

CIRCULAR MIGRATION OF HIGHLY SKILLED LABOR IN EU COUNTRIES AND ITS IMPACT ON MIGRATION POLICIES

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Abstract

Migration policies have become more complex and diversified in recent decades, using different programs and instruments in most EU countries. This innovation process aims to adaptation of responding to new challenges. These challenges also involve a sharp increase in the share of highly skilled migrants in migration flows. In addition to various non-economic factors stimulating the emigration intentions of qualified workers or university students, current research on the migration of highly qualified labor forces focuses on questioning the validity of the brain drain theory in the current stage of globalization and ICT development. A significant part of migration flows is only temporary in nature, which can be perceived as brain circulation, not as brain drain. Migration policies in EU countries should respond to this fact. The paper outlines the genesis of the circular migration concept. It also pays attention it is not necessary only to introduce mechanisms that ensure the circulating nature of the migration stay, but also to constantly innovate them. It also outlines strategies for modern migration policies that will enable the full usage of the potential of highly skilled migrants.

Keywords: Circular migration, highly skilled labor, migration policies, globalization, ICT

1. INTRODUCTION

In the last decade, the demand for highly qualified workers has been growing in almost all economically developed countries of the world. This tendency will probably become more pronounced in the coming years, mainly as a result of demographic developments, which create an ever-widening gap between economically developed and developing countries. According to UN data, the number of inhabitants on Earth will increase from the current 6.5 billion by 2040. to 9.1 billion This growth will occur primarily in developing countries, where the population growth rate is expected to be six times higher than in economically developed countries.

In various documents, the International Organization for Migration emphasizes that demographic changes have a dual impact on international labor migration. On the one hand, rapid population growth in connection with low rates of economic growth creates incentives for emigration; on the other hand, unfavorable demographic development and population aging in economically developed countries are factors that force governments to reevaluate migration policy and accept immigrants.

In the conditions of the knowledge economy, governments are particularly interested in highly qualified immigrants, especially specialists in the field of information technology and experts in the field of healthcare. They include various programs in their immigration policies, with which they try to motivate the influx of skilled workers to their country.

Circulating migration is becoming a relatively new phenomenon in international labor migration. This takes several forms. For example, it often happens that employers send young prospective managers abroad to acquire competences related to the culture and working practices of the country in question. Completing such a foreign mission becomes a de facto necessity for managers in transnational corporations who have the ambition to hold a management position in the management of the company.

As for the migrants themselves, they have different motives for leaving their country. Some see it as an opportunity to acquire new competences, to improve in a foreign language, or to learn a new language. Others are trying to acquire certain cultural competences that they will be able to use later.

Still others see this type of migration as an accelerator of their professional career – young ambitious people can get to higher management positions sooner and acquire the necessary competences faster than if they had only stayed in the company in their home country.

The peculiarity of circulating migrants is that they return to their country of origin after a certain period of time. Therefore, their migration is not permanent, but only temporary in nature. In this sense, "brain circulation" - in contrast to "brain drain" - is a concept that understands the international mobility of highly qualified labor forces as a process that has positive effects for all parties involved - not only for the migrant and for the host country, but also for the country its origin.

2. CURRENT STATE OF THE ART

Research on high-skilled labor migration is not new in the economic theory. The first studies on the international mobility of elites date back to the 1950s in connection with the massive exodus of top scientists from the UK to the USA and Canada in search of better working and living conditions.

Researchers have focused primarily on studying the brain drain effects. Brain drain was generally considered to be negative for the migrant's country of origin. The proponents of this view were mainly based on the theory of endogenous economic growth. Mankiw et al. (1992) showed that the educational attainment of the labor force is a significant variable explaining differences in economic growth differentiation within countries.

Other arguments supporting the Brain Drain Effect approach are the fiscal losses caused by the departure of highly skilled workers from their country of origin (based on the fact that skilled workers are the ones who contribute the most to the revenue side of public budgets) (Desai, Kapur, and Mc Hale, 2009), as well as the difficulty of accessing certain services, especially those related to the health care and education (Dayton-Johnson and Xenogiani, 2007).

