THE INTERNATIONAL ORGANIZATION FOR MIGRATION IS COMMITTED TO THE PRINCIPLE THAT HUMANE AND ORDERLY INTERNATIONAL MIGRATION BENEFITS MIGRANTS AND SOCIETY IOM ASSISTS IN MEETING THE GROWING OPERATIONAL CHALLENGES OF MIGRATION MANAGEMENT. ECONOMIC CYCLES, ADVANCES IN DEMOGRAPHIC CHANGE AND MIGRATION UNDERSTANDING ENCOURAGES SOCIAL AND ECONOMIC DEVELOPMENT THROUGH MIGRATION. UPHOLDS THE HUMAN DIGNITY AND WELL-BEING OF MIGRANTS.
No. 19

INTERNATIONAL DIALOGUE ON MIGRATION

ECONOMIC CYCLES, DEMOGRAPHIC CHANGE AND MIGRATION

International Organization for Migration (IOM)
IOM is committed to the principle that humane and orderly migration benefits migrants and society. As an intergovernmental organization, IOM acts with its partners in the international community to: assist in meeting the operational challenges of migration; advance understanding of migration issues; encourage social and economic development through migration; and uphold the human dignity and well-being of migrants.

Opinions expressed in the chapters of this book by named contributors are those expressed by the contributors and do not necessarily reflect the views of IOM.

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ISSN 1726-2224

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The primary goal of IOM is to facilitate the orderly and humane management of international migration... To achieve that goal, IOM will focus on the following activities, acting at the request of or in agreement with Member States:

7. To promote, facilitate and support regional and global debate and dialogue on migration, including through the International Dialogue on Migration, so as to advance understanding of the opportunities and challenges it presents, the identification and development of effective policies for addressing those challenges and to identify comprehensive approaches and measures for advancing international cooperation... (IOM Strategy, adopted by the IOM Council in 2007).

IOM launched its International Dialogue on Migration (IDM) at the fiftieth anniversary session of the IOM Council in 2001, at the request of the Organization’s membership. The purpose of the IDM, consistent with the mandate in IOM’s constitution, is to provide a forum for Member States and Observers to identify and discuss major issues and challenges in the field of international migration, to contribute to a better understanding of migration and to strengthen cooperation on migration issues between governments and with other actors. The IDM also has a capacity-building function, enabling experts from different domains and regions to share policy approaches and effective practices in particular areas of interest and to develop networks for future action.

The IOM membership selects an annual theme to guide the IDM, as well as the topics of the IDM workshops. The inclusive, informal and constructive format of the dialogue has helped to create a more open climate for migration policy debate and has served to build confidence among various migration stakeholders. In combination with targeted research and policy analysis, the IDM has also contributed to better understanding of topical and emerging migration issues and their linkages with other policy domains. It has also facilitated the exchange of policy options and approaches among policymakers and practitioners, with a view towards more effective and humane governance of international migration.
The International Dialogue on Migration Publication Series (or “Red Book Series”) is designed to capture and review the results of the events and research carried out within the framework of the IDM. The Red Book Series is prepared and coordinated by the IDM Unit of IOM’s Department of International Cooperation and Partnerships. More information on the IDM can be found at www.iom.int/idm.

This publication contains the report and supplementary materials of a workshop on “Economic Cycles, Demographic Change and Migration”, which was held in Geneva, Switzerland on 12–13 September 2011. The workshop, which took place under the overarching theme of the 2011 IDM, “The Future of Migration: Building Capacities for Change”, was attended by 150 participants, representing 60 governments and 23 international and non-governmental organizations.

The publication opens with a Chair’s Summary of the principal conclusions derived from the workshop, which was presented to the workshop participants at the end of the two-day event, followed by a more detailed report of the deliberations and recommendations which emerged from the discussions. In addition, the publication also contains the agenda and background paper pertaining to the workshop.

The IDM 2011 was organized by the IDM Unit of IOM’s Department of International Cooperation and Partnerships, under the overall direction of Md. Shahidul Haque. Special thanks for the preparation of the background paper and the report are owed to Karoline Popp and Daniel Salmon, the principal authors.

IOM would like to thank the Government of Australia for making the event possible.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAIR’S SUMMARY</td>
<td>7</td>
</tr>
<tr>
<td>WORKSHOP REPORT</td>
<td>17</td>
</tr>
<tr>
<td>Introduction</td>
<td>19</td>
</tr>
<tr>
<td>Scope and purpose of the workshop</td>
<td>23</td>
</tr>
<tr>
<td>Deliberations and recommendations of the workshop</td>
<td>25</td>
</tr>
<tr>
<td>Conclusion</td>
<td>53</td>
</tr>
<tr>
<td>MIGRANT’S VOICE</td>
<td>55</td>
</tr>
<tr>
<td>AGENDA AND BACKGROUND PAPER</td>
<td>65</td>
</tr>
<tr>
<td>Agenda</td>
<td>67</td>
</tr>
<tr>
<td>Background paper</td>
<td>73</td>
</tr>
</tbody>
</table>
CHAIR’S SUMMARY
CHAIR’S SUMMARY

On 12–13 September 2011, IOM held a workshop on “Economic Cycles, Demographic Change and Migration” in Geneva, Switzerland as part of its annual International Dialogue on Migration (IDM). The IOM membership had selected this workshop topic as part of the 2011 IDM theme, “The Future of Migration: Building Capacities for Change”. The workshop was attended by government representatives from around the world, non-governmental and international organizations, academics and other experts.

A guiding theme of the workshop was the notion that migration is inevitable and essential for economic growth and competitiveness, given global and regional labour markets and demographic trends. Effective governance of migration in this context must not only reconcile short-term and long-term priorities, but also balance the interests, needs and rights of migrants, countries of origin, and countries of destination. The workshop identified some of the main areas where governments and institutions may need to reinforce their capacities to manage the interfaces between economic cycles, demographic changes and human mobility to maximize benefits for economies and societies. IOM and other relevant international organizations will play a role in this process.

Based on the discussions that took place during the event, this document provides a summary of the dialogue organized into two main sections: 1) main messages and 2) recommendations for action and priority areas for capacity-building.

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1 The workshop background paper and other conference materials can be obtained from www.iom.int/idmeconomiccycles.
Main messages

1. *Migration is a structural force for global economic growth and development, and it is linked to economic cycles and demographic change, but it is not the only factor in the equation.*

   • Migration flows are closely tied to economic conditions, and thus are also subject to cycles of economic boom and bust. Yet, as the workshop participants observed, economic fluctuations do not generally change fundamental conditions relating to labour market trends, labour force size and composition, and general demographic parameters such as ageing.

   • Likewise, migration should not be considered the sole cause of or solution to skill shortages. Participants discussed this issue in relation to the health care sector, where deficits in the countries of origin of migrant health workers are the result of a complex set of factors that goes well beyond migration.

   • A recurrent theme of the workshop was migration not as “a cure-all solution”, but rather one element in a comprehensive policy mix.

2. *Economic cycles and demographic trends are subject to different timescales, drivers, and degrees of certainty and predictability, complicating the harmonization of these parameters with migration policy.*

   • Much of the discussion revolved around the labour market, where the interactions between economic fluctuations and demographic trends are most evident. Understanding of labour market dynamics in the context of economic cycles and demographic change will most likely always remain imperfect. Nevertheless, more systematic efforts are needed to analyse short-term and long-term labour market needs
and better integrate the conclusions with labour migration policies.

3. The recent global economic crisis affected migrants and societies, but overall migration and remittance flows proved resilient.

• While the economic crisis acted as a “stress test” for migration policy, it also demonstrated the resilience of migration to crisis, as many participants reported, for example, that their countries did not see a significant drop in migration flows during the crisis.

• The 2008–2009 global economic crisis also showed that migrants tend to be more vulnerable than native workers to the effects of economic recession. This vulnerability should be considered in social protection policies, in particular since unemployment can often translate into an irregular legal status for migrants.

4. A paradigm shift is underway in migration policy priorities, as more and more countries are exploring ways to attract skilled labour and many are simultaneously becoming places of origin, transit and destination for migration flows.

• It emerged from the debates that human capital is highly valued in the global economy, as marked by the growing competition for talent among developed countries and emerging markets. However, there was also a strong realization that unilateral attempts at managing a globalized labour market are likely to have their limitations.

• At the same time, many countries are seeing a change in their migration patterns: for instance, they are shifting from being origin countries to being destination countries, or realizing that, while still sending migrant labour, they also need to attract skills and workers.
• While much discussion was devoted to mobility of the highly qualified, there was also acknowledgement that labour markets need skills at all levels and that the demand for high-skilled and less-skilled labour is linked.

5. The notion of governance of international migration remains debated, but the past decade has witnessed significant, if incremental, steps towards more coherent and collaborative approaches to migration and greater recognition of common interests.

• Different conceptualizations of governance were put forward: some focused on results, such as making migration more orderly, fair and beneficial; while other proposals focused on the process, such as creating trust and networks. Migration governance may be seen as a set of collaborative practices to maximize the positive outcomes and minimize the negative repercussions of migration. In general, participants were in favour of pragmatic approaches, achievable goals, more dialogue and partnership.

• Participants highlighted different partnership models, including regional and bilateral approaches, while also contemplating new ways of connecting government, civil society and private sector stakeholders.

• During the discussions, migrants and migrant networks, the private sector and youth were identified as some of the most important actors and “change agents” whose views must be taken into account.

6. Circular and temporary migration bears significant potential both for migrants, countries and labour markets, but structural issues cannot be solved by temporary means.

• Participants raised the issue of definitions, costs and benefits of circular, temporary and seasonal migration. The link
between circulation and the (regional) free movement of people received particular attention.

- The discussions underlined that temporary and circular migration, and migration of the highly skilled, requires a broader policy framework which takes into account issues such as the migrant’s family situation, taxation, social security and portability of benefits.

7. *Migration brings many economic benefits, but the human and social dimension of migration is paramount.*

- Interventions emphasized the positive roles of migrants and migration, in particular in the recovery process following economic recession. Migrants also possess specific skills and attributes which are prized in modern labour markets – for instance, international work experience, language skills and adaptability.

- However, migrants are not just workers, but human beings with rights and aspirations. In addition, migration also has social, cultural and political dimensions and consequences. Public perceptions of migrants and migration need to receive focused policy attention, especially as hostility and rejection of migrants tend to rise during times of economic strain.
Recommendations

1. Enhance capacities in collecting labour market information and conducting evidence-based labour market assessments and forecasts, as well as in assessing recruitment systems.

2. Support the human capital development of migrant labour, in origin and destination countries, including through investments in training and education, employment creation and skills matching.

3. Reduce brain waste by promoting the equivalence of degrees, the recognition of credentials, and licensing.

4. Strengthen the capacities of countries of origin to monitor the employment situation and potential labour market opportunities for their nationals abroad, as well as to develop measures to cope with their return during times of crisis.

5. Build strategies to engage with the private sector and employers, for example, in identifying labour market opportunities and skills needs, recognizing foreign qualifications, and designing and running recruitment processes.

6. Support migration solutions for countries with youthful populations and high levels of skills.

7. Foster potential for circulation and skill exchange, including through appropriate visa, admission and permit schemes that facilitate circulation, through temporary return of qualified nationals in specific sectors, and through partnerships between countries or institutions.

8. Monitor and evaluate the labour market outcomes for migrants and different migrant groups in a systematic fashion, and identify barriers to effective labour market integration.

