Circular Migration: What Gains for Development?

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Recent work by the OECD Development Centre

**Gaining from Migration: Towards a New Mobility System**

**Migration and Developing Countries**
Circular migration: what do we mean?

- **Seasonal** migration: stays of less than a year’s duration
- **Temporary** migration: stays exceeding a year
- **Repetitive** migration: the same individual crosses borders more than once over time

Repetitive migration, whether seasonal or temporary, is called *circular*. 
Circular migration: What gains?

• What benefits (and costs) for...
  – Migrants
  – Migrants’ families
  – Migrants’ communities
  – Sending countries’ economies

• General hypotheses based on a review of the evidence
What gains for development?

1. Benefits (and costs) of circularity

2. Policy recommendations
The Migration Cycle

Migration’s Effect on Growth and Poverty Reduction

<table>
<thead>
<tr>
<th>Phase</th>
<th>Labour supply</th>
<th>Productivity</th>
<th>Remittances</th>
<th>Growth</th>
<th>Poverty Reduction</th>
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</thead>
<tbody>
<tr>
<td>Exit</td>
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<td>0/-</td>
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<td>Return</td>
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Source: OECD (2007)
What gains for migrants?

- **Widens menu of options; flexibility**
  - Many migrants themselves not committed to definitive return
- **Reduces incentives for irregular migration**
  - Possibility of circularity
  - Possibility for legal movement
- **What incentives for acquiring, retaining, applying skills?**
Reported Remittances Sent per Migrant (2000)

What gains for migrants’ families?

• Circular migration associated with higher remittances
• More mobility might increase strains on those left behind...
• ...but circular movement might be preferable to longer-term absences
What gains for migrants’ communities?

- Larger remittance volumes can be mobilised for community development
- Establishment of networks for future migration by community members
- Realising gains would depend on infrastructure, good governance, institutions... transmission of ideas?
What gains for sending countries’ economies?

- Circulation of skills (not just among the highly skilled)
- Trade and investment networks
- What consequences for informal economy?
- What consequences for inequality?
What gains for development?

1. Benefits (and costs) of circularity
2. Policy recommendations
What policy recommendations for destination countries?

- Issue multi-use, multi-annual work permits
- Lower the cost of re-entry and offer flexible procedures for readmission of workers
- Transfer pension and social-security contributions to the home country
- Entitle foreign students enrolled in universities to remain for a fixed time to seek work in the destination country
What policy recommendations for mobility partnerships?

- **Strategic partnerships**
- **Innovative circularity schemes to manage flows without crippling social services in sending countries:**
  - link recruitment to capacity building
  - establish guidelines for recruitment
- **Support regional initiatives among developing countries**
- **Deepen co-development initiatives to harness the resources of transnational diaspora networks**
What policy recommendations for sending countries?

- National development strategies must take account of migration and remittances
- Human resource policies
- Training and education
- What consequences for informal sector?
For more info:
www.oecd.org/dev/migration
Merci de votre attention !
Thank you for your attention!
¡Gracias por su atención!