

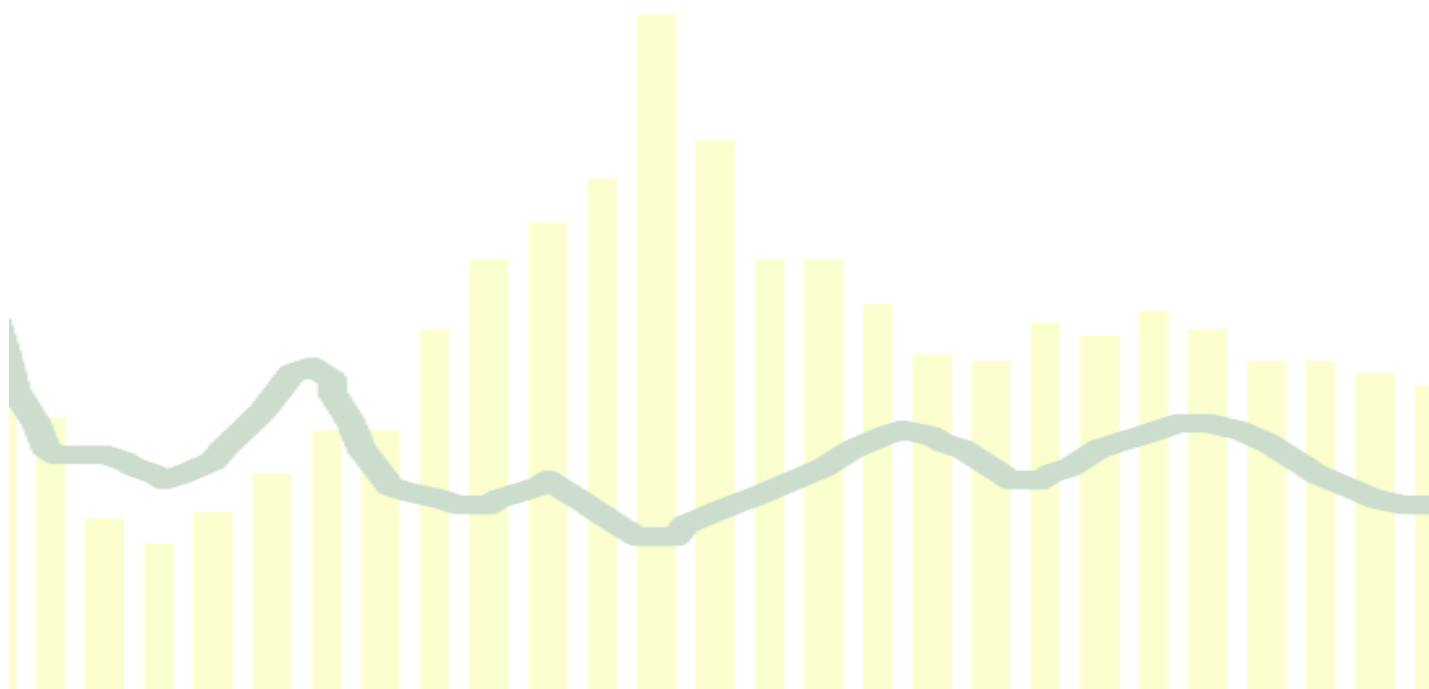


United Nations  
Department of Economic and Social Affairs

Population Division

Technical Paper  
No. 2013/8

# **Economic and Social Impacts of International Migration – Key Trends and Implications**



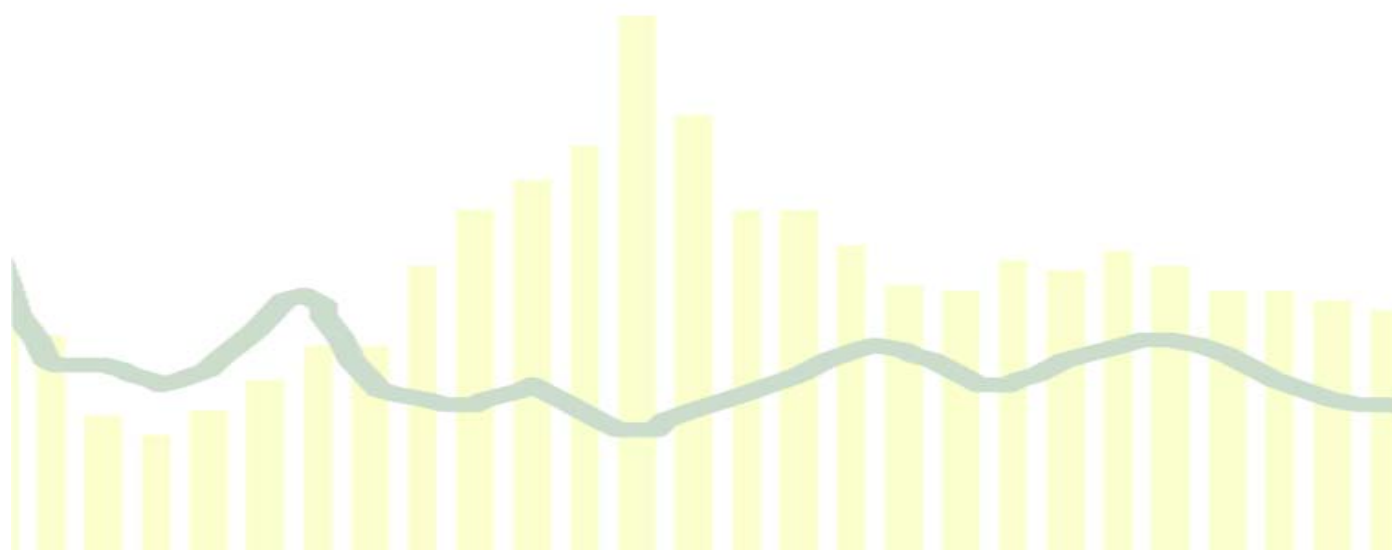
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# **Economic and Social Impacts of International Migration – Key Trends and Implications**

*Graeme Hugo*



United Nations • New York, 2013

## NOTE

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## PREFACE

The Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat is responsible for providing the international community with up-to-date and scientifically objective information on population and development. The Population Division provides guidance on population and development issues to the United Nations General Assembly, the Economic and Social Council and the Commission on Population and Development and undertakes regular studies on population estimates and projections, fertility, mortality, migration, reproductive health, population policies and population and development interrelationships.