There is now a renewed interest in research on high-skilled labour migration. The main reason for this interest is a sharp increase in the share of highly skilled migrants in migration flows. The number of migrants with higher education qualifications has experienced an unprecedented growth (+70%) in OECD countries over the last decade (OECD, 2022). Docquier and Rapoport (2022) estimate that the number of skilled migrants has increased two and a half times faster than the number of unskilled migrants over the last decade (Docquier, Rapoport, 2022). This tendency is explained mainly by migration from Asia.

The current research on the migration of highly skilled labor, in addition to various non-economic factors stimulating the emigration intentions of skilled workers or university graduates (Orosová, Benka, Hricová, Kulanová, 2018, Luczaj, 2020), focuses on questioning the validity of the brain drain theory in the current stage of globalization and the ICT development. Numerous empirical studies in the field point out that in economically underdeveloped countries, the prospect of emigration stimulates individuals to be educated at a socially desirable level from the host country's perspective. Even if some skilled individuals choose the emigration route, others choose to remain in their country of origin, raising its average educational attainment.

New trends in the migration of highly skilled labor can now be identified. Most of these flows are temporary. Many highly skilled people who have worked abroad for a long time are returning to their country of origin, and their skills and knowledge can be used to develop their home country. It means that what may have seemed like a loss in the short term, in the long term represents a gain. This created an entirely new view on the situation. The migration of highly skilled labor began to be seen as a potential source of gain - a 'Brain Gain'.

Different approaches to assessing the impacts of circular migration on the parties involved and the mechanisms ensuring the circular nature of migration movements are emerging in the economic theory.

From the viewpoint of the current stage of globalization, an approach based on transnational theories seems to be the most adequate (Ammassari, Black, 2021). This approach suggests a new paradigm for

the relationship of the individual to the public power, which is no longer based on the moral and legal attachment of the worker to one country, but on a possibility of dual, non-conflicting nationality.

The proponents of the above approach thus reject the idea of perfect integration or definitive settlement of the migrant in the host country and support the view on the transnational nature of the modern workforce. In this context, the circular migration acts as a complement to the role of networks.

3. CHARACTERISTICS OF CIRCULAR MIGRATION

Although there is no universal definition of circular migration in the literature, IOM defines it as “a form of migration in which people repeatedly move back and forth between two or more countries” (IOM, 2019) while temporary migration is defined as “migration for a specific motivation and purpose with the intention to return to the country of origin or habitual residence after a limited period or to undertake an onward movement” (Ibid). Other authors or institutions highlight that circular and temporary migration both share a temporary nature. Yet, circular migration implies a migrant’s continuous engagement in both origin and destination countries for different reasons, from educational purposes to work opportunities while temporary migration is limited to one cycle of mobility.

The critical characteristic of circular migration is the idea of return, distinguishing it from other forms of migration. A narrower definition considers that circular migration implies that migrants not only stay for a short period but come back several times.

It’s essential to clearly define rights and duties for all stakeholders to ensure the success of circular migration programmes. Recent academic research suggests that all have to gain by more negotiations involving the country of origin, the immigration country, and trade unions to represent migrants, aiming for fair conditions for all parties. However, implementing such balanced negotiations remains challenging. However, this is the only way to create a win-win-win situation.

Among the positive characteristics of circular migration, we can mention the fact that it reduces the risk of long-term settlement in the host country (Hugo, 2009). Home countries also benefit from circular migration. Circulating migrants tend to send more money home in the form of remittances than migrants who do not plan to return home. These remittances help reduce poverty in the migrant's country of origin (Constant and Zimmermann, 2011). Highly skilled migrants who return home are valued for the knowledge and skills they acquired abroad. Alternatively, they can start businesses in their countries of origin. Circulating migration thus reduces the negative effects of brain drain and promotes brain circulation.

On the other hand, circular migration also brings with it a number of risks, both for the host country and for the migrant's country of origin. It can create social tension in the host country because the possibilities of integrating circulating migrants into the host country remain limited. For the migrant's country of origin, emigration can cause labor shortages and deepen poverty. In addition, the migrant's country of origin is constantly at risk of brain drain if the highly qualified migrant does not eventually return home (Hugo, 2009). Finally, circular migration can also be harmful for migrants, if they are exposed to exploitation or if they do not have enough opportunities for professional training in the host country.