9. Devote special attention to the labour market integration of “non-economic migrants”, such as accompanying family members and humanitarian entrants, and migrants already present in the country.
10. Pay attention to gender specificities relating to labour migration, employment, family policies and differentiated vulnerabilities during economic downturns.

11. Embed migration as one element in a broader population policy, including gender-specific policies and provisions for families and children.

12. Promote the sharing of best practices and inter-State cooperation at bilateral, regional and global levels, and continue the conversation with all actors working towards humane, collaborative and effective governance of international mobility.

These recommendations emerged from the discussion and represent areas in which governments may need to enhance their capacities – including by building knowledge and appropriate data, tightening institutional coherence between different governmental bodies, improving coherence between different but overlapping policy domains, investing human and financial resources, and creating structures for consultation and cooperation with others.
WORKSHOP REPORT
INTRODUCTION

Understanding migration in relation to economic cycles and demographic parameters is a major challenge for countries at all levels of economic development. With migration recognized as a major structural factor in the global economy and as an important element in addressing demographic realities, the 2011 second intersessional workshop of the International Dialogue on Migration (IDM) on “Economic Cycles, Demographic Change and Migration” offered an opportunity for IOM’s membership to discuss experiences, exchange effective policy options and lessons learned, and identify areas for capacity-building to meet current and future challenges. In the context of the IDM’s overarching theme “The Future of Migration: Building Capacities for Change”, the IDM brought together governments, members of civil society and experts for an open discussion on ways to best govern the interdependencies between migration, economic cycles and demographic change.

Migration, economic cycles and demographic change form a complex triangle whose elements obey different timescales and drivers while varying in terms of certainty and predictability. Cycles of economic contraction and expansion, for instance, tend to be measured in years, while population dynamics operate on decadal timescales. Migration flows respond to economic conditions, and thus also to economic boom and bust cycles, but

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such fluctuations do not generally affect structural issues relating to labour market trends, the size and composition of a country’s labour force, and demographic factors. Indeed, the interactions between economic cycles, demographic change and migration coincide most visibly in the labour market: they influence – in a multitude of ways – labour shortages and surpluses, the demand for certain skills, or the ratio between the economically active portion of the population and those who do not participate in the labour market, to name a few. Migration can bridge areas experiencing labour shortages and labour surpluses; it can energize economies through the circulation of skills and talent; and it can contribute to attenuating demographic disparities.

The workshop took place against the backdrop of the 2008–2009 global economic crisis. Among the many repercussions of the crisis were impacts on migrants and migration, such as the public backlash against migrants, the vulnerability of migrants working in cyclical sectors of the economy, the return of overseas workers to their home countries and evidence of the relative resilience of remittance flows in spite of the downturn. In short, the crisis generated a number of important lessons for policymakers in managing migration during a recession, but it also demonstrated the structural importance of migration for economies and labour markets worldwide.

Policymakers are thus faced with the challenge of developing migration policies that reconcile demographic factors, economic

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2 Any references to “the economic crisis” or “the crisis” in this report refer to the global economic recession which began in 2008, unless specified otherwise.

pressures and labour market realities. Some of the central questions in this regard are:

- What is the role of migration in addressing questions on population dynamics, labour market needs, and economic growth and development?
- Can migration be a “fix” for demographic challenges?
- How can migration be managed to respond flexibly to labour market upswings and downturns?
- How might labour mobility contribute to growth, development and competitiveness?
- What policy options are available for managing the relationship between migration and demographic trends, on the one hand, and between migration and economic cycles, on the other? And can migration policy integrate these two forces?

It is well recognized that migration holds many benefits both for developed and developing countries. Countries with ageing populations are able to replenish their labour markets, while countries with large working-age populations combined with a lack of job opportunities can promote migration as a means to reduce demographic pressures and open channels towards employment. The IDM workshop called for collaborative approaches to migration governance that bridge short-term and long-term priorities, and balance the interests, needs and rights of migrants, countries of origin and countries of destination. Participants highlighted key policy areas and capacities needed to embrace the potential of migration in creating flexible and competitive labour markets. Furthermore, as countries around the world continue to feel the effects of the 2008–2009 economic crisis, participants also called for measures that incorporate migration into a long-term solution for global economic recovery.
The workshop on “Economic Cycles, Demographic Change and Migration” was the second of two workshops held as part of the 2011 International Dialogue on Migration. More than 150 participants attended the event held in Geneva, Switzerland on 12–13 September 2011, representing over 60 countries and 23 international and non-governmental organizations.

The specific objectives of the workshop were:

- To bring together governments and other actors to share experiences and approaches in addressing the interactions between economic cycles, demographic trends and migration;

- To draw lessons from the 2008–2009 economic crisis and evaluate the impact of various migration policy measures taken in response to the crisis, placing them in the context of broader population and labour market trends in developed and developing, origin and destination countries;

- To identify priorities for capacity-building in order to strengthen the effectiveness of policy interventions in domains such as migration, labour, and development, with the aim of improving migration governance in the context of global and regional economic and demographic trends.

A background paper, provided to participants in advance of the workshop, outlined the principal concepts, policy challenges
and areas of focus for capacity-building. The conclusions of the discussion were presented at the end of the two-day deliberations in the form of a Chair’s Summary. Both the background paper and the Chair’s Summary are included in this report.
DELIBERATIONS AND RECOMMENDATIONS OF THE WORKSHOP

The present report categorizes the experiences, policies and practices highlighted by workshop participants into five areas for capacity-building which received particular emphasis over the course of the discussions. Internet links are included wherever possible to provide the reader with access to additional detail on the policies and practices summarized in the following pages. The five areas are:

1. Capacities to align migration policy with priorities in other policy domains;

2. Capacities and policy options to promote circular and temporary forms of mobility;

3. Migrant-centred approaches, focusing on rights, skills and human capital;

4. Knowledge, data, monitoring and evaluation capacities in regard to labour markets, economic cycles and demographic trends;

5. Capacities to enhance cooperation and migration governance.
1. **Integrate migration into labour market and demographic policies as part of a comprehensive policy mix.**

Migration certainly plays an important role in the labour markets and demographics of countries around the world. Migration, however, is not a “cure-all” solution to skill or demographic deficits, or labour surpluses or shortages – a message that rang loud and clear throughout the workshop. For example, many participants acknowledged that migration alone cannot offset demographic ageing, particularly in the long run. At the same time, migration should not be blamed for all problems afflicting labour markets, for instance, for skill shortages in countries of origin. In short, underlying structural factors (relating, inter alia, to fertility levels, workforce participation, prevailing wages and working conditions, and the balance between supply and demand) tend to have greater weight than migration in determining demographic and labour market dynamics. Participants thus concluded that migration should be one component of a larger set of policies which address the effects of demographic change and economic cycles. In this context, participants reminded each other that phases of economic downturn should not lead to undue migration restrictions: given the above-mentioned structural conditions shaping national markets, migrant labour is often needed for economic recovery, while many economies in countries of origin benefit from or even depend on their overseas workforce for remittances. Workshop participants also deliberated the relative predictability of demographic trends compared to the more erratic nature of economic cycles and the consequences for policymaking. Discussions highlighted numerous examples of policies which make migration a part of broader labour market strategies and population policies.

- **Enhancing regular migration channels** that take labour market needs into consideration. Much debate surrounded the question of time frames and whether/to what extent migration channels should be adjusted to prevailing economic conditions. Generally, there was a consensus that abrupt closures of migration channels are likely to be counterproductive. The potential for migration solutions
for countries with relatively young demographic profiles yet insufficient employment opportunities was also raised during the workshop.

- The Spanish immigration law of 2002 made a conscious effort to link labour market needs and employment with immigration. When the economic crisis hit the country in 2008, Spain instituted a policy of financial incentives to encourage the voluntary return of migrant workers to their home countries. It has been reported that approximately 10 per cent of the targeted population responded to this programme.\(^1\) Under the scheme, individuals are allowed to return to Spain three years after their departure, and importantly, are able to resume their previous status. For example, if someone held long-term residence status and decides to participate in the scheme by returning home, that person will be able to enter long-term residence status again if he or she chooses to return to Spain after three years.

- Canada, by contrast, decided to maintain stable immigration levels during the crisis.

• **Complementing migration measures with other tools** in preparing labour markets to absorb demographic changes and economic shocks. In responding to economic downturns, meeting labour market demands or anticipating demographic developments, migration should always be one in an array of options that collectively create appropriate and lasting solutions.

- The “3 Ps” – population, participation and productivity – were suggested by the speaker from Australia as an appropriate framework for analysing the relationship between immigration and economic growth. A range of policy options, migration being one of them, are available in each of those three categories and should be applied according to the context and circumstances.\(^2\)

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\(^1\) *IOM World Migration Report 2010*, p. 198.

- Ghana’s interventions in the health sector include schemes targeting the outmigration of health professionals and their return from abroad. These programmes are complemented by initiatives to enhance the salaries of health professionals, improve working conditions through better equipment, provide opportunities for skill upgrading and training, and increase the intake of medical students.

- In Canada, migration is one policy lever in the government’s strategy to maintain economic competitiveness in the face of demographic ageing. Other measures aim to increase birth rates, reduce underemployment and underrepresentation in the labour market of certain groups and minorities (e.g. Canada’s indigenous population), and modify the retirement age. The province of Québec, for instance, provides high-quality, affordable child care for parents and fully funds in-vitro fertilization treatments for eligible women.

• Setting up transparent and efficient labour migration channels that match supply and demand, respond to real needs and protect the rights of migrants. Countries have created different systems and have adapted them over time to find the most appropriate mechanisms. The main differences between those models, some of which were presented at the workshop, pertain to whether they are employer-led or State-driven and whether they work on the basis of labour market demands or human capital potential.

- Over time, Australia has moved towards a “hybrid model” that combines a points-based system with a demand-driven one. Accordingly, this model responds to both the specific needs of employers and the macro-level needs of the economy. The programme focuses on skilled migrants with high human capital potential and is designed to meet labour shortages, mitigate the effects of population ageing, secure high rates of labour market participation and boost productivity. A recent reform introduces a two-step procedure whereby individuals are asked first to submit an expression of interest
electronically. Candidates are subsequently ranked using their points-test score and are invited to apply on the basis of the ranking.³

- The Russian Federation has implemented a quota system that places the burden on employers to verify the skills of potential migrants. In general, migrants receive a three-year work permit, and accompanying family members are also permitted to work.

- Sweden’s labour migration policy, adopted in 2008, is largely employer-driven. While vacancies have to be advertised nationally for a nominal period and “community preference” for nationals of European countries must be respected, employers have considerable freedom in the recruitment of foreign labour. There are no formal labour market tests or quotas, for example. The policy also recognizes the importance of considering family and gender dimensions: families of migrants are given access to the labour market and to the welfare system. Since the launch of the policy, 40,000 residency permits and 19,000 work permits have been issued.⁴

• Remaining attuned to changing labour market conditions and demographic trends. Many countries discussed their recent experiences in becoming countries of destination as well as countries of origin. Others observed that after decades of being net exporters of labour, they too find themselves confronted with shortages.

  - Recently, the Republic of Moldova, began experiencing skill shortages for the first time. As a result, it is making greater efforts to match education and training to labour market needs.