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The Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat was the focal point in the United Nations Secretariat for preparing the report of the Secretary-General on international migration and development for the 2013 High-level Dialogue on International Migration and Development, which was held by the General Assembly on 3 and 4 October 2013.<sup>1</sup> This technical paper was commissioned to inform the report of the Secretary-General for the High-level Dialogue and was prepared by Professor Graeme Hugo, Director of the Australian Population and Migration Research Centre, University of Adelaide, Australia.

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<sup>1</sup> <http://www.un.org/esa/population/meetings/HLD2013/mainhld2013.html>

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ECONOMIC AND SOCIAL IMPACTS OF INTERNATIONAL MIGRATION –  
KEY TRENDS AND IMPLICATIONS

*Professor Graeme Hugo\**

A. INTRODUCTION

One in seven of the world's population is either an internal or an international migrant. Hence any relationship between migration and development has to be of importance. While it has long been recognised that migration can have positive economic and social impacts in destination communities and for the migrants themselves, the impacts on origin communities have, until recently, been seen as overwhelmingly negative. In particular, the fact that emigration is selective of the 'brightest and the best' so that the country of origin is deprived of significant amounts of its human capital which impedes its development has been emphasised. The 'brain drain' narrative has been dominant in the postwar discourse on migration and development. However in the last decade or so there has been increasing focus on the fact that emigration can, in an appropriate policy context, have positive development impacts on origin countries. This does not mean that brain drain issues are unimportant. Indeed, it remains an important challenge for many low income countries. Rather, there is more balance in considerations of the complex relationship between migration and development which recognises that the impacts can be both positive and negative. *The key message, however, is that migration policy and governance can determine whether or not the effects of migration in origin and destination areas are positive or negative.* In the context of increasing levels of population mobility it is imperative to formulate and operationalize 'development friendly' migration policies in both origin and destination contexts. Such policies need to be based on both empirical and theoretical understanding of the contribution that migration and migrants can make to countries of origin and destination. This paper seeks to summarise the current state of evidence regarding the complex relationship between migration and development.

At the outset, however, it is necessary to make a few cautionary remarks. Firstly, it is important to recognise that migration is not a 'silver bullet' solution to low levels of development and poverty. It is in no way a substitute for sound economic and social policy, good governance, respect for human rights and equitable human development in bettering the lives of people in poorer countries. However, it can play a facilitating, enabling and supporting role in enhancing well-being in areas of origin and destination. Secondly, few areas of public policy have been

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more subject to misrepresentation, bigotry and self-interest than the discourse on the effects of migration. There is strong evidence that negative dimensions of migration's impact are disproportionately represented in popular media and public discussion (Stiftung and Migration Policy Institute [eds.], 2009). Popular discussions and representations of migrants and their impacts are frequently not informed by empirical evidence which in many cases contradicts dominant negative public perceptions. There is a need for a more balanced discussion on migration and its impacts which is informed by evidence. The paucity of data and limited evidence base on migration and its effects has long been a barrier to the development of good policy and allowed inaccurate statements to go unchallenged. This gap still exists but in the period since the First United Nations High-level Dialogue on International Migration and Development in 2006 there have been major improvements in the evidence base which is available and it is important to bring this evidence to bear.

## B. THE GLOBAL MIGRATION CONTEXT

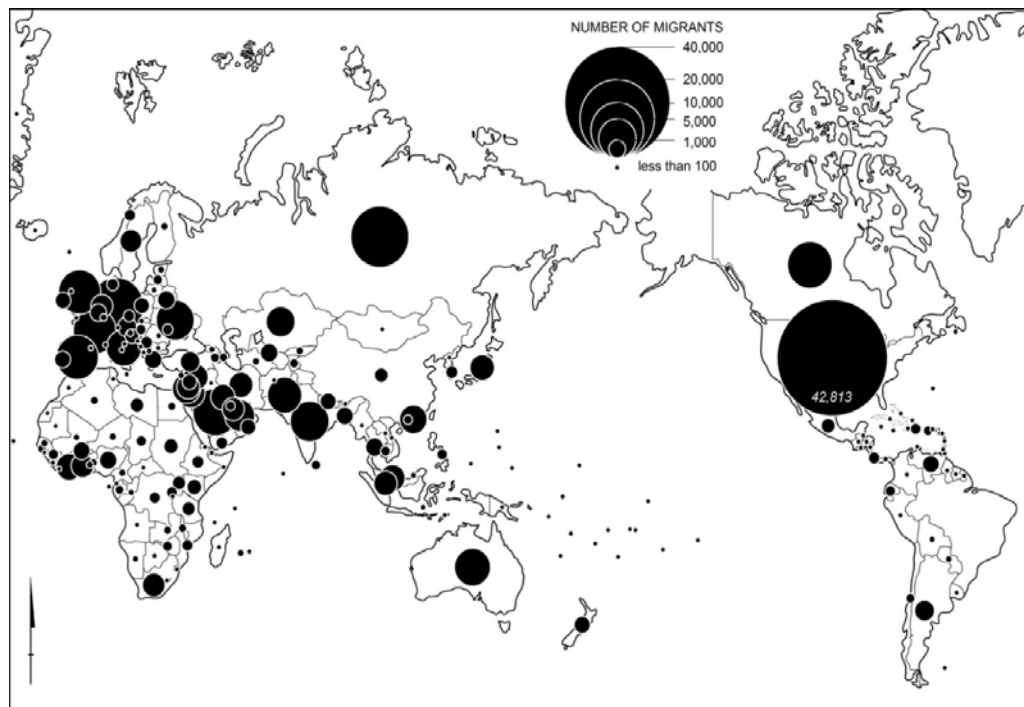
In the last two decades there has been a significant increase in individual mobility which has meant that migration has become within the calculus of choice of most of the world's population as they weigh their life chances. However, that mobility remains poorly measured. The United Nations (2011) have brought together international migration data from around the world to estimate global patterns of lifetime international migration. Table 1 shows that there has been a consistent pattern of growth and international migrants have gradually increased their share of the global population. The distribution of the numbers of people living in a country other than that of their birth is shown in Figure 1. It shows that while high income countries have large numbers of immigrants, especially Europe, North America and Australia, there are also many immigrants in countries in the global South.