4. LABOR MARKET RESTRUCTURING

As is well known, the working-age population is declining. It is a global trend, as Figure 1 shows.

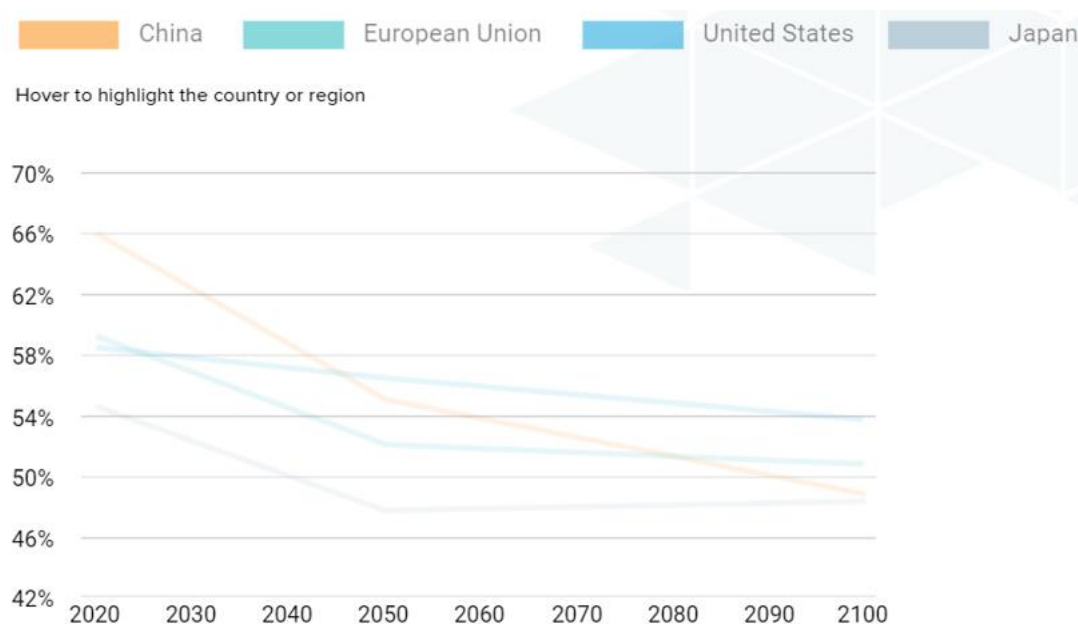


Fig. 1. The working age population is declining

Source: The Great People Shortage is coming — and it's going to cause global economic chaos, Business Insider (October 20, 2022).

In the near future, labor markets in the EU will experience significant structural changes:

- Many sectors that are based on manual labor (such as some industries, but also services, e.g. hospitality) are expected to be heavily automated and therefore less dependent on human labor. Already today, machines and technologies are replacing jobs such as cashiers and waitresses - these are jobs that are overwhelmingly represented by labor migrants.
- It is clear that the future demand for labor immigrants will be concentrated in certain sectors and occupations. An example is the elderly care sector, due to the increase in the dependency ratio of the elderly and the lack of indigenous skilled workers. However, in the field of domestic services, robotics and new technologies could partially replace labor migrants. It is expected that one day machines will replace these job categories.
- There will also be a need for smart and green skills as Europe moves towards decarbonization, adopting green practices and digitizing key sectors of its economy.
- In addition, it can be observed (especially in the post-COVID-19 period) that atypical forms of employment are developing, such as remote work and virtual work. We observe a growing number of "nomadic workers" who carry out their profession thanks to computers in countries other than the country of their tax residence. Countries must establish the new dispositions necessary to adjust migration in the context of these new atypical forms of employment.