  - In Mexico, youth cohorts entering the education system and the labour market are becoming smaller, resulting

in reduced demographic pressures that used to fuel migration. At the same time, the demographic profile of Mexican migrants to the United States is beginning to resemble that of the native population, which means that the “demographic complementarity” effect is starting to dissipate.

- Azerbaijan, also traditionally a country of origin, found that the economic crisis did not greatly affect migration patterns. On the other hand, the country has noted growing demand for skilled specialists and is looking for ways to address this issue as part of the Azerbaijani State Migration Programme. This programme is also aligned with the State programme on the development of population and demographic affairs, thus encompassing labour market and demographic issues (among others).

• **Collaborating with and acknowledging migrant networks.** Migrants frequently resort to their networks in finding employment and navigating their destination country. While the unregulated nature of these networks creates the risk of abuse, they are also a source of information and a catalyst for transnational links between migrant communities and their countries of origin. States need to acknowledge the power of such informal networks, which may supplant formal efforts to manage labour migration and organize recruitment. Nonetheless, there are ways to engage with more formalized migrant associations for recruitment and information dissemination, especially where there are more established migration flows.
2. Enhance the mobility and circulation of labour and talent for flexible and resilient labour markets.

Temporary and circular labour migration programmes have been the subject of controversial debate in recent years. Nonetheless, the workshop participants supported the idea that true circulation and mobility of labour and talent could hold great potential for economies and individuals alike, in particular in responding to economic cycles. They conceded, however, that the implementation of such mobility schemes remains complicated and imperfect in practice. Migrants should be able to benefit from the choice and flexibility to go back and forth between different countries, for example, in response to economic opportunities or family considerations, as circular and temporary migration entail lower separation costs. From the origin country’s perspective, circulation could counterbalance a long-term loss of skills, promote development, increase skill exchange and maintain remittance flows. For destination countries, temporary and circular migration theoretically offers a flexible strategy to react to economic downturns and upswings (although recent events have demonstrated that when a recession of global proportions affects countries of origin and destination, migrants are more likely to stay put in the destination country, rather than return to potentially more difficult conditions). Therefore, numerous obstacles remain in fully realizing the circulation of labour and talent. The various presentations at the workshop contemplated the lessons that could be extracted from past experiences to enhance circular mobility and reviewed the various capacity-building efforts required throughout the cycle of circular and/or temporary migration, from pre-departure and insertion in the host labour market, to return and reintegration in the country of origin. Importantly, however, participants also insisted that structural issues cannot be resolved by temporary means, particularly insofar as demographic trends are concerned.

- Contemplating circular mobility in the context of free movement regimes. Past experience has shown that liberalized regimes for the movement of people are most conducive to circulation. These arrangements are often regional in nature and provide the institutional conditions that facilitate repeated moves between countries.
According to experts present at the workshop, the experiences of Poland and other countries that acceded to the European Union in 2004 demonstrates that circular mobility works best under conditions in which the free movement of persons is institutionally enshrined. Studies for the period from 2004 to 2007 have shown that migration of individuals from new European Member States had large positive macroeconomic effects for countries of destination. Impacts on home countries were neutral or negative initially, followed by positive results of decreasing unemployment and rising wages in the longer run.

In South America, by promoting greater freedom of movement among the countries of the Common Market of the South (MERCOSUR), the region saw a change in migration patterns. Argentina noted, for instance, that migrants from neighbouring countries moved more flexibly between countries, choosing temporary over permanent migration.

Mexico highlighted the lessons from a period of open borders and bilateral labour migration programmes between Mexico and the United States between 1960 and 1980, noting that there was very little in the way of permanent settlement of Mexicans in the United States. This period, incidentally, came to an end as a result of an economic downturn. Mexico also reported a new law to create greater freedom of movement between Mexico and neighbouring Guatemala, in view of seasonal labour demand in the agricultural sector. Among its different features, the new law grants Mexican nationality to children of Guatemalan migrant workers born in Mexican territory.

- **Facilitating circulation and reducing entry and exit costs.** True circulation depends on more than open borders. At the top of the list are measures that consider the family situation of the migrant, such as easing the process of family reunification and allowing access to the labour market for accompanying spouses. Developing and providing multiple-entry visa options and ensuring portability of social security...
were also highlighted as good practices. Taxation schemes that avoid double taxation are also likely to make a difference on an individual’s mobility decisions.

- Sweden’s take on circular migration pursues development objectives for the countries of origin of migrants in Sweden. It therefore targets migrants already resident in Sweden – some of whom may have already become Swedish nationals. The country is considering the challenge of how to remove barriers to movement, in order to encourage individuals to go back and forth between their country of origin and Sweden as often as they wish.

• **Promoting mobility as part of regional partnerships.** In settings where significant political and economic ties exist between countries, migration schemes can be embedded in these broader political and economic relations and extended through supplementary provisions, for instance, to further the development of the home country or guarantee the protection of migrants in the countries involved.

- The Republic of Moldova became the first country to enter into a Mobility Partnership with the European Union under the EU Global Approach to Migration. In addition to access to labour markets in the European Union for Moldovan migrants, the scheme included numerous other activities, such as PARE 1+1, in which each unit of Moldovan currency (the Leu) invested by a migrant back home is matched with one Leu by the State. There are also programmes to ensure adequate recognition of qualifications.

- The Republic of Moldova and the Russian Federation reported on the planned conclusion of a bilateral agreement between the two countries that grants social protections to migrants from both countries.

• **Easing the transition between temporary and permanent residency and work categories.** Retention of migrant workers was also discussed. Employers who have invested in the training of an employee may wish to prolong his or her stay.
Likewise, the prospect of obtaining permanent residence also increased the incentive for migrant workers to integrate into a new society, and eased the process of circulating between two countries. Lastly, targeting student migrants was highlighted at the workshop as a novel strategy to enhance human capital and ensure that the labour market is replenished with a young skilled labour force.

- Canadian Experience Class is a programme open to skilled temporary foreign workers and international students who have Canadian work experience and meet language requirements. This programme enables skilled migrants to transition from temporary to permanent status.\(^5\)

- Sweden’s new labour migration policy greatly facilitates the transition from temporary to permanent status: the initial temporary permit can be renewed several times, and if the individual is still employed after four years, permanent residence can be obtained without having to return home to apply. In addition, foreign postgraduate students in Sweden also have the possibility to apply for residence and work permits while in the country.

- Developing flexible arrangements for specific labour needs. Temporary and circular migration schemes have in the past been utilized to respond to labour shortage in specific market sectors, such as agriculture. While these programmes can be beneficial for employers, facilitate the flow of remittances and open up opportunities for less skilled migration, concerns have also been raised with regard to the protection of the human and labour rights of migrant workers under such schemes.

- Canada’s Seasonal Agricultural Worker Programme matches workers from Mexico and the Caribbean with Canadian farmers in search of temporary labour during planting and harvesting seasons. The programme carefully defines the conditions of the contracts to minimize the risk of abuses. In addition, as part of the

scheme, workers are eligible for pensions. Canada’s international social security agreements with Mexico and a number of Caribbean countries enable participating workers to collect pension benefits from either country.\(^6\)

- Polish seasonal migration to Germany during the 1990s and until 2004, when Poland joined the European Union, was critical for labour markets in both countries. Some of the key factors explaining its success lay in geographical proximity, low travel costs, uncomplicated entry requirements, and readily available information through official channels and informal networks.

- Mexico observed that while permanent migration from Mexico to the United States has slowed down considerably, mobility and circulation continues and is even set to increase further. US agricultural states, in particular, are devising ways to attract seasonal workers by means of temporary visas.

- **Supporting migrants pre-departure.** Advice on migration opportunities, visas, access to services, employment conditions and contracts, rights and obligations, recourse mechanisms in case of emergency, as well as practical information about life in the potential host country have long been recognized as useful measures to prepare migrants or potential migrants for the experience, while trying to minimize some of the risks associated with migration.

- **Designing policies to encourage and support the return of migrants, especially in times of crisis.** Growing numbers of countries are trying to spread the word to their overseas nationals about investment, business and entrepreneurial opportunities in the country of origin. Programmes to support migrants in saving financial capital while abroad and reintegration centres providing job counselling and referrals can ease the reintegration process and help inject new skills in the labour markets of home countries. However, return may also take place under difficult circumstances:

even though the 2008–2009 economic crisis did not generate large-scale returns, many countries found themselves having to receive and reintegrate migrant workers who had left their destination countries due to the recession.

- In supporting the reintegration of its overseas workers during the economic crisis, the Government of the Philippines initiated livelihood programmes offering financial support for returnees, as well as retraining opportunities. The government also worked with the private sector and chambers of commerce in order to promote the reinsertion of overseas workers in the domestic labour market.

• Targeting diaspora communities to mobilize competencies acquired by migrants while overseas can deliver a range of benefits to the development of the country of origin.

- Programmes such as IOM’s Migration for Development in Africa (MIDA) assists African nationals in contributing to the development of their countries of origin. Through temporary returns of qualified nationals, individuals can support economic and social sectors (such as health care and education) by fostering the exchange and development of skills, knowledge and professional networks. One particular example highlighted at the workshop is the MIDA FinnSom Health project between Finland and Somalia, which has organized the temporary return of health workers from Finland to their native Somalia. In its first phase in 2008–2009, for instance, the project facilitated 22 temporary return assignments involving Somali medical doctors, dentists, nurses, midwives, and laboratory technicians. Importantly, the MIDA FinnSom Health project is demand-driven and based on the priority needs identified by local authorities and project partners in Somaliland and Puntland.7

7 For more on the MIDA FinnSom Health project, see www.iom.fi/midafinnsom and IOM, Migration for Development in the Horn of Africa – Health expertise from the Somali diaspora in Finland (2009), available from http://publications.iom.int/bookstore/free/MIDA_Health_book.pdf. Additional information on MIDA more generally is available from: www.iom.int/jahia/Jahia/mida-africa/.
3. Focus on migrants’ skills and human capital, and ensure protected conditions and decent work for migrants at all skill levels.

Human capital has become a highly valued asset in the global economy. One strong message that emerged from the workshop discussion was that countries will increasingly find themselves competing for labour and talent, and this concerns not just traditional industrialized nations, but also emerging economies. For example, the World Economic Forum reported at the workshop that 34 per cent of employers experience difficulties in filling open positions due to lack of available talent. In the debate on the availability and distribution of human capital, participants stressed the importance of focusing on all skill levels. Participants cautioned against segmented approaches that treat highly skilled and less skilled sectors (and, consequently, highly skilled and less skilled migration) as though they operated independently of each other. In reality, the two are often contingent upon each other, as illustrated by the growing participation of women in high-end sectors of the labour market in developed countries, facilitated by the availability of less skilled labour (often migrant labour) to take on domestic tasks. The workshop also highlighted that the economic recovery of markets can be catalysed by ready access to both highly skilled and less skilled labour. Various arguments were put forward as to why migrants are of particular concern: first, too many migrants find themselves at risk of human and labour rights abuses, while principles of decent work (which were highlighted at the workshop) are also often violated in the context of migration for work. Secondly and more specifically, migrants are typically the first to be affected during periods of economic instability, as they are more likely to lose their employment or be pushed into precarious conditions. Thirdly, migrants are an important target group in the investment in human capital and skills in modern labour markets around the world: on the one hand, migrants often possess important and much-needed skills; on the other hand, migrants often struggle to have their

qualifications and skills adequately recognized, and experience underemployment and “brain waste” as a result. The discussions thus revolved around the links between migration policies and measures in the realm of education, training, upskilling and skill recognition, as well as ways to reduce the various risks and vulnerabilities which migrants may experience in the global labour market.

