration' (European Commission 2007, p. 4).

Typically, official migration policies in general and circular migration policies in particular differentiate between workers according to their 'human capital,' in other words, their education and skill levels. Nearly all destination states—not just the older industrial states of the West, but also newer industrial countries in Asia and elsewhere—have set up schemes to encourage the entry of the highly-skilled, such as IT professionals, managers and medical practitioners. It is generally easy for such persons to get residence permits (both temporary and permanent), which are often linked to preferential treatment with regard to family entry and other privileges. This category of workers is the one most likely to take on the characteristics of circular migrants, moving frequently between origin and multiple destination countries—yet paradoxically, destination country governments often want to encourage the highly-skilled to remain permanently.

Lower-skilled workers, by contrast, generally experience highly restrictive conditions, with limitations on duration of stay and the right to change jobs, as well as a frequent prohibition on bringing in dependents. Circular migration schemes are often of a seasonal nature, or are restricted to certain industries with labor shortages, such as hospitality, construction and agriculture. Such schemes often contain enforcement provisions to ensure timely departure, such as bonds or forced savings repayable only in the country of origin, or even deportation in the event of overstaying the limited duration of entry permit. Clearly supply and demand are crucial factors in these differential schemes: there are shortages of highly-skilled workers so they get favorable conditions, while lower-skilled workers are seen as plentiful and are therefore easily replaceable. Some governments may decide to forbid lower-skilled migration altogether, while turning a blind eye to irregular migration. This brings advantages for politicians, who can chime into populist anti-immigration discourses, as well as for more marginal employers, who may prefer irregular workers because they lack rights and can readily be exploited (Castles et al. 2012). Such a perspective based on purely economic benefits ignores the universal human rights of migrants.

In response to the neoclassical theory, the 'new economics of labour migration' (NELM) (Stark 1991; Taylor 1999) has stressed that wage differentials between two countries are not the only factor in migrants' decisions. Researchers using the NELM approach have also shown that many migration decisions are made not by individuals but by families, who see work in a city or another country as a way of

diversifying resources and minimizing risk. The majority of present circular migration programs do not take into account this social and human dimension of migration. Indeed, migration is not only an economic process, but also a social one affecting both migrants and their family members at various levels. Present programs often presume that individuals take their decisions alone and only for economic benefits. However, ignoring the fact that migrants are tied to their families and their surroundings may result in the false understanding that led to the failure of past ‘guestworker’ programs.

2.3 Overview of Temporary and Circular Migration Schemes

Between the end of the Second World War and the early 1970s, all the fast-growing industrial economies of Western Europe imported labor, especially for lower-skilled jobs in manufacturing, construction and the services. In some cases (UK, Netherlands, France), many of the workers were from former colonies and were entitled to settle permanently. Other migrants entered spontaneously and were regularized once they had jobs. For instance, in France, over 80% of migrants entered in this way in the late 1960s (Castles and Kosack 1973, p. 34). But in addition to these unmanaged flows, all the Western European countries at one time or another experimented with the systematic recruitment of temporary migrant workers. The UK, France, Switzerland and Belgium pioneered labor recruitment in Southern Europe as early as the 1940s, while Germany, Austria and the Netherlands followed. One of the strategies used was seasonal recruitment, especially for agriculture, construction and catering.

For example, Switzerland had 149,000 seasonal workers in 1969. These had permits to enter for less than 1 year, but with an option to re-apply in subsequent years. Later, a rule was introduced that allowed seasonal workers to convert to Annual Permits after 5 years. Those on Annual Permits (the largest category of foreign workers) were also allowed to bring in dependents after 3 years and to change to long-term permits after 10 years (Castles and Kosack 1973, pp. 36–39). These concessions—introduced due to competition for scarce labor in the late 1960s and early 1970s—inadvertently led to permanent settlement later on. This experience demonstrates how circular migration (in this case, repeated seasonal employment) can lead to temporary migration (annual permits) and then on to settlement. The German example (*see* Box 2.1) reinforces this lesson.