Mobile individuals choose the countries where they want to study, work and invest based in particular on the conditions of immigration policies. If employment conditions are essential to attracting talent, immigration policies play a determining role. In light of the urgency to attract new talent and the growing competitiveness on the international labour market stage, EU Member States have an important imperative to improve the effectiveness of their labour migration systems in view of filling shortages. Highly skilled migrant workers with ample choice to engage in a variety of international markets will opt for speedy, flexible, transparent and low-burden immigration systems. As for companies in European labour markets, they can be disincentivized to engage foreign talents in the face of complex procedures and heavy bureaucratic requirements (European Commission, 2023). Therefore, it is necessary to make the European Union more attractive for foreign highly qualified workers from third countries and facilitate their migration to Europe.

5. APPROACH TO CIRCULAR MIGRATION IN EU MIGRATION POLICIES

The European Commission implemented the concept of circular migration through its Communication on Migration and Development in 2005. The main reason was the fact that the labor market was changing - there were more temporary jobs requiring very specific skills (European Commission, 2005). Another reason was the effort to counter "brain drain" from the healthcare sector from third countries.

The European Commission defined circular migration as "migration in which migrants tend to move back and forth between the country of origin and the host country" (ibid, Annex 5, p. 25). This term was used as a common term for return and temporary migration, which, according to the European Commission, had the potential to maximize the benefits of migration from the point of view of the development of countries of origin, mitigating the effect of brain drain and promoting brain circulation. The labor definition was quite broad and included both seasonal and highly skilled migrants. In order to stimulate migrants to engage in circular migration, the Commission emphasized the need to grant returnees multiple entry visas (European Commission, 2005. Annex 5, p. 27).

In a follow-up Communication, the European Commission recognized that migration is a global phenomenon and proposed measures aimed at strengthening the dialogue between the host countries and the migrant's countries of origin (European Commission, 2005b). The European Council officially adopted this approach, which in December 2005 became known as the "Global Approach to Migration" (GAM) (European Council, 2005).

According to the conclusions of the European Council, the new approach consisted of policy measures designed to combat illegal immigration and to build capacities for better managed migration, including "maximizing the benefits for all partners of legal migration" (European Council, 2005, para.3). However, apart from this statement, no specific measures in the area of labor migration were considered and therefore circular migration was not mentioned in it (Carrera, Hernández and Sagraera, 2009, p. 11).

Another shift in the EU's approach to circular migration occurred in December 2006, when the European Council designated circular migration as one of the main principles of the development of EU policy in the field of legal migration (Schneider and Wiesbrock, 2009, p. 4). A few months later (in May 2007), the European Commission published a Communication that exclusively concerns circular migration and mobility partnerships between the European Union and third countries (European Commission, 2007). The Communication resonates with the idea that "if it is not properly designed and managed, migration, which is supposed to be circular, can easily become permanent and thus defeat its purpose" (European Commission, 2007, p. 8).

The legislative measure proposed by the European Commission in 2007 should be considered a significant moment in the EU's approach to circular migration. The EU Blue Card, adopted in 2009. We agree with Thym that, unlike the entry and border control instruments, it was not easy to reach an agreement on this new legal migration measure (Thym, 2016, p. 272).

The Stockholm Program, in which the European Council called for an in-depth qualitative and quantitative analysis in order to further examine the concept of temporary and circular migration (Council of the European Union, 2009, p. 2), can be considered another landmark of the EU's approach to circular migration.

In response to this challenge, the European Migration Network developed a study entitled "Temporary and circular migration: empirical evidence, current policy, practice and future options", which it published in 2011 (European Migration Network, 2011). The study concluded that, despite the EU's efforts to facilitate this type of migration, political and legal developments at the national level were still "in their infancy" and varied widely; despite the fact that some policies of the member states contained elements of circular migration, these were not explicitly recognized (Ibid, p. 63).

5.1. Migration mobility agreements as a tool to recruit immigrant workers

The global economy showed signs of recovery and improving prospects for growth in the first quarter of 2023. Labor markets in the EU area remain strong, with record high employment rates and steadily falling unemployment rates. Attracting mid- and high-skilled migrants from abroad to support economic recovery and address labor shortages has thus become a priority in migration agendas in many countries. This is manifested in an increase in national targeted levels of labor immigration, more skill-selective policies, and efforts to facilitate immigration processes more generally.