• **Creating effective systems for the recognition of skills and qualifications and the transfer of licences and certificates.** This is a crucial element in integrating migrants into the labour market and maximizing their human capital potential. Indeed, migrants and returnees who do not have their skills recognized may be unable to access employment that matches their skill sets. As the mobility of professionals is becoming an increasingly important component in labour markets around the world, participants suggested that governments, employers and educational institutions work together to evaluate the compatibility of credentials and standardize mechanisms for obtaining equivalent licences and certificates.

• **Facilitating skill-matching mechanisms.** Recognition of qualifications is one step in the process, but is not sufficient on its own to make the best use of the skills and qualifications in the labour market. Matching migrant profiles with jobs and employers requires measures that assist migrants in navigating labour markets and recruitment systems that they may be unfamiliar with, as well as supporting employers in accessing the migrant talent pool (in particular for small- and medium-sized enterprises).

  - Upwardly Global is a US-based non-profit social enterprise that aims to connect employers with qualified migrants. The organization focuses on shifting attitudes and raising awareness about diversity in the workplace and the inclusion of migrant talent in the private sector. Upwardly Global also empowers migrants to overcome entry barriers by training migrants in job search skills, developing interview techniques and supporting the creation of professional networks.¹⁰

• **Valuing the “global skills” of migrants.** Apart from their formal qualifications, migrants also often possess other attributes, such as cross-cultural competences, international work experience, language abilities, adaptability and transnational connections, which many private sector companies actively seek in their employees.

• **Building skills and keeping in mind the full range of skills required.** Participants discussed ways to combine migration and skill-building policies. A focus on education, training and “lifelong learning” was suggested, as was cooperation with universities and training institutions, even across borders. While much attention is devoted to attracting highly skilled professionals, most labour markets require workers at all skill levels.

  - For example, the Azerbaijani State Migration Programme envisages cooperation with universities and bilateral agreements in the sphere of education to increase the availability of needed skills.

  - The European Union’s EU 2020 Strategy recognizes that skills and knowledge constitute Europe’s most important competitive advantage and seeks to further this strategic objective through, inter alia, education, labour market participation, mobility (both within the EU and from third countries) and better labour market integration of migrants already present in the EU.

  - Sweden’s 2008 labour migration policy is explicitly non-sectoral, meaning that employers are free to recruit foreign labour at all skill levels. Seasonal workers have been in great demand, while IT, housekeeping, hospitality, arts, sports, architecture, and engineering emerged as some of the main categories in which employers have sought migrant workers, illustrating the full spectrum of skill levels.

• **Increasing migrant participation in labour markets in destination countries.** Many participants pointed out that policies should not only focus on enhancing labour migration channels, but also strive to better include migrants already
present in the country. This is partly related to the recognition of skills to avoid underemployment and underutilization of potential available in the country. However, policymakers may also wish to focus on the labour market opportunities and entry barriers for so-called non-economic migrants, such as those entering the country as refugees and asylum-seekers or through family reunification programmes, as well as descendants of migrants who often continue to experience obstacles to labour market participation.

- In the United States, the Northeast Ohio Healthcare Workforce Pipeline (NEOHWP) project by the Northeast Ohio Health Science & Innovation Coalition, Global Cleveland, and Upwardly Global works to increase the participation of migrants in the Ohio healthcare sector. NEOHWP was developed to better manage growing demographic disparities in the Ohio region. The project aims to replenish the Ohio health care system with skilled young migrants to meet the challenges created for the expanding health care industry by the growing number of retirees. 11

• Considering gender specificities in labour migration, employment and family policies, and differentiated vulnerabilities during economic crises. Participants noted that men and women have different experiences in the labour market and that the same is of course true for migrant men and women. Measures that aim to enhance the human capital potential of migrants or respond to the consequences of an economic downturn need to be sensitive to these differences.

- Spain, for instance, remarked that the 2008 economic crisis overwhelmingly affected male migrant workers who were employed in the construction sector. Women migrants, by contrast, tended to work in non-cyclical sectors and were less likely to be out of work.

- Similarly, the Philippines noted that female domestic workers rarely lost their jobs during the crisis compared to male migrants, particularly those working as seafarers.

11 www.nohsic.org/programs/upwardly-global.
• **Strengthening private sector capacities** to harness the talent available within the migrant community, including cross-cultural and linguistic skills, while raising awareness of some of the challenges faced by migrants in accessing the labour market. Building the capacities of human resource professionals and managers in recruitment in cross-cultural settings or in diversity management in the workplace, or devising schemes that enable migrants to gain work experience in their field of expertise can help break down some of the barriers between employers and migrants.

- One particular programme discussed by Upwardly Global during the workshop was the Global Engineers in Residence (GEIR) project. Through GEIR, migrants with a background in engineering are able to gain valuable work experience and professional connections, while employers are introduced to the pool of talent available in the migrant community.

• **Promoting mechanisms for skill exchange and circulation of human capital.** In the workshop, countries of origin of migrant labour called on destination countries which seek to attract highly skilled migrants to consider the consequences for their home-country economies. There are growing opportunities for countries of origin and destination to cooperate in helping migrants to transfer knowledge and exchange skills between the two societies.

- In the health sector, the Government of Ghana’s Human Resources Development Strategy has implemented international exchange programmes with the assistance of IOM, whereby Ghanaian health professionals abroad return to Ghana on a temporary basis to work alongside local colleagues. In turn, health professionals from Ghana complete temporary stays in health care institutions in the UK, Germany and the Netherlands. The programme aims to stimulate cooperation and flow of knowledge and build professional networks. To date, 150 temporary...
returns and 10 exchanges with a European health care facility have been realized, benefiting 40 Ghanaian institutions.

• **Protecting migrants during times of economic crisis.** To prevent migrants from falling into irregular or vulnerable situations, countries of origin and destination can work together and engage with employers, to support, for example, job transferability programmes or repatriation.

  - During the 2008 economic crisis, the Government of the Philippines reinforced bilateral negotiations with governments to manage exit procedures for overseas Filipino workers who were forced to abandon their countries of destination. One main objective for the Government of the Philippines was to obtain re-entry guarantees for any migrant worker who left during the crisis. Following the crisis, the government developed a “crisis monitoring system”. The objective is to produce an evidence-based early warning system through government attachés and overseas missions to identify changes in foreign labour markets and employers that could be vulnerable to economic fluctuations. This would allow for early interventions to minimize the impact on migrant workers and to agree on schemes for their re-employment once the situation has improved.

• **Providing migrants with full information on their rights, employment terms and obligations.** Information regarding domestic labour legislation, employment contracts, and obligations and rights can be a buffer against some of the risks and abuses faced by migrant workers. States can also develop and support information distribution mechanisms through migrant networks, ethnic media and civil society. In this context, participants discussed the role of recruitment agencies as conveyors of information, as well as the need for careful monitoring and regulation of such agencies.

  - The Ghanaian Ministry of Health plans further steps to support Ghanaian health workers abroad, including monitoring work conditions and the creation of labour
attachés who would serve as contacts at embassies and consulates.

- **Addressing the status of migrants in an irregular situation.** Irregular status poses a significant risk for the protection of the human and labour rights of an individual. It also creates additional barriers to the effective inclusion of migrants in the labour market, and in social security and taxation systems. Implementing policies that regulate migrants in the workforce should be done in consideration of labour market demands and demographic pressures.

  - The Spanish regularization programme in 2005 regularized migrants’ legal status and brought jobs and employers operating outside the law within the purview of legal regulation. Migrants were required to provide evidence of a work contract and residence in Spain for a period of three years. The regularization programme brought irregular migrants into social welfare protection and increased the government’s capacity to implement effective taxation systems.

4. **Develop assessments, monitoring and data collection capacities on migration, labour market trends and demographic developments for well-informed policymaking.**

Policymakers grapple with considerable complexities and uncertainties in understanding and addressing economic cycles and demographic change. The 2008–2009 economic crisis, for instance, took many by surprise, while subsequent developments – rapid recovery in some parts of the world, a worsening of the situation in others – proved equally difficult to foresee. Demographic trends, by comparison, appeared more manageable to many who spoke at the workshop, yet population dynamics, too, are multivariate problems not readily influenced by policy interventions. Nonetheless, there was general agreement that more efforts are needed to understand and monitor migration in relation
to demographic and labour market trends to create a more solid basis for policymaking in the future. The recent crisis, for instance, allowed experts and policymakers to reassess some of the common assumptions about the relationship between migration and recessions and to extract lessons for the future. Calls for better data on migration have been a consistent theme at this and previous IDM workshops, as States rely on such data to inform the allocation of resources and national and regional migration strategies. More specifically, methodologies to assess labour markets, including current and future needs and potential shortages, have become more sophisticated: shortages, for instance, are not always simply calculations where demand exceeds supply. Instead, they depend critically on the price of labour, as well as prevailing production processes, working conditions and employer perceptions. More and more countries are looking to develop such labour market assessments and integrate them into migration policies, but many also lack the capacity to obtain and apply such data.

- **Mapping future scenarios in migration, economic cycles and demographic change.** While firm predictions are unlikely to materialize, participants highlighted the importance of attempts to build scenarios based on population projections, different economic realities, and a range of migration patterns and policies. This can be done at national or regional levels and can serve to outline possible futures to inform policymaking.

  - The World Economic Forum, in collaboration with the Boston Consulting Group, analysed demand and supply of talent in the global labour market in its 2009 Talent Mobility project. Involving a range of private sector and other stakeholders, the project identified numerous policy options and lines of action in the realm of economic diversification, youth employment, job creation, diversity in the job market, retraining and “brain drain”.

- **Monitoring labour market trends.** A number of countries regularly carry out systematic macro- and micro-level analyses to better understand the national landscape of labour and skills in order to assess current needs and anticipate

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future ones. Possible components of such assessments, depending on the context and aim, include data collection on unemployment and underemployment, unfilled vacancies, skill profiles of those entering and leaving the country, the importance of the informal sector and its relationship with the formal economy, relevant gender aspects, skills available in the diaspora, and remittance flows. It was stressed as important to differentiate between cyclical and non-cyclical sectors, to consider both short-term and long-term trends, and to pay attention to the experiences of employers to generate solid, evidence-based labour market assessments.

- The Philippines has begun developing a “global employment map” that looks at countries recruiting migrant workers in order to identify future opportunities for the country’s migrant workers in a targeted manner, engage in bilateral negotiations with relevant countries, and prepare migrant workers for sectors that are likely to show high demand for labour.

- An example of a useful resource for statistical information on labour migration is the ILO International Labour Migration Database, which has been obtaining and storing relevant information since 1998.\(^\text{13}\)

- **Monitoring and evaluating labour market outcomes for migrants and different migrant groups.** As previously stated, there is a significant risk that migrant talent and skills will remain underutilized, even where there are shortages. Policymakers may wish to systematically analyse and monitor labour market outcomes for migrants to identify barriers to effective labour market integration. These can range from obstacles in having their qualifications recognized to discrimination. In addition, such evaluations need to be sensitive to differences within migrant populations, for instance: gender, age, type of migration status, and area of origin.