Box 2.1: Germany

As a latecomer, the German Federal Republic was able to learn from experiences elsewhere. Its system for recruiting guestworkers was based on a high

degree of state involvement, as well as bilateral agreements with countries of origin. The idea was to provide a 'mobile labor potential' (as German employers put it), by recruiting workers for a limited period, restricting their labor market and residence rights and minimizing family reunion. The approach was known as 'rotation': the labor reserves of Southern Europe, Turkey and Northern Africa could provide a constant flow of workers, but few would settle permanently, so there would be no significant social or cultural consequences for the receiving country. Moreover, temporary workers were expected to accept relatively poor wages and conditions, to make few demands on social infrastructure and to avoid getting involved in labor struggles. Germany was trying to import labor but not people (Castles and Kosack 1973, pp. 39–43).

The German guestworker scheme, like others, failed to achieve its aims. Most migrant workers came with the intention of staying only a few years. Indeed, many did return home after a period, but others stayed on longer and were able to bring in dependents or to start new families. In addition, they gained longer-term residence rights, as well as entitlements under Germany's work-based welfare systems. Certain workplaces were labeled as 'guestworker jobs', and German employers became dependent on foreign labor. When German authorities decided to suspend recruitment at the time of the 1973 'oil crisis', they found that many migrant workers stayed on, and that processes of family reunion, settlement and formation of ethnic minorities had become unstoppable.

Yet in the 1990s, Germany once again introduced temporary migrant worker programs. A combination of demographic ageing and high demand for labor in certain sectors made the import of workers essential, albeit on a smaller scale and under even stricter conditions than before. By the late 1990s, a range of programs were leading to the temporary employment of around 350,000 foreigners a year (Martin 2004, p. 239). The largest was the seasonal worker program set up in 1991, which provided for bilateral agreements with Central and Eastern European countries to admit workers for up to 3 months in agriculture, building or catering. Another program was for foreign 'contract workers', employed by firms in their home country, who came to work in Germany for up to 2 years on specific projects, usually in the building sector. The workers remained employees of the foreign firms and were often paid far less than German wage rates. Other smaller programs covered cross-border commuters from the Czech Republic and Poland, and short-term recruitment of nurses from former Yugoslavia and Asian countries (Castles 2006). Irregular employment of Polish builders or domestic workers, for example, became widespread.

Temporary programs declined in significance after the accession of many Central and Eastern European countries to the EU in 2004 and 2007, while many irregular workers were legalized. Germany, like most other EU states (except the UK, Ireland and Sweden) introduced an initial delay in free move-

ment from these countries, but this period has now passed. In any case, the global economic crisis (GEC) from 2008 led to an increase in migrant unemployment, but also (and unexpectedly) to an increase in migrant employment concentrated in sectors mainly providing jobs for women, such as aged care, domestic service and cleaning (OECD 2012, pp. 61–68). German policies now focus mainly on attracting highly-skilled workers, such as engineers and doctors, and on implementing the EU’s Blue Card Directive to attract highly-qualified persons from outside the European Economic Area (OECD 2012, p. 232).

Like present circular migration schemes, the guestworker system was based on the ‘rotation principle,’ whereby workers were to work for a limited time, and then return to their countries. This system, however, did not work due to several reasons. First, employers were frustrated that the workers they trained had to leave after a certain period of time and argued for the need to retain them. A second reason was connected with migrants’ life cycle. Migrants were generally fairly young when they first arrived and initially intended to return home after a period. But once they built social networks, established their families and had children who went to destination-country schools, it became much harder to leave. Third, the situation in sending countries—especially less-developed ones like Turkey and Morocco at that time—offered few opportunities for returning migrants. Lastly, it was very difficult for liberal, democratic countries to deport migrants who had not committed any offence. Like many other migration policies (Castles 2004), the guestworker system failed and created unintended consequences such as ethnic concentrations and the need for high expenditure on infrastructure and integration.