TABLE 1. GLOBAL INTERNATIONAL MIGRANT STOCK, 1980-2010 (*IN MILLIONS*)

<i>Year</i>	<i>No. of international migrants (mln.)</i>	<i>Share in total population (%)</i>
1980	99.3	2.2
1990	155.5	2.9
1995	166.0	2.9
2000	178.0	2.9
2005	195.2	3.0
2010	213.9	3.1

*Source:* United Nations Department of Economic and Social Affairs, Population Division. *Trends in International Migrant Stock: Migrants by Age and Sex*. New York: 2011

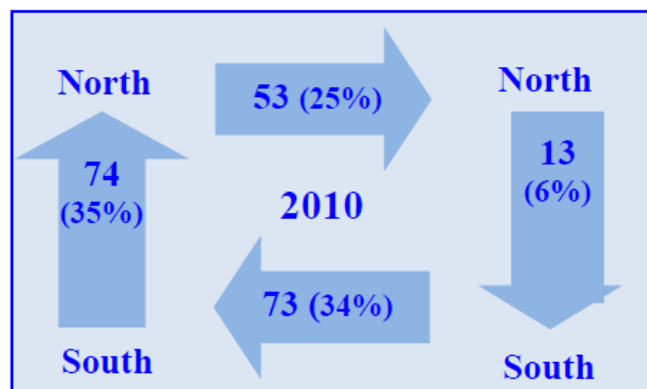
FIGURE 1. INTERNATIONAL MIGRANT STOCK IN DESTINATION COUNTRIES, 2010 (THOUSANDS)



Source: United Nations Department of Economic and Social Affairs, Population Division. *Trends in International Migrant Stock: Migrants by Age and Sex*. New York: 2011

Indeed, Figure 2 indicates that south-south migration is similar in scale to south-north migration. This reflects the increasing share of global economic growth which is in the global south.

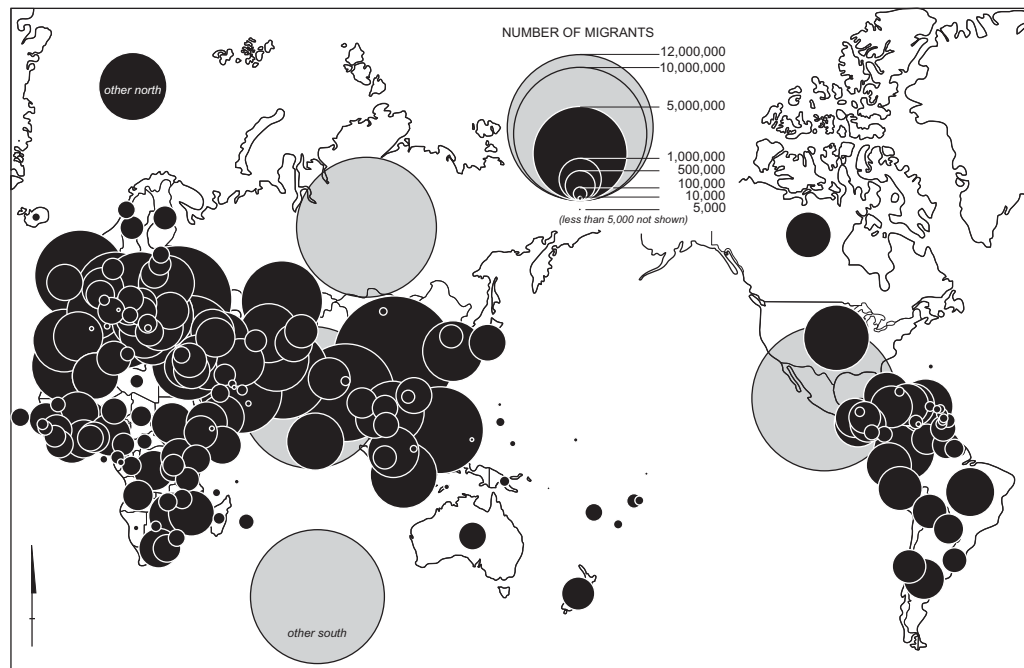
FIGURE 2. INTERNATIONAL MIGRANT STOCK BY ORIGIN AND DESTINATION, 2010  
(IN MILLIONS AND PERCENTAGES)



Source: United Nations Department of Economic and Social Affairs, Population Division. *Migrants by Origin and Destination: The Role of South-South Migration*, Population Facts No. 2012/3. New York: 2012

One of the outcomes of the focus on the south-north migration model is an overwhelming dominance in migration measurement, research and policy on destinations. Most of our data on migrants is of immigrants who have settled more or less permanently at destinations and most research has focused on the adjustment process they experience. Yet if we are to develop policies which build on the role that migration can play in origins we need to know much more about the places they leave and the process and impacts of emigration. Figure 3 provides such a perspective, showing the number of international migrants by country of birth around 2010. In contrast to the pattern shown in Figure 1, Africa, Asia and South America show up much more as origins than as destinations of international migrants. The two maps show that all countries are both origins and destinations of international migrants despite one flow being the dominant one. Migration is an interchange of people between countries and a potential channel for a range of other types of flows which can benefit both countries.