- Australia’s Department of Immigration and Citizenship carries out a Continuous Survey of Australia’s Migrants

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to gauge issues such as labour market inclusion and access to housing and services. The survey has revealed, for instance, that migrants selected via Australia’s skilled labour migration policy are uniformly more likely to be in full-time skilled employment than migrants entering via the family stream.\textsuperscript{14}

- **Improving the protection of migrants through coherent data collection.** Monitoring mechanisms allow States to invest in the kind of capacity-building required to enhance protection and law enforcement in the area of employment. Data sourced from labour inspections can be particularly useful in this regard.

- **Enhancing capacities to understand migration trends.** Migration Profiles\textsuperscript{15} go beyond simply compiling a statistical report on migration. They provide a framework for bringing together existing information from different sources, identifying gaps in the knowledge and understanding of migration, and generating dialogue on migration among different national actors. Migration Profiles can also be targeted towards a particular policy goal, such as assessing migration’s potential for development, addressing the vulnerabilities that migrants experience, or integrating migration in labour market and population planning.

  - The Republic of Moldova, as part of its Mobility Partnership with the European Union, has embarked on an “Extended Migration Profile” project. The tool aims to monitor migration flows in order to determine the needs of the labour market, and to develop coherent migration data and policies.

- **Evaluating policy outcomes.** Policymakers are increasingly recognizing the importance of assessing the impacts of policies in the realm of labour markets, labour migration, economic inclusion of migrants, and skills building, to name a few. One particular area that was highlighted as

\textsuperscript{14} www.immi.gov.au/media/research/surveys/csam/.

\textsuperscript{15} www.iom.int/jahia/Jahia/policy-research/migration-research/migration-profiles.
deserving more rigorous evaluation is that of the success and effectiveness of labour recruitment systems.

- Sweden, for example, has requested the Organisation for Economic Co-operation and Development to conduct an evaluation of its 2008 labour migration policy, including the state of its implementation, its impacts, and areas for improvement.  

5. Further the governance of international migration through broad partnerships and collaborative fora.

The workshop drove home the message of the interconnectedness of migration, economic cycles and demographic change, as well as the interconnectedness of countries of origin and destination in this context. Although there is widespread awareness that most States cannot achieve their migration management objectives unilaterally, the question on how to govern international migration remains subject to substantial debate, both in theory and in practice. A range of different notions of migration governance were put forward at the workshop: some focused on results, such as making migration more orderly, fair and beneficial, while others prioritized the process of governance, including trust-building and the inclusion of a range of stakeholders. Migration governance can thus be conceptualized as a set of collaborative practices to maximize positive outcomes and minimize the negative repercussions of migration. Collaboration can be global, but can also take place at the regional or even national level. Participants also highlighted that as many countries have become countries of origin, transit and destination simultaneously, this has created a broader base of common experiences, and thus a better ground for collaborative governance. Likewise, the shock of the global economic crisis has presented a “stress test” for any incipient migration governance mechanism, creating risks such as isolationist and protectionist

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policies and xenophobic attitudes, and creating opportunities for incorporating migration into national and global recovery strategies. However, participants also ventured that a narrow focus on States as the only actors in migration governance may be misplaced. Negative public perceptions of migrants and migration, for example, were a concern for many countries, especially during the economic crisis. In fact, public rejection of migration not only destabilizes social cohesion in a country, but can also jeopardize economic vitality if it means that much-needed labour and talent is “kept out”. Integrating civil society, migrants and the private sector into the discourse should aim to generate a better appreciation of migration and its value and broaden the scope and capacities for innovative initiatives.

- **Targeting the “change agents”**. Migrants and migrant networks, the private sector and youth were recognized as among the key players who will decisively shape the global migration landscape of the future: migrants and the networks through which they organize themselves have major social and economic impacts on the societies they interact with; the private sector is already looking for global talent and labour to maintain a competitive edge; and younger generations are growing up in a world in which international mobility, cross-border connections and global aspirations are increasingly commonplace. According to a representative from the International Catholic Migration Commission, which also coordinates civil society representation at the Global Forum on Migration and Development, governments must find new avenues to engage with these groups.

- **Recognizing migrants as decision makers**. Following from the above, policymaking needs to take greater account of the fact that the power over migration decisions ultimately rests with individuals and households. Surveys, migrant-centred research, and other methods can introduce novel “bottom-up” consultation mechanisms. Engaging with diaspora networks through Internet-based platforms, for example, can produce useful frameworks for States to develop policies in consultation with migrants.
- **Drawing in the private sector.** Involving the private sector in both home and host countries is increasingly being noted as an important step in building new strategies that enhance and sustain the benefits of migration. The role of employers and the private sector, in general, in identifying labour needs, monitoring economic cycles, recognizing qualifications, organizing recruitment and protecting migrants’ rights was underlined. A number of participants, however, also acknowledged problems that may arise where business practices are not sufficiently regulated, for instance, in recruitment or when a migrant’s work permit is tied to one single employer.

- **Engaging different levels of government.** Migration policy need not be formulated exclusively at the national level. A number of countries reported good experiences in engaging with local governments in assessing labour needs and managing migration. In fact, some regions and cities actively seek to attract migrants to revitalize stagnating economies.

  - Under Canada’s Provincial Nominee Programme, a province or territory can nominate persons who possess appropriate skills, education and work experience for permanent residence and immediate inclusion in the workforce.\(^{17}\)

- **Increasing inter-State dialogue and regional collaboration.** Greater exchange of experiences and coordination of practices was favoured as a basis for further developing migration governance. In particular, cooperation between neighbouring countries in policy formulation can enhance regional capacities in managing migration, help integrate migration within broader regional economic dynamics, and bolster regional economies.

  - As part of regional integration in South America, MERCOSUR member countries opted for open and reciprocal migration policies to facilitate cross-border movement, reduce irregular migration and include

migrants in the formal labour market and systems of social protection. Around the time of these reforms and possibly boosted by them, the Argentinian economy witnessed unprecedented levels of job creation and growing productivity, which allowed for greater inclusion of both migrant and native workers into the formal economy.

- **Enhancing inter-ministerial coordination.** The complex relationships between migration, economic cycles and demographic factors require approaches which usually cut across the portfolios and expertise of a number of ministries and government agencies. Strong coordination between the areas of labour and employment, family and population, education and training, development, and migration and integration, to name a few relevant spheres of action, is fundamental in producing coherent policies.

  - Azerbaijan, now a destination country as well as a country of origin, took various steps to strengthen its capacities in the area of migration governance. To improve coherence and communication between the diverse migration-related ministries, Azerbaijan in 2007 developed the State Migration Service (SMS), which combined the Ministry of Internal Affairs and the Ministry of Labour and Social Protection. A migration information system was set up to facilitate information sharing between different ministries. The SMS allows for more effective coordination between central and local government structures, as well with international and non-governmental organizations. The main purpose of the SMS is to analyse and forecast migration trends, to create a database system on migration, and to promote international cooperation on migration.

- **Forming broad partnerships with civil society, trade unions and the private sector.** Working in coordination with all parts of the labour market is central to devising crisis-resilient

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policies and can yield innovative solutions to multiple aspects of the issues at hand. Early and consistent consultation with these players can also smooth the implementation of and adherence to policies later on.

- In the Swedish employer-led labour migration policy, trade unions are consulted during the review process by the Swedish Migration Board to ensure employment standards are respected, although trade unions do not have the power to veto the selection made by an employer.

- Spain also reported the strong role taken by social partners in the development of its 2004 migration policy, while acknowledging that it was a learning process for both the government and its social partners. For example, trade unions at the time were only starting to develop their positions vis-à-vis migrant workers in Spain.
CONCLUSION

Demography and demand for labour are among the two strongest forces acting upon contemporary global migration flows. Neither one, however, is a static or easily predictable variable, nor are they independent of each other. Instead, the interaction between population dynamics and disparities, on the one hand, and economic fluctuations, on the other hand, has a variety of impacts on migration, often mediated through changes in labour market needs and structures.

The second IDM intersessional workshop of 2011 strongly reaffirmed the notion that migration has become a structural factor in labour markets and economies around the world. Furthermore, its importance has been sharpened by demographic imbalances which are leading to greater competition among nations for labour. As a result, the workshop called for new approaches to better govern the global distribution of labour and talent in humane and effective ways. Migrants are not just factors of production and not mere figures in population statistics, but human beings endowed with talent, agency and aspirations, whose rights and well-being should remain firmly at the centre of any policy approach. Countries of origin and destination, in turn, need to build consensus on questions of migration governance and find collaborative mechanisms to balance their respective interests and needs.

The workshop discussions revolved around five areas of focus and action for policymakers and practitioners at national, regional, and international levels. The first area concerns primarily national policymaking and the recognition that synergies between migration policies and other domains yield the best results in addressing
 structural labour market issues. Migration is not a panacea in this respect, but works best in a policy mix with measures on labour force participation, support for families, education, and training. Second, circular and temporary forms of mobility were identified as promising options in relation to labour market needs, especially in areas of cyclical demand, but capacities and cooperation need to be reinforced to maximize the potential of these modalities. A third area for action entails enhanced investment in human capital, in particular in harnessing the skills and potential of migrants, while also recognizing their heightened vulnerability during times of economic downturn. Fourth, governments need to strengthen knowledge, data, monitoring and evaluation capacities for labour markets, economic cycles and demographic trends (for instance, regarding assessments of the skill profiles available among native and migrant populations and barriers to labour market participation). Lastly, there are clear signs that unilateral and State-centric traditions in migration governance are giving way to more comprehensive and collaborative approaches that are inclusive of a variety of voices, but the process of building a global consensus on migration governance has only just begun.
MIGRANT’S VOICE
No dialogue on migration can be complete without the voices of migrants. For this reason, the IDM has made it a tradition and a priority to invite migrants to share their personal stories, experiences, hopes and dreams with government representatives and others attending the IDM workshops. These are their testimonies.

Jairo Enrique León Bermúdez, entrepreneur, Colombia/Spain

Why did you decide to migrate to Spain?

I went to Spain in the late 1980s after having finished my studies in architecture, together with my girlfriend at the time. We did not go for economic reasons; quite the contrary, in fact: we were seeking new experiences. Being young allowed us to live our dreams and to take risks, such that at the time we were mainly looking to discover the world. We arrived in a country which was “taking off”, economically speaking, but also in political and social terms. Back then, there were far fewer people who were travelling in search of opportunities like we were than there are today. In the beginning, we were confronted with the stigma of being Colombian and being automatically associated with drugs. However, as people got to know us, their opinions of

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1 This text is an unofficial translation from Spanish, faithful to Mr. Leon’s original answers.
us changed. My girlfriend was quick to find a job, while I myself struggled and had to accept menial labour. Over time, I managed to develop my skills as I was travelling throughout Europe and I inserted myself professionally by working as an agent for various Colombian companies which were trading with Europe. Obtaining Spanish documents was no problem and in less than three years I had become a Spanish citizen, although it meant giving up my Colombian citizenship as double nationality was not permitted at the time. Today, I have recovered my Colombian passport and am able to live in both countries as I please. In the last 15 years, I have worked in the tourism industry. I travelled all over Europe as a tour guide offering personalized trips. More recently, I have specialized in eco-tourism using electronic vehicles and setting up businesses in Toledo as well as in Madrid.

What triggered your decision to return to Colombia after 30 years in Spain?

