

WHAT WE KNOW ABOUT CIRCULAR MIGRATION AND ENHANCED MOBILITY

By Graeme Hugo

Executive Summary

Migrant-rights advocates and wary publics have both typically viewed circular migration with skepticism. But many experts and policymakers in the migration field — and some in development — have come to recognize the benefits that well-managed circulation can bring to destinations, origins, and to migrants themselves. Circular migration can give destination countries the flexibility to quickly overcome skills shortages while adapting to long-term labor market shifts. It can also serve to relieve labor surpluses in origin countries and provide the local economy with an influx of new skills and capital that migrants bring back with them. For the migrants, circular migration offers the opportunity to gain experience and earn higher wages while retaining valued connections in the home country.

Modern communications technologies and the increased ease of mobility have made circulation easier than ever and have changed the way in which circular migration is understood. Although typically considered as flows from a home location to a destination country in the context of a temporary labor contract, circular migration is, in fact, much more complex. Circularity occurs within a variety of migration contexts — including short-term travel by permanent immigrants to their countries of origin or visits by returned migrants to their former countries of destination.

In order for circular migration to be an effective catalyst for development, systems of circularity must be properly managed and well-governed. Destination countries should design their migration policies and programs to be development-friendly, and origin countries should ensure the capital and expertise that migrants bring back are put to good use. Most importantly, destination and origin countries must cooperate to build coherent systems that work for the benefit of all three parties — destinations, origins, and migrants.

I. Introduction

Circular migration is increasingly recognized as one of the few means for resources to flow from core areas (cities and high-income countries) to peripheral areas (rural areas and low-income countries). It is thus an important potential tool to reduce inequalities and foster development in poor areas. When it occurs in a favorable policy context, emigration can deliver economic benefits and help reduce poverty in origin areas. These benefits are maximized when migrants retain strong ties to their origin country and are able to make frequent return trips.

Although circular migration has long been an important type of human mobility, in the contemporary world it has gained increased significance for two reasons: (1) modern forms of transportation make it increasingly feasible (in terms of money and time) to circulate between two “homes,” and (2) modern forms of communication make it increasingly possible to stay immediately and intimately connected to both homes. This is what Dovelyn Rannveig Agunias and Kathleen Newland have termed “positive circularity,” a process in which people choose to “belong” and substantially contribute to more than one country.¹

This brief will address two key policy questions: First, what interventions at both the origin and destination can maximize the positive development and poverty-reduction impacts of circular migration? And second, how can origin and destination countries cooperate to ensure the effective management of circular migration?

II. Defining Circular Migration

Circular migration refers to repeated migration experiences between an origin and destination involving more than one migration and return. Effectively, it involves migrants sharing work, family, and other aspects of their lives between two or more locations. It is usually differentiated from return migration, which refers to a single emigration and return after an extended absence.² At the other extreme, circular migration is also different from commuting, which involves daily movement, returning each night to a single place of residence.

Circular migration occurs on a substantial scale, both within and between countries, and often involves movement from a peripheral location to core areas. There is considerable variation in the frequency of movement and the time spent at the destination, but the defining features are that the mover spends significant periods of time at the origin and destination, “lives” in both, and often has location-specific capital in both places.

The concept of circular migration and the accompanying policy considerations are usually reserved for situations in which the main permanent place of domicile is the origin country, and a number of moves are made to the destination. However, policymakers interested in the development impacts — and potential — of circular migration must also recognize that migrants whose main “home” is in the destination country often engage in regular circulation to their origin country. Encouraging this regular circulation (both virtual and actual) to the country of origin

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can be an important policy initiative to facilitate development in the origin.

One of the truisms that has entered the migration lexicon is that “there is nothing as permanent as a temporary migrant.” This refers to the fact that many erstwhile temporary and circular migrants intend to — and eventually do — become permanent settlers at the destination. However, the conventional wisdom that all circular migrants fit this profile must be challenged. In fact, many movers prefer a circular strategy to permanent relocation because:

- They are able to earn in the high-income, high-cost destination but spend in the low-income, low-cost origin, and hence maximize the purchasing power of their earnings.
- They seek to retain their traditional cultural, language, and other homeland associations; and they wish for their families to have them as well.

Overall, not all circular migrants see the strategy as the first stage to permanent settlement. Indeed, the decision to settle permanently in the destination is some-

times influenced by the difficulty and expense associated with frequent border crossings. Moreover, permanent settlement — denoted by the acquisition of permanent resident status or citizenship — does not necessarily interrupt circulation between the origin and destination. Indeed, some research indicates that migrants with secure legal status are more likely than others to go back to their origin area or country frequently.