FIGURE 3. INTERNATIONAL MIGRANT STOCK BY COUNTRY OF ORIGIN, 2010



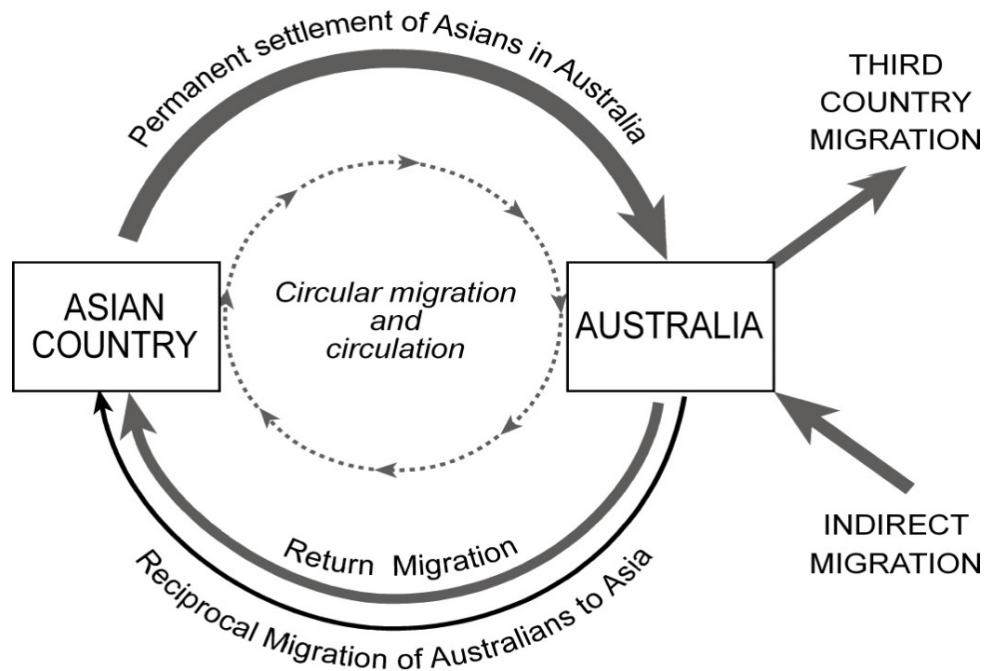
Source: World Bank

It is conventional in international migration discussions to categorise countries as either a country of origin, usually a low-income developing country, or a destination, usually a high-income developed country. However, as King (2002) has pointed out, such conventional dichotomies, while they have always oversimplified more complex situations, are especially inappropriate to contemporary global migration. In fact, all countries experience both

immigration and emigration. Moreover, the birthplace information used in Table 1 and in Figures 1, 2 and 3 represent the static ‘stock’ of international migrants captured at a single point in time rather than the flows of migrants.

Conventionally, Australia is considered solely a destination country for south to north migration. A comprehensive analysis of migration between Australia and Asia, however, shows that the south-north model is not appropriate and that migration between these two regions is better depicted as a complex interacting system involving circularity, reciprocity and movement in both directions (Figure 4).

FIGURE 4. A MODEL OF THE AUSTRALIA/ASIA-PACIFIC MIGRATION SYSTEM



A few countries have complete data on not only immigration but also emigration and not only permanent moves but also non-permanent moves. The picture of international migration that emerges from such detailed statistics is more complex than one-directional flows, mainly towards the global North. A detailed analysis of all types of movement between Australia and China confirms the complexity of today’s international mobility patterns (Table 2). While there has been a substantial permanent immigration of Chinese-born immigrants to Australia since 1994, there has been also a substantial flow in the opposite direction, which is almost one third as large. Most of these returns are made up of returning Chinese and their Australian-born children.

However, this is only one element of the circularity in the migration relationship. The second panel shows that significant numbers of Chinese students and temporary skilled workers enter Australia each year on a temporary, long-term visa.

TABLE 2. MIGRATORY MOVEMENTS BETWEEN AUSTRALIA AND CHINA

<i>1. Permanent movements, 1993/94-2001/12</i>	
Settler arrivals	166,973
Permanent departures	51,994
Overseas-born departures	39,813
Australia-born departures	12,181
<i>2. Long-term temporary migrants from China to Australia, 2007</i>	
Students	55,550
Temporary business sub-class 457	6,418
<i>3. Average number of short-term visits of China-born, 1998-2006</i>	
To China from Australia	
- Chinese immigrants 1994-2006	2.4
- Chinese immigrants before 1994	6.2
From China to Australia	
- Return migrants from Australia	5.9
- Other visitors	4.4

*Source:* Department of Immigration and Citizenship (DIAC), Australia. Unpublished tabulations

Of particular interest is the third panel of Table 2. The Australian data contain a personal identifier allowing for examination of individual mobility patterns. Here, the data are restricted to the China-born and their movements to and from Australia over the 1998 to 2006 period. The figures show the average number of moves made over the period for individual categories of migrants. Firstly, among immigrants from China who have settled in Australia, recent and long-term settlers on average made 2.4 and 6.2 visits on average to their country of birth during 1998-2006. On the other hand, among Chinese residents visiting Australia a significant group are China-born people who had previously migrated to Australia and since returned to China but once there make frequent short return visits to Australia. Among other Chinese residents visiting Australia the individuals visiting between 1998 and 2006 on average made 4.4 visits.

The Australian international migration flow data analysed here have demonstrated conclusively that south-north migration systems are characterised by a high degree of complexity and circularity. This stands in sharp distinction to the conventional depiction of this system being

seen largely as 'south-north migration' where, at least implicitly, it is assumed that the overwhelming dominant pattern is of permanent redistribution of highly skilled people from poorer countries to high income countries. This is important from the point of view of development because it means that there are active channels of mobility and communication between destinations and origins which can and do act as conduits for flows of ideas, money, resources, investment, goods as well as people.