Family matters required me to travel to Colombia, as my mother was becoming increasingly frail. Seeing the situation at home, I took the rather difficult decision to leave Spain for a period of time. But as time went by and my mother’s health showed no signs of improving, I started considering taking up employment in Bogotá. I decided to give it a try in my field of expertise, placed my bets on tourism and started developing a project in this area. To cut a long story short, I threw myself headlong into the project and, today, my own tourism business is up and running. I should add that Spain’s current economic and labour market situation was a real consideration in my decision to leave and make a fresh start, to become an entrepreneur after having been an employee and to follow my motivation to do something for my country. My project now has the backing of various public and private institutions and partners. Winning their support has not been easy, but I believe that due to the innovative character of the project I was able to convince them of its viability.
How did the economic crisis in Spain affect you?

In fact, what marked a clear “before” and “after” in the tourism industry were the September 11 attacks in the United States. Ever since that date, the tourism sector has felt the repercussions and we have spent the last 10 years overcoming many problems. The current economic crisis bears certain parallels, but as a “global touristic power” Spain was able to withstand it better than many other industries. I believe that such a situation also sharpens ingenuity, much to the advantage of entrepreneurs. It certainly has served me in pioneering my project. But I am also aware that many people have had to return to their countries as a result of the current crisis. Having returned to Colombia myself, I have met returnees from all around the world and their stories make me realize just how fortunate I am.

How have you reintegrated into life in Colombia? Do you think that your experience in Spain has helped you in making a contribution to your home country?

At the moment, 18 months after having returned to Colombia, I would say that I have managed to get a project off the ground that is both unique and innovative. Getting to this point has not been easy, especially as I have not been able to rely on financial institutions for support to implement my project. Unfortunately, being a returnee in Colombia with no credit history, you simply “don’t exist”. I have been lucky to find a business partner who believed in my idea from the start and we have been working and fighting side by side to overcome any obstacles in our path. My economic situation is difficult as I have invested everything I had in my project and I am forced to make great efforts and sacrifices to move forward, but with faith and perseverance I know we can succeed.

Of course I have something to contribute to my country! One of my goals was to create a different image of Bogotá and, if nothing else, my project contributes to a fun, different and positive perception of the city. In addition, I want to go further by using
tourism to develop social projects to sensitize certain populations to the benefits they can actively create for themselves, so I am collaborating with different social institutions and an NGO to that end.

*What is your message and advice to fellow Colombians who wish to migrate to Europe?*

There are many people in Colombia who think that the solution to their economic problems is to leave the country. I do not recommend it. Colombia is a country full of opportunities, and there is a lot to do.

*Saido Mohamed, nurse, activist and Finland’s Refugee Woman of the Year 2011, Somalia/Finland*

*Could you describe your journey to Finland and some of the challenges you faced during your integration?*

At the onset of the civil war, I fled Mogadishu to live alongside other families in the Somali countryside. At the age of 16, as the civil war intensified, with increased fighting among communities and the collapse of the State, I crossed the border to Kenya. However, my stay in Nairobi was only temporary as I had family in Switzerland and Finland who wanted me to join them. In 1992, I was able to reach my sister in Hämeenlinna, Finland and claim asylum. Migrating from a vibrant culture and the warm Somali climate to a calmer culture and the colder climate of Finland left me with a degree of cultural shock. Integrating into such a vastly different environment and culture challenged me to participate in a variety of social, educational and cultural activities. Through my involvement in these activities, I gained a strong sense of self-

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2 The text is based on an informal interview conducted with Ms. Mohamed and is reproduced here faithful to her original answers.
confidence whilst also becoming more accustomed to Finnish culture. Although lacking the family structure I had back in Somalia to support me in acclimatizing to this vastly different environment, I felt I had some advantage in arriving in Finland at a young age. As my integration process advanced with the support of the Finnish government, I began directing my energies towards studying and learning Finnish first through a primary school course, continuing to secondary school courses. Access to education was critical to my integration process, allowing me to pursue courses to work as a translator and interpreter and to gain my nursing degree in 2001 from the Mikkeli University of Applied Sciences. Completing my studies with two certificates and the right to practice in several languages, I was able to apply my skills not only within the Finnish community but also within the migrant community. The opportunity to apply my skills within the migrant community permitted me to deepen and expand my voluntary work with local NGOs. After three years working in a hospital, I applied for a job at the Finnish League of Human Rights working on the KoKoNainen project, a preventative initiative against female circumcision.

How did the skills you learned during your youth and through your education help you to overcome the challenges related to your integration in Finland, and how have you found these skills useful in your voluntary work?

When I trained as a nurse, I was one the few coloured students and faced a variety of challenges regarding my background and aptitude in delivering my skills. However, through my strong will to succeed and in considering the lack of nurses in the Finnish labour force I began to see my skills rapidly recognized and valued both by the Finnish and the migrant communities. My linguistic abilities facilitated this process, enabling me to easily communicate and reassure both foreign and native patients. I found that people really appreciated my ability to work with a variety of groups originating from different backgrounds. The transferability of these skills has played an important role in my voluntary work, developing integration programmes, woman health programmes,
youth activities and development projects for Somalia. Through the community-based projects I volunteer for, I encourage both migrants and Finnish youth to get involved in sport and social activities, as I believe these activities increase the exchange of ideas and interests among youth, creating an environment of communication, understanding and integration. This is especially important for migrant youth, for as I learned throughout my integration experience, migrants often have to try three or four times harder than Finnish nationals when participating in social activities.

*How important do you feel the Somali diaspora has been in your voluntary work?*

As chairwoman of the Finnish Somalia Network, comprised of 23 NGOs which work on devising Somalia-based development projects, I am very aware of the importance of the diaspora. The members of the Network originate from different parts of Somalia; working together through dialogue and collaboration, we are able to bring our diverse knowledge of the country together and develop well-informed and wide-ranging projects. The diaspora community is important to the Finnish Somalia Network as through their volunteer activities, financial contributions and support for the Network we are able to deliver our project objectives. The support of the diaspora for the Finnish Somali Network is also very important and noticeably appreciated in Somalia. I especially witnessed this first-hand through my voluntary work with the IOM project “Migration for Development in Africa” (MIDA). Through the MIDA capacity-building programme, I was able to transfer the skills gained in Finland to directly contribute to the development of Somalia. Working on the MIDA project was also very important to me as it gave me the opportunity to reconnect with my country of origin. The possibility to transfer my medical knowledge and work on capacity-building activities allowed me to directly witness the gratitude people had for the Somali diaspora.
You mentioned your return to Somalia with the MIDA project; would you be able to tell us more about your experiences in returning to Somalia?

Although returning to Somalia was incredibly rewarding and important to me, I also faced several challenges. Returning to my country of origin, where I speak the same language and possess the same culture, I found that my reintegration was more challenging than expected. I found this to be especially apparent while working at the hospital. Having been trained in Finland to work in a Finnish working environment, I found that I had to adapt my nursing practices to the Somali working environment. Nonetheless, I very much enjoyed the possibility to return and reconnect with Somalia as it gave me the possibility to meet, discuss and exchange experiences with Somali people, allowing me to listen and learn about Somalia in a way that I had not been able to do before. I found that people really appreciated our voluntary work and it also gave me the opportunity to promote the idea of volunteering in Somalia. I found that people were surprised that I had volunteered my time to return to my country of origin, which enabled to me discuss the MIDA project, Finland and my other voluntary work with them.

With all your experiences, what do you see as your role now?

My integration experiences have now allowed me to act as a role model for young migrants. My nomination as Refugee of the Year by the Finnish Refugee Council has highlighted my role in supporting young migrants through the legal, educational and cultural hurdles related to the integration process. I feel my role is to offer them an insight into the possibilities related to their lives in Finland. On the other hand, as the only woman on the Finnish Somalia Network, I feel that the nomination has allowed me to further emphasize the important work we do regarding gender both in Somalia and Finland. I am now a Finnish citizen; however, I will always have a responsibility to help Somalis and will continue to promote the voice of young girls and boys.
WORKSHOP AGENDA
AND BACKGROUND PAPER
INTERNATIONAL DIALOGUE ON MIGRATION 2011
THE FUTURE OF MIGRATION: BUILDING CAPACITIES FOR CHANGE

INERSESSIONAL WORKSHOP ON
ECONOMIC CYCLES, DEMOGRAPHIC CHANGE
AND MIGRATION
12–13 SEPTEMBER 2011

FINAL AGENDA

The workshop will focus on migration policymaking that effectively reconciles the conditions set by economic cycles, on the one hand, and demographic realities, on the other hand. Using the lessons learned from the most recent global economic crisis, the purpose of the workshop is to better understand the impacts of economic fluctuations on migration in relation to larger demographic parameters. Through a series of presentations and discussions, participants will evaluate the effectiveness of various migration policy measures taken in response to the downturn and place them in the context of broader population and labour market trends, in developed and developing, origin and destination countries. Attempts will be made to identify gaps and limitations in comprehensively addressing the migration challenges often found in the wake of a recession. In line with the overarching theme of IDM 2011, the workshop will pay particular attention to the capacity requirements in this area of migration policy.

12 SEPTEMBER 2011 DAY I

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:00 – 10:00</td>
<td>Registration</td>
</tr>
<tr>
<td>10:00 – 11:00</td>
<td>OPENING SESSION</td>
</tr>
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**WELCOME REMARKS**
- Laura Thompson, Deputy Director General, IOM

**SETTING THE SCENE**
Economic cycles and demographic trends, while operating on different timescales, are both intricately linked to migration. Migration policymakers are challenged to balance demographic, economic and labour market considerations in their approaches to labour mobility, temporary versus permanent migration, family and student migration, labour market access for migrants and their families – to name but a few. The scene-setting presentation will summarize the main findings on the implications of the last economic crisis for migration trends and patterns. It will also provide participants with an overview of current and projected global demographic trends and some of the ways in which they may affect migration flows. Lastly, the presentation will outline key areas for capacity-building – such as data and statistics, labour market assessment and international cooperation – relevant to the subject at hand.

- Md. Shahidul Haque, Director, Department of International Cooperation and Partnerships, IOM
The 2008–2009 economic crisis, as well as prior episodes of recession, drew attention to the multiple impacts on migrants, countries of origin and countries of destination, including on return, remittances transfers, unemployment among migrant workers, and public attitudes towards migrants. While migrant workers in certain, more cyclical sectors of the economy were hit hardest, there is evidence that other sectors have remained relatively unscathed, or have flourished during the crisis. Periods of “boom and bust” will continue to punctuate national and global economic activity and policymakers are struggling with the question if and how migration flows can be managed in relation to such cycles. Some of the main challenges concern the uncertainty of short- and medium-term labour market projections, the return of migrants to home countries during times of economic difficulty, and the time lag between economic recession or recovery and any reaction in migration flows. This session will provide an opportunity to analyse how different governments have adjusted their migration policies in response to the recent crisis, with a view to extracting lessons for the future.

**Moderator:** Jean-Christophe Dumont, Head, International Migration Division, Directorate for Employment, Labour and Social Affairs, Organisation for Economic Co-operation and Development

**Speakers:**
- Christina Springfeldt, Deputy Director General, Department for Migration and Asylum Policy, Ministry of Justice, Sweden
- Ulvi Aliyev, Inspector, International Cooperation Department, State Migration Service, Republic of Azerbaijan
- Rebecca Tancredi, Managing Director, Upwardly Global

The following questions are proposed to guide the discussion:
- What migration policy adjustments have governments made during the last economic crisis? What worked and what did not? Why?
- What information, knowledge and capacities are needed to design effective migration policies in the context of economic cycles? How can policy priority be set and measures designed accordingly?
- How can the private sector and employers contribute to setting migration policy goals in relation to economic cycles?
- How can migration form part of the economic recovery process?