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Migration data from Australia³ demonstrate the intrinsic circularity of much south-north migration. Table 1 shows movement between China and Australia, which is conventionally depicted

as a permanent shift of Chinese migrants to Australia. In reality, while there has been a substantial permanent immigration of Chinese to Australia since 1994, there has also been a substantial flow, almost a third as large, in the opposite direction. The bulk of these flows are composed of Chinese-origin return migrants and their Australian-born children. In this case, there are few clear lines between circular and more permanent migration, because circular movements cover the spectrum from very short term circulation to lifetime return migration.

Table 1. Movement between China and Australia, 1993 to 2006

Type of Movement	Number of Entries/ Departures
Permanent (1993-94 to 2011-12)	
Permanent Entries	166,973
Permanent Departures	51,994
Overseas-Born Departures	39,813
Australia-Born Departures	12,181
Long-Term Temporary Migrants from China to Australia (2007)	
Students	55,550
Temporary Skilled Workers (457s)	6,418
Number of Short-Term Visits of the Chinese-Born (average visits per person, 1998-2006)	
To China from Australia*	
Chinese immigrants (1998-2006)	2.4
Chinese immigrants (before 1998)	6.2
From China to Australia	
Return migrants from Australia	5.9
Other visitors	4.4

* In 1998, Australia introduced the Personal Identifier, so that individual movers could be detected. Hence those settling in Australia after 1998 were not resident in Australia for the entire study period (1998-2006), and so they would likely make fewer visits back to China. Those who settled in Australia before 1998 were resident for the entire study period and so could be expected to make more visits.

Source: Australia Department of Immigration and Citizenship unpublished data provided to the author.

The average number of short-term visits of the Chinese born is a particularly interesting aspect of the data in Table 1. The data show that Chinese immigrants in Australia often travel to China. They also emphasize that Chinese-born migrants who had previously migrated to Australia and have since returned to China — as well as nonmigrants — engage even more frequently in short-term visits to Australia.

Significant numbers of Chinese students

and temporary skilled workers (referred to as 457s for the visa subclass allowing skilled workers temporary entry into Australia, roughly equivalent to an H-1B visa in the United States) also enter Australia each year on temporary, long-term visas. Table 2 shows the numbers of Chinese-born students and 457 visa holders in Australia in recent years, and the number of these migrants who transition from temporary to permanent residence each year.

Table 2. Chinese-Born Students and Temporary Skilled Workers in Australia, 2004-11

Year	Stock of Students	Stock of 457 Visa Holders	Students and 457 Visa Holders Who Adjusted to Permanent Residence
2004-05	58,384	2,559	4,902
2005-06	63,415	4,219	7,503
2006-07	73,191	6,418	9,811
2007-08	90,908	9,121	8,249
2008-09	107,294	8,800	7,889
2009-10	128,685	6,111	8,722
2010-11	129,145	4,954	14,786

Source: Australia Department of Immigration and Citizenship, *Immigration Update*, various issues (Canberra: Australian Government Publishing Service).

The broader point demonstrated by the data is that the permanent movement of Chinese-born immigrants to Australia that is detected in conventional migration data systems is plainly only a small part of a complex pattern of circular movement between the two countries. This points to the need to reconceptualize international circular migration, and develop an understanding of the concept that goes beyond conventional contract labor migration, which requires people to return to their homeland after a specified period in the destination.

III. Impacts of Circular Migration on Development

International circular migration programs often generate strong public opposition, based largely on the experiences with contract labor migration programs in Europe in the early post-war decades (and to some extent with more recent flows to Middle Eastern and Asian countries). Some of these programs have been associated with the exploitation of migrant workers, rights abuses, excessive charges levied by intermediaries and officials, and poor governance at origin and destination⁴ — all factors that dilute the potential benefits of circular migration to origin countries and to the migrants themselves. However, these

problems are often the result of poor governance and should not be viewed as inevitable consequences of circular migration itself. Circular migration can, and does, have positive development outcomes when managed correctly, and it is often a preferred strategy among migrants themselves.

An analysis of migration to Germany from a number of guestworker-sending countries found that more than 60 percent of the migrants were repeat or circular migrants.⁵ This study concluded that such migrants are “attractive for employers and policymakers because they are less likely to be illegal and more willing to adjust to the temporary needs of the economy of the receiving country.” The authors drew three policy relevant lessons from their findings:

- The easier mobility is — for traveling both in and out of the destination — the more likely migrants will opt for a circular strategy over permanent settlement.
- Family members who remain in the sending area encourage circular migration.
- High education, home ownership, and labor market attachment in the destination encourage permanent settlement.