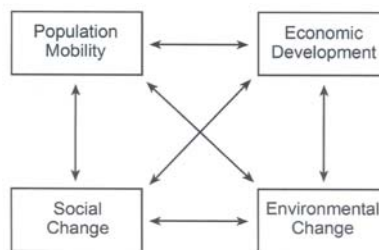


## C. MIGRATION AND DEVELOPMENT

### C.1. OVERVIEW

The earliest theories of migration included consideration of its implications for economic development, living standards, poverty and well-being in its origins and destinations (Ravenstein, 1885). However, the relationship between migration and development is a complex one. This complexity derives from a number of considerations (Figure 5). First, migration can be both a cause and an effect of economic development. Second, the relationship between migration and development is linked to, and mediated by, other change processes. Third, there are a range of perspectives from which to consider the developmental impacts of migration – the origin, the destination and the migrant themselves. Fourth, many actors influence the development impacts of migrants. Fifth, the impact of migration can be considered on a number of levels– the family, the community, the subnational region and the country. Sixth, the impact of migration on development is shaped by the nature of migration and the context in which it occurs. Given this complexity, it is not surprising that the effects of migration can be, and are, both positive and negative in terms of economic development and poverty reduction. Whether or not migration leads to an improvement in the lives of those affected depends crucially on the extent to which the migration system is well-managed and by the policies in place in both origin and destination countries. Policy can play a key role in facilitating and enhancing the undoubted beneficial effects of migration. It also can be important in reducing or eliminating negative impacts.

FIGURE 5. MIGRATION AND CHANGE



In the debate about the impacts of migration there is an unfortunate tendency for commentators, especially those in the media and public arena, to focus only on its negative effects and ignore the fact that it can facilitate improvements in people's lives. Equally, many of migration's supporters downplay the negative consequences which can occur. The reality is that migration is not a 'silver bullet' solution to economic development in poor countries. It is not a

substitute for sound development policy, good governance, enhancing human development and removing inequalities. However, it can play a facilitating role and whether or not migration can assist in poverty reduction, economic development and social change is strongly influenced by policy.

Two important points need to be made in this respect. First, migration policy is the sovereign right of countries of origin and destination. Too often, however, it is heavily influenced by group self-interest, bigotry and scapegoating, while it is not informed enough by the empirical evidence of research. National self-interest should remain paramount in migration policy, but there is growing evidence that migration policy can be 'development friendly' for both countries of destination and origin without sacrificing national self-interest. Second, migration policies at destination and origin tend to be formulated in isolation from broader economic and social development policy and vice versa. If the benefits of migration for economic development and social change are to be harnessed, migration needs to be integrated into economic development policy at national and regional levels. This especially applies in countries of origin of migrants.

One of the overarching findings from research on migration and development is that the potential positive development impacts of migration for countries of destination and origin as well as migrants themselves are often diluted by a number of intervening elements. Among others they include excessive fees by intermediaries in the migration process as well as in sending money home by migrants; exploitation and denial of rights of migrants; poor governance and management of the migration process; corruption, and failure to provide opportunities in origin areas for productive investment of the earnings of migrants.

A number of dimensions of the contemporary global international migration system impinge on the relationship with development. Trends in all drivers of migration point to the increase in scale and complexity of mobility to continue so that its potential role in development will also increase. Much international mobility, be it south-north or south-south, involves migrants leaving areas of low income and development to go to areas of high income and development providing the opportunity to create flows of resources, knowledge, ideas and skill from more developed to less developed areas. Financial flows from migrants to their home areas go directly into the hands of people rather than being filtered through intermediaries. Together with the improvements in information and communication technology and reduced transport costs

there is increasing circularity in international mobility to facilitate these flows from places of destination to places of origin. In many contexts, women as well as men are engaged in this mobility, extending the range of possible developmental impacts.

In the last decade there have been arguably two major foci of expansion in academic and policy interest in migration – migration and development and migration and environment, especially climate change. In the latter discourse the focus has strongly been on the role of migration in the displacement of people from “hot spots” of major environmental or climate change impact, on the one hand, and migration as an adaptive, coping mechanism in the face of environmental change, on the other. In fact the migration and climate change discourse has developed in isolation from and separately from the migration and development discussion. In fact the undoubtedly increased role of environmental change in increasing mobility over the next three decades creates opportunity. If seen from the development perspective it provides opportunity for environmentally induced migration to be more than a coping mechanism response to environmental change and be considered as an opportunity to enhance the wellbeing and developmental situation of the migrants. There is a need then to integrate the migration and development and migration and environment discourses.

## C.2. COUNTRIES DESTINATION

While there is not a consensus on the impact of migration on the economies of destination countries, there is evidence that well managed migration programmes can and do have a net positive impact on economic growth. In the context of ageing populations in major destination countries this impact derives from a number of areas. Firstly, since migrants are concentrated in the prime working age groups they increase overall levels of workforce participation and fill labour force gaps. Secondly, immigrants can fill key skill shortages in the labour market and add to national productivity. Thirdly, there is evidence that their fiscal impact is positive. In the Australian context, for example, recent remodelling estimated the net impact of different categories of Australian immigrants on the Australian government budget reflecting their relative impact on the entire economy and the results are shown in Table 3. This indicates that all categories of immigrants eventually have a positive net effect on the Australian budget. Positive impacts are realised quickest among skilled migrants. Within the humanitarian stream, the net impact is first negative, but changes to positive after a period in Australia.

TABLE 3. MIGRANTS' NET IMPACT ON THE GOVERNMENT BUDGET BY VISA CATEGORY  
AUSTRALIA, 2009-10 (IN MILLIONS OF AUSTRALIAN DOLLARS)

Visa Category	Duration of settlement (in years)				
	1	2	3	10	20
Family Stream					
Partner and Other	-17.9	81.9	51.3	259.8	257.9
Parent	-14.8	-10.7	-11.6	-14.8	-18.1
Contributory Parent	228.1	-11.0	0.8	-34.3	-83.4
Family Stream Total	195.4	60.1	40.4	210.8	156.4
Skill Stream					
Employer Sponsored	417.4	429.0	435.2	442.0	475.7
Skilled Independent	171.6	235.1	298.7	404.8	462.7
State/Territory Sponsored	51.9	60.9	65.8	79.5	104.9
Skilled Family Sponsored	5.5	12.4	13.2	17.6	21.4
Business Skills	37.7	37.2	38.8	27.9	20.3
Skill Stream Total	684.1	774.6	851.7	971.6	1085.0
Humanitarian Stream	-238.7	-67.0	-59.9	-11.9	46.8
Fiscal Impact of Permanent Migration	640.9	767.7	832.2	1170.5	1288.1
Temporary Business Subclass 457	670.9	720.2	289.1	332.7	442.1

Source. Department of Immigration and Citizenship (DIAC). Unpublished tabulations.