**General Discussion**

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<thead>
<tr>
<th>Time</th>
<th>Session/Topic</th>
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<tr>
<td>13:00 – 15:00</td>
<td><strong>Afternoon Break</strong></td>
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<tr>
<td>15:00 – 15:30</td>
<td><strong>Migrant’s Voice</strong></td>
</tr>
</tbody>
</table>

- Jairo Enrique León Bermúdez
### Session II: Accounting for demographic change in migration policy

While global population projections are characterized by falling birth rates and rising life expectancy, demographic changes still differ widely among countries and regions. Some societies experience ageing, whereas other countries have predominantly youthful populations. This has consequences for migration flows, in particular in the area of labour migration in response to shrinking or expanding workforces. The extent to which migration plays a part in demographic change and to which policies can actively influence the migration factor in the demographic equation remains a matter of debate. Additional variables, including the link to education and vocational training strategies and wider issues of human capital management, further complicate such questions. The session will focus on the kind of knowledge and considerations that would need to weigh into any policy decisions on the link between migration and demographic change. It aims to examine which areas of migration policymaking are most relevant in attempting to foster or regulate migration in relation to demographic realities.

**Moderator:** Carlos Alberto Galindo López, Advisor, Office of the Undersecretary of Population, Migration and Religious Affairs, Ministry of the Interior, Mexico

**Speakers:**
- Sandra Harder, Director General, Strategic Policy, Citizenship and Immigration, Canada
- Anna Janczak, Associate Director, Head of Professional Services, World Economic Forum

The following questions are proposed to guide the discussion:
- What is the role of migration in addressing demographic challenges around the world? Is migration a way to offset demographic imbalances?
- In what areas of migration policymaking do capacities need to be built? What is the relative importance of family and marriage migration, student migration and migration for work, for example, in the demographic debate?
- How can different policy options be combined to make best use of a country’s available human capital in the face of its specific population dynamics?
- What is the role of gender dynamics in determining demographic trends?

**General Discussion**

*End of Day 1*
The interactions between economic cycles and demographic change have a profound impact on labour markets, both in countries of origin and countries of destination. After a temporary dip during the global economic crisis, labour mobility is expected to resume worldwide and even to exceed prior levels. One of the primary policy challenges lies in matching the supply of and demand for labour at global and regional levels – also in light of disparities between ageing and youthful societies. To what extent migration can and should contribute to energizing current and future labour markets will be the main area of focus of this session. Concerns of “brain drain” in countries of origin, approaches to managing labour mobility in the highly skilled and less skilled sectors, and education, training and the recognition of qualifications are just some of the key considerations. Participants will also discuss ways to achieve greater coherence between migration and labour policies, as well as between policies in countries of origin and countries of destination.

Moderator: Gloria de Pascual-Teresa, Director, International Migration Programme, International Labour Organization

Speakers:
- Anna Terrón i Cusí, Secretary of State for Immigration and Emigration, Ministry of Labour and Immigration, Spain
- Mark Cully, Chief Economist, Department of Immigration and Citizenship, Australia
- Pawel Kaczmarczyk, Vice-Director of the Centre of Migration Research and member of the Board of Strategic Advisors to the Prime Minister of Poland, Poland

The following questions are proposed to guide the discussion:
- Is migration a solution to labour market shortages or surpluses?
- How can governments assess current and future labour market needs? What capacities are needed to improve these assessments? And how can the knowledge gained be incorporated into migration policymaking?
- What are some of the most effective approaches in differentiating migration policy responses by sector and skill level?
- What is the role of temporary and circular migration in meeting short-, medium- and long-term labour market needs? What can be learned from past migration schemes attempting to match labour supply and demand?

General Discussion
The health sector illustrates the intersection between migration dynamics, labour market needs, and demographic pressures. Labour market gaps and skill shortages in the health sector (both in “professional” health work and “informal” care work) combine with ageing trends in countries of destination to influence migration for health and care work. While migration is not the main cause of shortages in the health and care sector in the developing world, the implications for countries of origin must find due consideration. Critical gaps in capacity include the realistic assessment of needs in this area in both home and host countries, training and retention of professionals, recognition of credentials and prevention of underemployment of migrants. In addition, gender is often an important factor in care work and merits special attention in related migration policies. This session will therefore examine the capacities needed in countries of origin and destination to manage the mobility of health and care workers in an ethical and equitable way.

**Moderator:** Irena Vojackova-Sollorano, Director, Department of Migration Management, IOM

**Speakers:**
- Kwesi Asabir, Deputy Director, Human Resources for Health Development, Ministry of Health, Ghana
- Saido Mohammed, Medical Nurse, Member of SOMHELP (Somali health care professionals in the Nordic countries) and Finland’s Refugee Woman of the Year (2011)
- Roumyana Petrova-Benedict, Senior Regional Migration Health Manager, IOM Brussels

The following questions are proposed to guide the discussion:
- Should migration be considered an ancillary or structural factor in designing health and care systems?
- How can capacity be built in those areas that are most relevant to health worker mobility? What regulatory structures are needed, for instance, to organize the recruitment of health and care workers and to facilitate retention and return?
- What kind of cooperative arrangements could balance the needs of countries of origin and countries of destination? What is the role of universities and other professional or private sector institutions in this domain?

**General Discussion**

13:00 – 15:00  Afternoon Break
In an interdependent global economy, demographic differentials and varying economic cycles will continue to produce interactions between different parts of the world, including through the movement of people. National migration policy needs to be complemented by bilateral, regional, and intraregional approaches to facilitate migration, in general, and labour mobility, in particular. How to balance the needs and priorities of countries of origin, countries of destination and migrants should be a primary concern in this discussion. Likewise, policymakers are faced with a decision whether to orient policies towards short- or long term interests in their migration management approaches. This session will discuss how various cooperative frameworks can be improved or adjusted to address the role of demographic and cyclical economic change in migration policy. It will allow participants to engage in a discussion on possible future strategies in jointly addressing the need for global labour mobility and its costs and benefits.

**Moderator:** Gervais Appave, Special Policy Advisor, IOM

**Discussant:** Kathleen Newland, Co-founder and director of Migrants, Migration and Development and Refugee Protection Programs, Migration Policy Institute

**Speakers:**
- Diego Schleser, Director General, Labour Research and Statistics, Ministry of Labour, Employment and Social Security, Argentina
- Daniela Morari, Deputy Head, Political Cooperation Division, Ministry of Foreign Affairs and European Integration, Moldova
- Constantinos Fotakis, Advisor to the Director for Analysis, Evaluation and External Relations, Directorate General Employment, Social Affairs and Equal Opportunities, European Commission
- John Bingham, Head of Policy, International Catholic Migration Commission

The following questions are proposed to guide the discussion:
- What bilateral, regional and intraregional frameworks can facilitate mobility that flexibly caters to labour market needs in home and host countries and protects the rights and well-being of migrants and their families?
- What is the role of non-State actors, and employers in particular, in developing or implementing labour mobility schemes?
- How can national and regional migration policies be balanced to take into account demographic trends and the cyclical behaviour of economies in the future?
- What are some of the basic principles and elements of a balanced migration policy?

**General Discussion**

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<tr>
<th>17:30 – 18:00</th>
<th><strong>Closing Session</strong></th>
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<td><strong>Laura Thompson</strong>, Deputy Director General, IOM</td>
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</tbody>
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*End of Workshop*
Setting the scene: Principal challenges for policymakers

In a globalized world, migration, economic cycles and demographic change form a complex triangle whose interactions are particularly evident in labour market and workforce dynamics. Economic cycles and demographic change are interdependent, but react to different stimuli and involve different actors: for instance, demographic trends are largely determined by personal choices and social norms, while economic cycles follow the logic of markets, demand and supply. Migration flows, particularly labour migration, are primarily the result of economic conditions and inequalities and can be important in energizing economic upswings and promoting recovery after a crisis. In addition, migration flows can be explained by demographic imbalances reflected in labour force surpluses and deficits. Migration is already the principal driver of population growth in many countries, but the long-term demographic outcomes of migration will vary depending on the composition of the migrant population and on whether movement is temporary, permanent or something in between.

One of the main challenges in this triangle is that of timescales: firstly, economic and demographic trends operate on different timescales – generally speaking, one is a matter of years, the other a question of decades. Secondly, migration flows do not resemble a “tap” that can be turned on or off in response to economic cycles or to surpluses or shortages in the workforce. Even if one is to assume that migration is purely determined by economic triggers, there will always be a time lag between the trigger and
any reflection in migration patterns. Thirdly, as mentioned above, the effects of migration are “time-dependent”: not only will the impacts on population structures and workforces differ according to the duration, size and composition of migration flows, they will also change through time, for example as migrants age or as initial demographic gains diminish over time. Finally, any policies made today to address the future are inevitably grappling with large uncertainties.

Policymakers are thus challenged to evaluate the role of migration vis-à-vis demographic realities, labour market trends and economic cycles, while balancing short-term interests and priorities against long-term considerations:

• Is migration a structural or an ancillary factor in addressing questions of population dynamics, labour market needs and economic growth and development?

• Can migration be a “fix” for demographic challenges?

• How can migration be managed to flexibly respond to labour market upswings and downturns?

• How may labour mobility contribute to growth, development and competitiveness?

• What policy options are available for managing the relationship between migration and demographic trends, on the one hand, and between migration and economic cycles, on the other? And can migration policy effectively integrate these two forces?

As this paper will show, migration can contribute to addressing demographic challenges and adjusting to periods of economic boom and bust and corresponding changes in labour market needs. For a comprehensive and sustainable response, however, migration will always have to be part of a larger policy framework.
Impacts of the 2008–2009 economic crisis on migration: A few observations

Based on evidence from the 2008–2009 global economic crisis, a number of conclusions can be drawn about the interactions between migration and economic recessions: firstly, while there was a drop in new migration flows, no large-scale return to countries of origin came to pass. Where possible, migrants adopted a “wait and see” attitude, counting on better labour market conditions in their host country than in countries of origin. Likewise, irregular flows did not per se increase, although it is likely that more migrants slipped into situations of irregularity, for example, by entering the informal labour market and losing work/residency permits. Treated as a “flexible workforce”, particularly in cyclical industries such as construction, finance and manufacturing, migrants were often the first to be laid off and unemployment rates among migrants generally exceeded those of native workers, sometimes by a large margin. Migrant men were generally more affected than migrant women, largely due to the fact that men were overrepresented in sectors most vulnerable to recession. Lastly, remittance flows did not exactly follow the counter-cyclical pattern that had sometimes been theorized: some countries registered a sharp fall in remittances; in other countries, receipts remained steady, and others even saw an increase. Global or country-level figures, however, cloud the real impact on the families of migrants for whom even small changes in receipts can make a critical difference. Moreover, given that economic conditions also deteriorated in countries of origin, families are likely to have become more dependent on remittances. Nevertheless, and compared to other financial flows, remittances proved to be the most stable and resilient, and showed a quick recovery in 2010. Remittances are expected to return to pre-crisis levels in the next two years, with growth forecast at 7–8 per cent for 2011–2013.