The guestworker era of the 1960s and early 1970s gave way to new ‘zero immigration policies’ on the part of many European governments. However, by the 1990s, these were proving hard to sustain, in view of demographic factors (decline in fertility rates and increasing numbers of people over working age), social factors (improving education for young nationals and their reluctance to take on low-skilled jobs) and economic factors (strong demand for skilled workers in some sectors, growth of service industry jobs, and demand for female migrant workers in areas such as domestic work, aged care work and cleaning). In Southern European countries, the main approach was to tacitly permit irregular migration from Eastern Europe, North Africa and Asia, with periodic amnesties or legalization campaigns. Northwestern European countries like the UK, Germany and France also experienced increased irregular migration, but generally preferred regular migration. In both Southern and Northwestern Europe, a series of temporary migration schemes were introduced. However, it is often hard to differentiate between temporary and circular migration schemes—especially as the term ‘circular migration’ has only come into widespread official use since 2007, most importantly through the EC’s 2007 Communication on Circular Migration and Mobility Partnerships (European Commission 2007).

Box 2.2: Spain

Prior to the major recession that started in 2008, Spain recruited large numbers of foreign workers. Spanish legislation favored circulation of migrants. Departed temporary workers had to register with the Spanish consulates or embassies within 1 month after their return to origin countries. After this, they were permitted to participate in the temporary program again without going through the original selection process (Newland et al. 2008). Those who had participated in seasonal programs for 2 years (4 years before the Organic Law 2/2009), had obeyed the rules and returned to their countries after each program, could also acquire easier access to permanent residency (European Migration Network 2010, p. 33).

Seasonal workers entered Spain under the general program for foreign workers, *Contingente de Trabajadores Extranjeros*, which allowed them to stay up to 9 months in a year. Temporary migrant workers did not have the right to free circulation within the European Union. The establishment of national quotas (*contingentes*) was a multi-level process in Spain including employers, trade unions and regional authorities (Carrera and Faure-Atger 2010). Each year, the *contingentes* were decided according to provincial and sectoral needs, and were approved by the national government at the last stage.

Spain signed bilateral partnerships with Morocco, Colombia and Romania. The Integrated Management Programme for Seasonal Immigration between Morocco and the Province of Huelva aimed at attracting workers from Morocco to work in strawberry and citrus fruit cultivation in Cartaya, Spain. The program was highly criticized by human rights organizations due its worker selection process. Initially, migrants' rates of return to their origin countries were very low: in 2005 only five percent of the 1200 participants returned home. The selection process was then changed: only women aged less than 40 who had children were accepted. Workers were not allowed to bring their children or other family members. In 2007, 85% of the 4563 workers returned voluntarily (Newland et al. 2008, p. 8). The program established employment centers in Casablanca, Kenitra and Nador to provide information to workers about the application process, work and life conditions in Spain, as well as courses in the Spanish language.

The Temporary and Circular Labour Migration (TCLM) plan between Spain and Colombia was implemented with the support of the IOM. Information distributed by the Program emphasized the dangers of irregular migration and the advantages of return. The plan was based on initiatives by the Spanish trade union, *Unión de Pagesos* (UP) and its foundation, the *Fundación Agricultores Solidarios* (FAS), to attract workers for harvesting fruit in Catalonia. This was an important example for provincial level decision-making. It was

the *Unión de PAGESOS* rather than the Spanish Government that signed the agreement with the Colombian Government. The FAS also identified labor needs in agriculture in Catalonia and worked with the Ministry of Labor to find workers from Colombia, Morocco and Romania. The foundation helped workers to find accommodation and to facilitate their integration. In the Catalan region, they manage 5250 housing units.

A major trade union in Spain, the *Union General de Trabajadores* (UGT), called for the establishment of a forum to discuss issues concerning migrant workers' rights and integration into the labor market. The UGT opened an information center in Ecuador and was in contact with the trade unions in Morocco. In Spain, temporary workers do not have to contribute to pension funds. After they return to their countries, this puts them at risk in the future. On the other hand they are entitled to healthcare. However, temporary migrants participating in such programs are not allowed to have sick leave. Therefore, migrant workers generally do not go to doctors unless they have serious accidents at their workplace. If they do go to doctors, they are not paid for that day, and therefore in practice, they are reluctant to go (Zapata-Barrero et al. 2012).