There is also evidence that migration can be associated with an increase in trade. Research in New Zealand has found a positive relationship between trade and immigration (Bryant et al., 2004; White, 2007; Qian, 2008). Moreover, this research has indicated that recently arrived immigrants from low-income countries and from different cultural backgrounds tend to create more trade than other groups. A recent study by Law, Genç and Bryant (2009) found through statistical analysis that for every 10 percent increase in migration from a particular country, New Zealand's merchandise exports to that country grew by 0.6 percent and merchandise imports from that country grew by 1.9 percent. The impact was even greater for tourism.

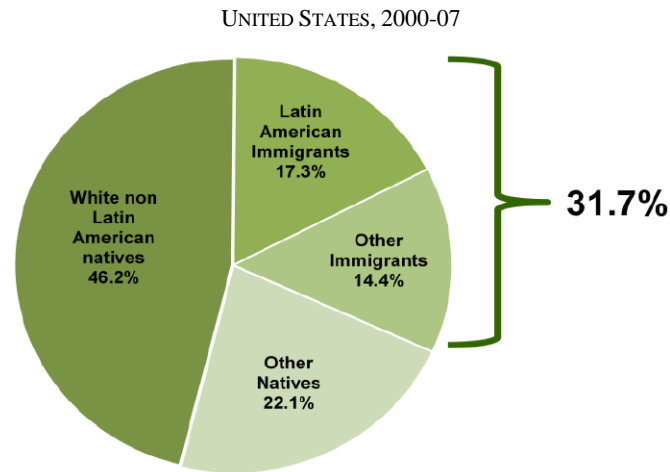
There is a substantial literature on the relationship between migration and entrepreneurship (e.g. Cassis and Minoglou [eds.], 2005). It is apparent that there are a number of personal attributes which are associated with both processes – a propensity to take risks, to not accept the status quo, and to take advantage of opportunities when they arise. An Australian study in 2000 found that five of the eight billionaires in the country were people who had come to Australia as refugees with little or no resources (Stevenson, 2005).

The popular perceptions of negative economic impacts of migration in destination countries are often contradicted by research. One example of such a contradiction relates to the commonly voiced view in destination countries that migrant workers will ‘take jobs away from nationals’. However, it is clear that this is not necessarily the case for a number of reasons. The first is that migrants are usually brought in to fill gaps in the local labour market. These could be skill gaps which the local training/education system has been unable to fill or they could be low status, low paid jobs that locals are unwilling to fill. Migrant workers rarely compete directly with local workers. As such, the workers often can create more jobs by contributing to the economic growth of the destination country. Indeed, exhaustive research on the impacts of immigration in the traditional immigration countries has shown that the impact of immigration on jobs for local populations is at worst benign and at best it creates jobs.

A second misconception depicts migrants as an ‘economic cost’ to the destination country. As a matter of fact, migrants contribute economically in a number of ways. Rapid economic growth, fertility decline and ageing often means that fast growing economies cannot meet their own labour market needs and shortages of workers becomes a constraint on growth. Migrants also contribute economically to the destination, not only through their work but also by paying tax, which entitles them to services and infrastructure provided by the government. Indeed, their per capita net contribution to the economy is often greater than non-migrants since the host country has not had to bear the cost of the education and training of migrants. In many cases they do not have to bear the cost of old age dependency either, since migrants often spend their old age in the origin country.

Figure 6 provides an example of the type of ‘positive’ story about the economic effect of migration, which rarely makes the news despite its striking nature. This indicates that immigrants contributed almost a third of GDP growth in the USA in the 2000-07 period.

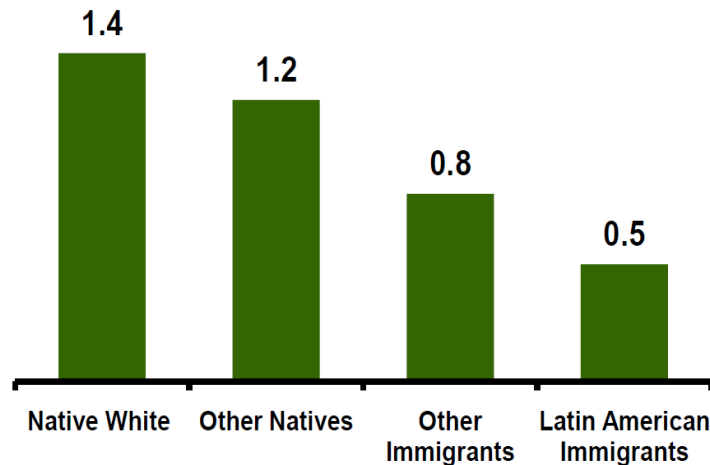
FIGURE 6. THE CONTRIBUTION OF WORKER ETHNICITY AND MIGRATORY STATUS TO GDP GROWTH



Source. Puentes, R., Canales, A., Rodríguez, Delgado-Wise and Castles, S. *Towards an Assessment of Migration, Development and Human Rights Links: Conceptual Framework and New Strategic Indicators*. Paper presented at Peoples' Global Action on Migration, Development and Human Rights, Global Forum on Migration and Development, Mexico City, November 2010.

Similarly, Figure 7 shows that the ratio of the value of benefits received compared with the valuable of their taxable income in the United States. This shows clearly that natives get more for their tax paid than do migrants.

FIGURE 7. RATIO BETWEEN TAXES TO BENEFITS RECEIVED FROM PUBLIC SOCIAL SERVICES,  
UNITED STATES, 2008



Source. Puentes, R., Canales, A., Rodríguez, Delgado-Wise and Castles, S. *Towards an Assessment of Migration, Development and Human Rights Links: Conceptual Framework and New Strategic Indicators*. Paper presented at Peoples' Global Action on Migration, Development and Human Rights, Global Forum on Migration and Development, Mexico City, November 2010.