A. Effects of Circular Migration on Countries of Origin and Destination

Circular migration can have a number of positive effects on both countries of origin and countries of destination. It enables destination countries to meet labor shortages in a flexible and timely way, and allows them to address shortages that are specifically seasonal or short term. For countries with shortages in particular skill areas, it can allow them to buy time to train sufficient local workers to do key tasks. For those experiencing aging, circular migration may offset the aging of local populations without eventually contributing to the growth of the aged population. Finally, circular migration may often be easier to “sell” to electorates who might feel threatened by the prospect of permanent migration.

For countries of origin, circular migration can be a key strategy for relieving a labor surplus. Circular migration may also have financial benefits for origin countries. There is evidence that circular migrants send back higher levels of remittances (both numerically and relatively) because they retain a greater stake in the origin country than those who permanently relocate.⁶ In addition to sending money, circular migrants bring back enhanced skills and new ideas to the home community, and can help develop networks with destination countries that may become corridors for trade.⁷

Circular migration also reduces the risk of losing human capital to brain drain. The difference between circular migration and permanent migration with respect to brain drain is that the human resources embodied in the migrant are only partially lost during the migrant’s absence from the sending community. Moreover, the potentially greater commitment of circular migrants to their place of origin means they are likely to be more engaged in eco-

nomie and social activities in the sending community.

B. Effects of Circular Migration on Migrants Themselves

Migrants themselves also benefit from circular migration. Circular migration may enhance migrants’ income, skills, and experience, while creating opportunities for family members and allowing migrants to retain valued cultural heritage.

As in all population mobility, the outcomes of circular migration are not always positive. As with permanent migration, circular migration can rob communities of the brightest and the best so that the lack of economic and social capital and leadership has a negative effect on the local economy, including the neglect of farmland or social

and community life. In addition, circular migrants in particular may be more vulnerable to exploitation before, during, and after their migration than

is the case for permanent migrants. The labor migration industry — intermediaries, lawyers, travel providers, and recruiters — contains some elements who have exploited potential migrants through bogus schemes, excessive fees, unfair treatment, poor work conditions, and low salaries. Not only does economic exploitation take its toll on the migrants themselves, it also reduces the proportion of migrants’ earnings available to origin communities as remittances.

Additionally, those who return can find it challenging to reintegrate into their origin countries. Returning migrants may not only have difficulties reentering the labor market upon their return, they may also experience the negative effects of separation within their personal relationships and families.

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Circular migration has the potential to deliver development benefits to countries of origin, countries of destination, and to migrants themselves. However, the lack of integration between regional- and national-level development policy and migration policy in destination countries — and especially in origin countries — may limit the positive impact of circular migration on development and poverty reduction outcomes. The key point is that it is not circular migration per se that is good or bad, but circulation needs to be carefully managed for the benefit of all actors.

IV. Conclusions and Recommendations

In order for the full benefits of circular migration to be realized, policy and governance deficiencies in both destination and origin countries must be overcome, and governments must adopt best-practice models of managing circular migration to protect the human rights of migrants and deliver benefits to origin and destinations.

High- and medium-income destination countries should investigate the extent to which their migration policies and programs can be more “development friendly” — i.e. policies that not only meet national labor needs but also have positive effects on origin countries. Facilitating and encouraging circular migration should be an important part of such a strategy.

- **Develop policies with a mix of circular and permanent migration.** Migration policymakers in high and medium income countries should avoid approaching permanent and circular migration as alternative policy choices. Rather they should aim to develop migration policies and programs which include a judicious mix of circular and permanent migration channels.
- **Reduce migration costs.** Destination countries should develop settlement

policies which encourage and facilitate the maintenance of links with home countries, such as dual citizenship provisions, multiple-entry visas, job sharing, and portable social welfare benefits. Governments should also pursue policies to minimize the family disruption caused by circular migration by facilitating frequent return or allowing family to accompany migrant workers.

- **Enable mobility.** The easier it is to travel into and out of the destination, the more likely migrants are to opt for a circular strategy over permanent settlement. Immigration policies should offer entry visas that encourage and facilitate circular migration by keeping transaction costs to a minimum. Some ways to enable mobility include “smart card” entry systems for cross-border commuting such as those in place between Singapore and Malaysia, the development of inexpensive travel options, and the reduction of bureaucratic procedures at both ends of the process. The study from Germany cited above, for example, found that reducing barriers to mobility increased circulation by migrants between their countries of origin and Germany.⁸
- **Reduce silo-ization of migration policy and development assistance.** Policymakers in destination countries should make an effort to integrate development assistance and immigration policy. Both immigration and development policies and programs should be designed with the goal of maximizing the benefits and minimizing the negative effects of circular migration on origin countries.