To step up efforts to actively recruit immigrant workers, several EU countries continue to sign bilateral agreements and advance migration and mobility partnerships with selected origin countries. Portugal, Germany and Austria have recently concluded agreements on migration and mobility with India. India previously also concluded bilateral migration and mobility agreements with Finland and France. Portugal has also concluded a bilateral agreement on Moroccan workers staying and working in Portugal. Spain has signed a circular migration agreement with Guatemala.

At the EU level, the Talent Partnerships launched in the context of the New Pact on Migration and Asylum aim to address skills shortages in the EU. The talent partnerships will be open to all skill levels, various types of mobility (temporary, long-term, or circular), and economic sectors. In a first phase, the EU intends to conclude agreements with Egypt, Morocco and Tunisia (OECD, 2023).

The new EU Pact on Migration and Asylum launched by the European Commission in September 2020 reaffirms the importance of structured partnerships in the field of labor migration to address EU skills needs in light of its growing shortages and increasing global competitiveness in the "race for talent" (European Commission, 2020).

The Skills and Talents Package (European Commission, 2022) published as a follow up to the Pact proposes key changes for more efficient and attractive immigration systems. It is worth noting that the "EU Youth Mobility Scheme" should encourage qualified young people from third countries "to come to the EU to live, travel and work for a limited time" (ibid.).

Among EU countries, several countries have introduced sponsorship programs and schemes in recent years. Sponsorship programs refer to initiatives by individuals or communities to assume responsibility for providing financial and social support to a resettled person or family for a predetermined period. Community sponsorship schemes are generally not admission and supplement government programs.

Skilled migration pathways are generally very difficult to access for refugees and displaced persons, despite many having skills that are in high demand in potential destination countries. Against the background of skills shortages in the EU area, several countries have started to explore possibilities to offer legal labor pathways to skilled people in need of international protection.

In EU countries, Displaced Talent for Europe (DT4E) offers a legal labor pathway for displaced persons in Jordan and Lebanon to connect with employers to find employment in Belgium, Ireland, Portugal. A key feature of the program is that it is driven by employer needs and applies to all sectors with labor shortages (IOM, 2022).

The revised Blue Card, which was adopted by the European Council on October 7, 2021, can be considered the next step to facilitate the mobility of highly skilled migrants from third countries. The following can be considered the key changes introduced by the revised Blue Card:

- More flexible threshold salary requirements: the salary threshold is reduced to 1 to 1.6 times the average gross annual salary, making it more accessible to potential foreign employees.
- More flexibility to change position or employers: during the first year, EU Blue Card holders are only required to complete a new labor market test if they wish to change position or employer.
- Expanded eligibility to highly skilled beneficiaries of international protection: beneficiaries of international protection will be eligible to apply for an EU Blue Card, thereby expanding the pool of talent to which this Directive is applicable.

- Eligibility to family reunification: to attract and retain highly skilled workers from outside the European Union, family members of EU Blue Card holders are now able to accompany them and access the European labor market.
- Enabled intra-EU mobility: EU Blue Card holders and their family members will also be able to move a second Member State based on simplified mobility rules after one year of employment in the first Member State.

6. CONCLUSIONS

At the EU level, the concept of circular migration is perceived as a political tool for migration management. Circular migration programs are a way to fill labor shortages and promote short-term immigration.

The growing number of atypical forms of employment and the increase in temporary migration require new solutions. To establish future-oriented labor migration management systems, new partnerships must be created. Partnerships for skills mobility with countries of origin are part of the solution. Ethical recruitment of highly qualified professionals on the basis of agreements to reduce negative consequences on the development of countries of origin is another. We must also ensure flexible rules regarding conditions of residence in EU countries in order to allow qualified workers a relocation which does not cause them to lose their rights in terms of residence.

One thing is certain, the future will be accompanied by profound changes. Establishing future-oriented migration systems, that is to say which take into account changes in supply, demand and new skills needs, means investing in their capacity to adapt.

It has been shown that the effective brain circulation requires changes in the migration policies of host countries. As far as EU countries are concerned, it is evident and understandable that each member state prioritises its own interests, with the priorities on member states being to maintain internal security while promoting migration flows support the economic growth.

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