### C.3 COUNTRIES OF ORIGIN

#### 1. THE “BRAIN DRAIN”

While there is clear evidence that for many destinations and migrants themselves the economic impacts of migration are positive, there has been much less agreement as to ‘whether countries (and the communities left behind) are better or worse off when their citizens move abroad’ (Terrazas, 2011, 3). The discourse on the effects of migration on development are polarised around two schools of thought. On the one hand the ‘brain drain’ perspective considers the impact of migration on origin areas as negative because emigration is selective of the ‘best and the brightest’, causing a diminution of human capital constraining development. Others point to inflows of remittances, finance, information and “ways of doing things” which result from the outflow as being positive for development.

‘Brain drain’ involving a net loss of skilled persons from less developed countries and a net gain in the more developed countries was recognised as long ago as the 1960s (Adams, 1968). More recent analyses (e.g. Carrington and Detragiache, 1998; Dumont and Lemaitre, 2005) have confirmed that emigration rates in less developed countries are higher for skilled groups than for low-skilled workers. Moreover, in recent times, destination countries have placed greater emphasis on skills in their selection of immigrants. The increasing global competition for talent and skilled workers (Abella, 2005) has exacerbated these tendencies.

Recently, the OECD collected data from 227 sending countries and 29 OECD receiving countries and calculated emigration rates by comparing the education of foreign-born workers in OECD countries with the educational levels of the total population in their countries of birth (Table 4). This study found an overall emigration rate of 2.4 percent, with lower rates in Asia and North America and higher rates in Oceania, Europe and Latin America. However, for the tertiary educated the rates were more than double (5.4 percent) with especially high rates in Africa and Latin America. Africa demonstrated the highest proportion of tertiary workers living in OECD countries (10.6 percent). The study also revealed that emigration rates of highly skilled people were the highest for countries with the smallest populations and the lowest income. In large countries of origin such as India, China and the Philippines, the number of health

professionals working abroad is low in relation to the total workforce and thus has limited impact on the provision of services.

TABLE 4. EMIGRATION RATES FOR THE POPULATION AGED 15 AND OVER IN OECD COUNTRIES  
BY INCOME GROUP AND REGION OF ORIGIN AROUND 2000

	Global emigration rates		Emigration rates to OECD countries		Emigration rates to non OECD countries	
	Total (%)	Tertiary-educated (%)	Total (%)	Tertiary-educated (%)	Total (%)	Tertiary-educated (%)
<b>World</b>	2.38	5.44	1.65	4.29	0.76	1.26
<b>High income</b>	3.05	3.80	2.73	3.50	0.33	0.32
<b>Upper-middle income</b>	4.41	6.91	3.98	6.20	0.46	0.82
<b>Lower-middle income</b>	2.02	6.67	1.38	5.05	0.66	1.80
<b>Low income</b>	1.73	6.28	0.61	3.79	1.13	2.11
<b>Africa</b>	2.00	10.56	1.37	9.67	0.64	1.09
<b>Asia</b>	1.16	4.32	0.60	3.45	0.57	0.94
<b>Europe</b>	5.80	7.81	4.18	5.55	1.76	2.54
<b>Latin America</b>	5.70	8.79	4.95	7.88	0.83	1.07
<b>North America</b>	0.92	1.38	0.76	1.20	0.16	0.19
<b>Oceania</b>	4.52	7.21	4.37	7.00	0.17	0.24

Note: Income groups according to the World Bank classification of 2000.

Source: Dumont, Spielvogel and Widmaier, 2010, 26

There are particular fears of "brain drain" for health professionals and the net loss of doctors, nurses and other health personnel from developing countries. With ageing populations in OECD countries, there have been shortages of medical workers and associated recruitment of people with these skills from developing countries. One study (OECD, 2007) found that, around 2000, 11 percent of employed nurses and 18 percent of employed doctors in OECD countries were foreign-born. It is likely that this proportion has increased since 2000. Seeking to halt the outflow of doctors and nurses from low-income countries would not solve the shortage of health professionals in those countries. However, there is need for increased cooperation between origin and receiving countries to better share the benefits of international mobility of health professionals.

Skilled migration from low income countries has accelerated since 2000. Important factors contributing to this include the increasing share of permanent settlement places being allocated to skilled migrants in destination countries, the accelerating global "war for talent" to enhance the national pool of skills (Kuptsch and Fong, 2006), the increase in temporary migration programmes targeting highly skilled groups, and the significant expansion in student migration



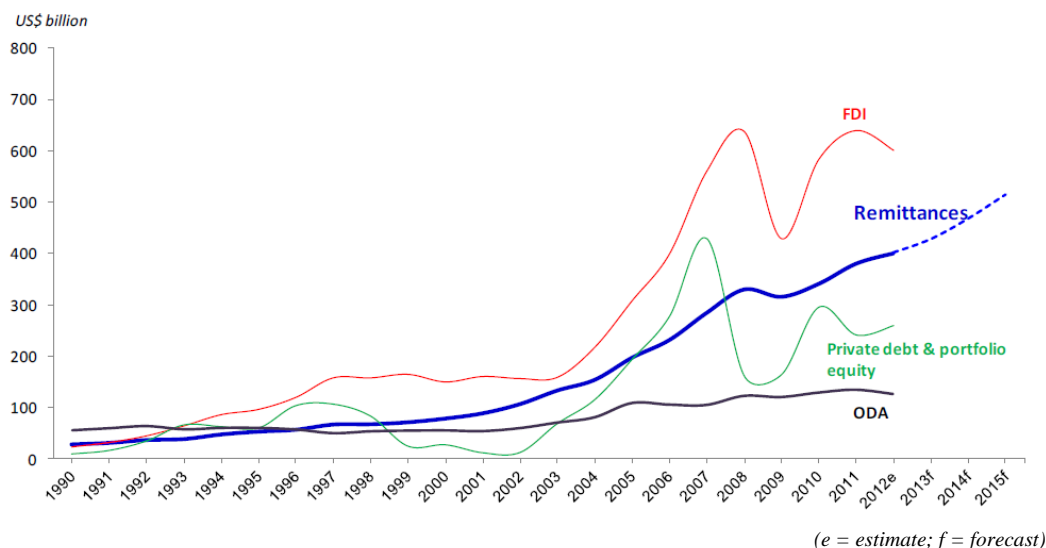
from low to high income countries with many students remaining in the destination on completion of their studies.