In order for destination country policies to effectively maximize the development benefits of circular migration, origin countries must also develop appropriate policy structures.

- **Integrate development and migration policy.** As in destination coun-

tries, origin countries should integrate circular migration with national and regional development planning and programs.

- **Create opportunities for investment.**

Policies to reduce the costs of investment by migrants in their countries of origin are useless if there are no appropriate development investment opportunities in their origin communities. Remittances are often the major flow of capital into peripheral areas, but those areas are frequently lacking in development investment opportunities. Origin country development policymakers should ensure that the remittances and investments emigrants send home are used in ways that maximize their development impact.

Even with the creation of thoughtful policies in origin and destination countries, several potential barriers remain that can limit the benefits of circular migration. First, although the migration industry has enormous potential to assist in making migration work better for development, many of its members also stand to benefit from maintaining the status quo. Second, many countries lack a sufficiently large cadre of officials with the experience and training to manage the significant demands of running a smooth

circular migration system. In addition, public opinion may persist in seeing permanent relocation as “good” and temporary migration as “bad,” limiting the ability of policy-makers to implement programs furthering circular migration.

Finally, the lack of data on the scale and characteristics of circular migration and the associated lack of research into its development effects can hinder the creation of effective migration and development policies that take full advantage of the benefits of circular migration. More effective border control data collection systems that can gather detailed information on migrant workers — as well as ensuring that migrants are detected explicitly in census collections — are needed to inform policy innovations.

Effective management of circular migration to facilitate development and poverty reduction requires cooperation both within national governments and between origins and destinations. Migration agencies have already begun to open avenues of cooperation between governments, but development agencies in both origin and destination countries must also work together to integrate migration cooperation into their development thinking and actions.

ENDNOTES

- 1 Dovelyn Rannveig Agunias and Kathleen Newland, *Circular Migration and Development: Trends, Policy Routes, and Ways Forward* (Washington, DC: Migration Policy Institute, 2007), www.migrationpolicy.org/pubs/migdevpb_041807.pdf.
- 2 However, it is important to note that return migration is another example of a type of movement between origin and destination that, like circular migration, is amenable to policy intervention and has potentially important development consequences.
- 3 Migration flow data from Australia detect all moves to and from the country.
- 3 Stephen Castles, “Back to the Future? Can Europe meet its Labour Needs through Temporary Migration?” (working paper 1, International Migration Institute, James Martin 21st Century School, University of Oxford, 2006), www.imi.ox.ac.uk/pdfs/imi-working-papers/wp1-backtothefuture.pdf.
- 5 Amelie F. Constant and Klaus F. Zimmermann, “Circular Migration: Counts of Exits and Years Away from the Host Country” (Discussion Paper No. 2999, Institute for the Study of Labor [IZA], Bonn, Germany, August 2007): 17, <http://ftp.iza.org/dp2999.pdf>.
- 6 Steven Vertovec, “Circular Migration: the way forward in global policy?” (working paper 4, International Migration Institute, James Martin 21st Century School, University of Oxford, 2007), www.imi.ox.ac.uk/pdfs/imi-working-papers/wp4-circular-migration-policy.pdf.
- 7 An example of this is the use of the Korean migrant community as bridgeheads to penetrate the US market by companies like Samsung and Hyundai.
- 8 Constant and Zimmerman, “Circular Migration: Counts of Exits and Years Away from the Host Country.”

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About the Author



Graeme Hugo is an ARC Australian Professorial Fellow, Professor of Geography and Director of the Australian Population and Migration Research Centre at the University of Adelaide in South Australia. He is the author of over 300 books, articles in scholarly journals, and chapters in books, as well as a large number of conference papers and reports. He held an ARC Federation Fellowship between 2002 and 2007 and is currently Chair of the Advisory Committee on Demography and Liveability of the Commonwealth Department of Sustainable Environment, Water, Population and Communities.

He was appointed to the National Housing Supply Council in 2011, and was appointed Deputy Chair of the Aged Care Financing Authority and a member of the National Sustainability Council in 2012.

In 2012, Dr. Hugo was named an Officer of the Order of Australia (AO) for distinguished service to population research — particularly the study of international migration, population geography and mobility — and for his leadership roles with national and international organizations.

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