The recent crisis resulted in a range of migration policy adjustments in major destination countries – for example: reduced

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1 Sources: Migration Policy Institute, OECD, World Bank, IOM. For more on the impact of economic crises on migration, please refer to some of IOM’s publications on the subject: www.iom.int/idmeconomiccycles.
migration quotas, stricter labour market tests in favour of the local workforce, limited possibilities for changing or renewing work and residency permits, and incentives for return migration. Overall, however, awareness of economic interdependence and of longer-term demographic trends and labour needs seems to have prevented attempts to cut off national labour markets from international migration.

Global demographic change: Broad trends

Global demographic change is shaped by the twin trends of declining fertility and increasing life expectancy. Yet differences among countries and regions remain highly significant and have implications for future global distribution of population, in general, and of working-age population, more specifically. Population growth is generally concentrated in the developing world, and this is projected to remain the case until 2050. From now until 2100, the fastest population growth is expected in Africa (with the exception of southern Africa), followed by Asia. India and China, currently the world’s most populous countries, are moving quickly through the demographic transition and will decline in relative size. At the same time, parts of East Asia will witness population decline as early as 2025. Europe experiences continuous ageing and shrinking trends that are more accentuated in Eastern and Southern Europe and the Russian Federation than in Western and Northern Europe. In the EU27 countries, the working age population will start shrinking as of 2014, whereas the overall EU27 population will contract as of around 2030. Already now, most population growth in the EU27 is attributable to migration. In the Americas, the Latin American population will increase until 2050, and will then start to decline, but ageing is already palpable,

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3 Population growth is calculated as “natural growth” (numbers of births minus numbers of deaths) plus migration inflows and outflows.
4 Demographic transition denotes a progression from high birth and death rates and a young population to low birth and death rates and an older population.
with the proportion of over-60s expected to almost triple over the next 50 years. North America is projected to see continued growth until 2050 due to migration and high fertility.

**Economic cycles, demographic change and migration: Policies and capacities**

Clear policy priorities and a range of capacities for formulation, implementation and evaluation of policies must be in place to address the complex triangle of economic cycles, demographic change and migration. Labour market policies, population policies and aspects of migration management (including labour migration, talent mobility and migration’s contribution to growth and development) need to be brought into a coherent common framework. In line with the theme of IOM’s World Migration Report 2010, *The Future of Migration: Building Capacities for Change* – which also guides the International Dialogue on Migration in 2011 – some of the priority areas for capacity-building are discussed below.\(^5\)

**Understanding and adjusting to labour market dynamics**\(^6\)

Understanding labour market dynamics in relation to economic cycles and demographic parameters, both now and in the future, is a major challenge for countries at all levels of economic development. Labour market assessments and labour forecasting also form the basis for decisions on whether and how to receive or send migrant labour and for appropriate migration policy responses. There is, however, no official definition of what constitutes a labour shortage or surplus, as the equation is typically more complex than a simple discrepancy between demand and

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\(^6\) For more on skills shortages and migration, consult the research conducted by the Independent Network of Labour Migration and Integration Experts (LINET) http://labourmigration.eu.
supply. The choice of time horizons is a critical determinant: should assessments be made against current conditions or future projections? Furthermore, not all sectors of the economy are equally prone to phases of boom and bust, and assessments must differentiate between cyclical and non-cyclical sectors. As the 2008–2009 crisis demonstrated, recruitment of migrant labour actually increased in areas such as education, health and domestic services. Lastly, certain “informal” sectors, such as domestic and care work, are often not assessed at all and remain invisible on the balance sheet of supply and demand – a gender-sensitive analysis of the labour market can yield important conclusions in this regard.

- **Priority areas for capacity-building:** macro- and micro-level data collection and rigorous labour market assessments with attention to cyclical and non-cyclical sectors, short-term and long-term considerations, “informal” sectors, and gender-sensitive analyses of labour force participation (including participation of migrant women); consultation with employers and trade unions to evaluate and anticipate needs; strengthened coherence between labour market assessments, labour market policies and migration policies.

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**Managing labour migration for economic growth and development**

Countries of origin and destination need to develop a long-term vision regarding the role of migration in national economies and labour markets. In most cases, the result will be a policy mix combining migration (and the benefits derived from the economic contribution of migrants to host and home countries) and other measures. Where populations are predominantly young, migration can alleviate pressure on labour markets and

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7 These will vary according to the specific situation, but a few key measures include: investment in education and training; improving working conditions and wages to enhance retention; switch to less labour intensive goods and services and production processes; higher (formal and actual) retirement age; higher labour force participation of women and migrants already present in a country; active family policy.
thus reduce unemployment, while supporting the economy through remittances and migrants’ contributions upon return. For example, the mixed evidence from the 2008–2009 economic crisis indicates that remittances may not be an “insurance” against economic downturns, but can represent some degree of buffer, especially when economic slowdown is uneven and migrant destination countries are less affected than their home countries. Nonetheless, the departure of the most educated can represent a drain on a country’s human capital and reduce its growth and competitiveness. The problem, however, is often a circular one, as lack of opportunities at home might lead to an underutilization of human capital, for example when graduates cannot find jobs at an adequate level. Gaps in the labour markets of origin countries are therefore the result of a much larger set of factors than simple outmigration. The migration of health workers is a good example: even if all migrant health workers returned to their respective countries, they would not meet the shortages that exist. Nonetheless, countries may address shortage sectors by jointly developing strategic training and mobility programmes.8

In countries of destination, migrant labour responds to important structural challenges in labour markets, including those created by ageing labour forces and higher dependency ratios.9 Moreover, the effects of labour migration on employment, costs of production, demand and innovation are generally favourable.10 Existing admission and selection schemes often distinguish between demand-driven and supply-driven approaches: the former is usually skills-specific and closely oriented to labour market needs, while the latter focuses on adding value to the labour market by attracting human capital. Many models – ranging from “shortage lists” and employer-led recruitment to quotas and points systems – combine elements of the two. To attain the desired labour market outcomes for migrants and host economies,

9 The ratio between those not part of the labour force and those who are.
recognition of qualifications, job matching and appropriate placement and training are among the most crucial measures to avoid deskilling, underemployment and brain waste.

- **Priority areas for capacity-building**: investment in education and training; transparent standards for the recognition of skills and qualifications; evaluation of entry systems for migrant labour of different skill categories; anti-discrimination in the labour market; preparation for return and labour market reintegration of migrants; dialogue between countries of destination and countries of origin to identify common interests.

**Attracting and retaining talent**

Attracting highly skilled professionals, including those from the diaspora, is a growing priority for many countries around the world even during times of recession. In the global competition for talent and skills, admission and selection policies need to be accompanied by measures to facilitate family reunification and access to the labour market for spouses, enable portability of benefits, and resolve tax issues, to name a few. Student migration is an integral part of overall labour migration policy, and is especially relevant in encouraging mobility of the highly skilled. Student migration can potentially also change demographic composition, although the impact would likely be small. Statistics indicate that about 15 to 35 per cent of international students remain in their country of study after graduation, suggesting that the majority either return home or move to another country. Governments may wish to promote education and training abroad but make return attractive. In some cases, scholarships and grants are made conditional on returning home for a certain period of time following completion of the degree. Countries may also focus on circulation and retention of foreign students through partnerships between universities, by actively promoting their institutions of higher education abroad or by extending student visas for the period of job search after graduation.
• **Priority areas for capacity-building:** cooperation and exchange in higher education; reductions in bureaucracy and costs for professional recruitment; public–private partnerships with employers, universities and training institutions.

*Enhancing the potential of temporary and circular migration*

Temporary and circular migration¹¹ is often cited as one possible migration system flexible enough to respond to economic and labour market fluctuations in both highly skilled and less skilled categories. In theory, temporary and circular migration would not alter the demographic structure of societies of origin and destination in the long run. Evidence suggests that regional free movement regimes are most conducive to circulation, as migrants who wish to return are assured of the possibility of migrating again. Indeed, in regions where mobility provisions allow individuals to return home and easily re-migrate, migrants reacted flexibly to deteriorating conditions in host countries during the 2008–2009 economic crisis. While temporary and circular migration can benefit both home and host countries, such schemes are not without difficulties: above all, the protection of the human and labour rights of migrant workers has often proven inadequate. From an employment perspective, temporary and circular migration which obliges workers to periodically return to their home countries creates interruptions and does not necessarily encourage employers to invest in migrant workers through training. True circulation that balances the interests of different stakeholders and gives priority to the human and labour rights of migrant workers would be comprised of the following elements: upskilling, job matching and recognition of qualifications; variations in the periods of stay; multiple-entry

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¹¹ The term temporary and circular migration encompasses a wide range of “migration models”. Circular migration can be defined as: “The fluid movement of people between countries, including temporary or long-term movement which may be beneficial to all involved, if occurring voluntarily and linked to the labour needs of countries of origin and destination” (IOM, *Glossary on Migration*, Second Edition (2011). Available from: http://publications.iom.int/bookstore/).
provisions; easier transition between different visa or residency categories; more flexible residency permits that are geared towards temporary absences; and portability of benefits.

• **Priority areas for capacity-building:** rights protection; regulation of employers; investment in training and upskilling; portability of benefits; adaptation of admission schemes for circulation; evaluation of past and existing circular migration programmes; creation of genuine bilateral, regional and interregional partnerships.

**Placing migration policy in a demographic context**

As decisions surrounding family life and fertility are strongly influenced by individual life choices and social and cultural norms, this is a sensitive and difficult area for policy intervention. Few countries have factored migration into their population projections or accept it as a feasible strategy to address demographic trends. That said, permanent, marriage and family migration are the main avenues through which migration can affect populations and workforces in the long run. Ultimately, migration as a demographic strategy is tied to questions of citizenship. In the shorter term, policymakers may wish to consider how humanitarian or family migrants can be integrated into labour markets, improving economic outcomes for migrants and host countries. However, in line with general ageing trends, the proportion of older migrants is also on the rise: retirement migration, or the return of elderly migrants to their countries of origin, will become increasingly prominent in the near future and will have policy implications ranging from health care provisions to the portability of pensions. Lastly, there are also close linkages between labour market needs (especially urban labour markets), demographic imbalances and internal migration. Internal migration can result in depopulation and demographic imbalances (e.g. when only women or the

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elderly remain in certain areas), but also respond to labour needs in economically vibrant parts of a country.

- **Priority areas for capacity-building:** coherence between non-economic migration categories (e.g. family reunification and humanitarian entries) and labour market access and absorption; inclusion of second and third generations into labour markets; integration policies; frameworks and regulations for internal migration.

**Conclusion**

In conclusion, policy options oscillate between making migration a structural demographic and labour market factor and treating it as merely ancillary, not overly relevant to a country’s demographic and economic future. The reality is that, given global and regional labour market and demographic trends and disparities, migration has become essential for economic growth, development and competitiveness. Effective strategies would aim to balance long- and short-term considerations, reconcile the interests of home countries, host countries and migrants, and strive for maximum coherence between migration policy and other domains, particularly investments, incentives and regulations pertaining to labour markets, employment, family and education and training. Finally, while many arguments can be made in either direction of the debate, the decision is ultimately a political one that will be context-specific and one that must be based on societal consensus and ethical considerations. The maxim that migration is about people, not factors of production, remains as valid as ever. Therefore, policy decisions must take equal account of economic and market demands and the human development priorities of individuals and societies.
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