By 2008, as a result of the deepening recession and rising unemployment, Spain suspended most recruitments of migrant labor. However, seasonal employment for agriculture has continued, as this sector remains highly dependent on foreign seasonal workers. There has been a shift from managed migration from Morocco to spontaneous entries from Ukraine and from the Central and Eastern European countries that joined the EU in 2004 and 2007.

Mobility Partnerships (MPs) are the key instruments of the EU's migration policy. Cassarino (2013, p. 31) argues that these are selective as 'they are addressed to those third countries once certain conditions are met, such as cooperation on unauthorized migration and the existence of "effective mechanisms for readmission"'. The EU signed mobility partnership agreements with Moldova and Cape Verde in 2008, Georgia in 2009 and Armenia in 2011. An agreement was also attempted with Senegal, but could not be achieved. At the time of writing (May 2013), negotiations with Ghana were still ongoing. Recently, the so-called Arab Spring brought about new flows of migration. Since then, the EU has called for immediate action to start negotiations with Tunisia, Morocco and Egypt, with a view to establishing MPs. Similarly, negotiations are also planned with Libya 'as soon as the political situation permits' (European Commission 2011, p. 2). MPs include enhancement of circular migration programs (Maroukis and Triandafyllidou 2013).

Emphasizing flexibility, the EU's Global Approach to Migration, which was adopted in 2005, had evolved into Global Approach to Migration and Mobility (GAMM) by 2011. 'Mobility' here refers to short-term visitors, tourists, students, academics, businesspeople and family visitors. Another major difference from past schemes is that current temporary schemes do not derive from a comprehensive

migration policy, but are composed of small and separate programs. These may include programs specifically designed for seasonal workers, working holidaymakers, sector-based workers, and overseas students in receiving countries. The public may be unaware of these because such programs are specific and are not connected with each other.

The desire for flexible temporary or circular migration schemes is, of course, not limited to Europe. In recent years, the US Government has expanded temporary work-related visa schemes, which now bring in far more skilled workers than the Green Cards (that allow permanent residence). In 2010, 1.7 million temporary workers were admitted—mainly highly-skilled personnel. The intake of seasonal agricultural workers (H2A visas) also increased from 28,000 in 2000 to 139,000 in 2010. The main countries of origin for temporary workers were Canada, Mexico and India (UN DESA 2009). This is a temporary rather than a circular scheme, even though workers may be allowed to re-apply after returning home. By contrast, New Zealand's Recognised Seasonal Employer (RSE) scheme is based on managed circularity. It allows agricultural and horticultural employers to recruit seasonal workers under agreements with the governments of Kiribati, Tuvalu, Samoa, Tonga, Solomon Islands and Vanuatu. Workers are only allowed to stay for a limited period of under 1 year, but can return in subsequent years (Ministry of Business Innovation and Employment 2013). Boxes 2.3 and 2.4 give details of temporary or circular migration concerning Canada and Australia, while Box 2.5 deals with the Republic of Korea.

Box 2.3: Canada

Canada's Seasonal Agricultural Workers Program (SAWP) favors circular migration to meet labor needs in agriculture, particularly in Ontario's tomato industry. The SAWP has been running for more than 40 years since the Canadian Government signed bilateral agreements with Caribbean countries in the late 1960s and with Mexico in 1974. Around 20,000 migrant workers, mostly from Mexico (60%), participate in the program (Newland et al. 2008, p. 6). Migrants can work between 6 weeks and 8 months, and may return in the following year, provided that their employers still want to employ them. The employer is supposed to pay migrant workers the same wages as Canadian workers, as well as provide health insurance, accommodation, meals or cooking facilities. Employers are also responsible for paying part of the transportation costs from and to the origin country. Employers prefer workers who have at least basic literacy skills. SAWP migrants are not allowed to apply for permanent residency, nor can they bring their family members (Wickramasekara 2011, p. 47). SAWP is regarded by many as a 'model' for temporary migration programs due to its high degree of circularity; yet, critics point to excessive employer control and workers' restricted mobility and social and political rights (Basok 2007; Preibisch 2010).



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