The acceleration of highly skilled migration from developing to developed countries has led to increased calls to ban such migration on ethical grounds. However, this would produce little benefit to origin countries since potential migrants will simply seek an alternative destination. Moreover, it would solve the lack of such workers in countries of origin. There are, however, other policy options. Receiving countries can make an investment in training/education in the low income countries of origin of skilled migrants in recognition of the costs invested by those origin countries in the development of the human capital of migrants. While investments in training institutions could be interpreted as only producing future skilled migrant settlers for high income countries, it is apparent that there are also beneficial spin-offs for the country of origin. Stark (2003) demonstrated the 'brain drain' could in fact spur a 'brain gain' as the possibility of emigration spurs young people to improve their education in countries of origin. This 'brain gain' not only stems from the fact that many of those receiving training will actually remain in the country, but also because those who migrate can deliver greater positive development dividends to their homeland (World Bank, 2006; Global Commission on International Migration, 2005; United Nations, 2006).

## 2. REMITTANCES

The past 10 years have witnessed an increasing recognition of the positive developmental impacts of transnational communities on their country of origin. One of the major ways in which this is achieved is through financial transfers. It is estimated that in 2012 remittances to developing countries amounted to some US\$401 billion (Figure 8). Remittances to developing countries dropped by 5 percent following the global financial crisis in 2009, but recovered quickly to grow by 7.7 percent in 2010, 12.1 percent in 2011, and 5.3 percent in 2012. Furthermore, they are expected to further increase by 8.8 percent per annum during 2013-15 (World Bank, 2013, 1). Figure 8 reveals further that (a) foreign direct investment in developing countries fell much stronger than remittances as a result of the financial crisis, and (b) remittance flows are significantly higher than official development assistance (ODA). It should be noted that the officially recorded remittance figures do not include informal transfers which are believed to be significant (World Bank, 2006, 85).

FIGURE 8. REMITTANCES AND OTHER RESOURCE FLOWS TO DEVELOPING COUNTRIES  
1990-2015



Source: World Bank

Remittances constitute not only a major inflow of foreign exchange into many low income countries, they also have a direct effect on development and poverty reduction. Thus, remittance patterns have shown to be counter-cyclical with flows increasing in times of political turmoil or environmental crisis. This has been demonstrated recently in Afghanistan, Egypt, Haiti, and Somalia. Second, remittances are more resilient to downturns in the economy than other flows. As illustrated by Figure 8, remittance flows were less affected by the global economic crisis than the other financial flows. Third, remittances flow directly into the hands of families in countries of origin and hence have an immediate impact upon well-being at the grassroots level. Fourth, remittances have direct benefits on receiving communities as they are spent by receiving families on improving health, education and housing.

One of the areas most influenced by remittances is the Pacific region where a number of studies have shown that remittances have had important poverty attenuation impacts. The results of one study indicate the importance of remittances in family incomes but also in the national balance of payments (Table 5).

TABLE 5: SELECTED REMITTANCE INDICATORS, FIJI AND TONGA 2004 (US\$)

<i>Indicator</i>	<i>Fiji</i>	<i>Tonga</i>
Remittances Received Per Capita	\$370.88	\$753.02
Population	836,002	98,322
Percent Who Are Recipients	42	90.9
Total Remittances (US 000\$)	\$130,343	\$67,330
As Percent of GDP	6.2	41.8
As Percent of Exports	8.3	154.2

Source: Brown, 2008

There is an increasing focus on policies that seek to maximise the amount of remittances and to enhance their role in facilitating development and poverty reduction. The costs of sending remittances remain a significant issue. Data collected by the World Bank (2013, 7) show that the average costs of sending remittances in 2012 was around 9 percent. Although this has declined in recent years, it remains high and dilutes the development impact of remittances. There have been a number of initiatives to reduce these transaction costs with the G20 countries in 2008 aiming to reduce the global average remittance cost by five percentage points in five years (World Bank, 2013, 7).

One interesting initiative has been the development of a range of financial initiatives to leverage remittances (Agunias and Newland, 2012, 118-126). One example is the issuance of diaspora bonds with India and Israel having raised nearly \$40 billion (Ratha, 2013). In addition, the savings of diaspora from developing countries may amount to some US\$400 billion (Table 6). A range of initiatives are being considered to develop financial products to leverage remittances for development and poverty reduction. These include the development of retail payment systems, facilitating financial access for households and small and medium enterprises, improving capital access for countries, regions and companies in origin countries, leveraging remittance channels for raising funds for fighting malaria and other public goods and using diaspora bonds for funding training of key professionals like doctors.

TABLE 6. ESTIMATED SIZE OF DIASPORA POPULATIONS FROM DEVELOPING COUNTRIES AND THEIR SAVINGS

<i>Origin</i>	<i>Diaspora (millions)</i>	<i>Savings (US\$ billion, 2009)</i>
Developing Countries	162	398
East Asia and Pacific	22	84
Europe and Central Asia	43	73
Latin America and Caribbean	30	116
Middle East and North Africa	18	41
Sub-Saharan Africa	22	30
South Asia	27	53

Source: Ratha, 2013

The potential of remittances to facilitate development is increasingly being recognized. Diaspora philanthropy and the role of hometown associations as mechanisms for channelling funding into development activity are other examples. Similarly, integrating remittances into economic development initiatives in origin countries is necessary. A study in an Eastern Indonesia kabupaten (district), for example, showed that remittances were more than four times the size of the total budget of the regional government. However, not only were these remittances not included in regional development planning, but fieldwork indicated that migrant families could find no local opportunities to invest in small and medium scale enterprises because of the lack of local infrastructure (Titu Eki, 2002, 207; Hugo, 2008a).

### 3. OTHER DIASPORA CONTRIBUTIONS

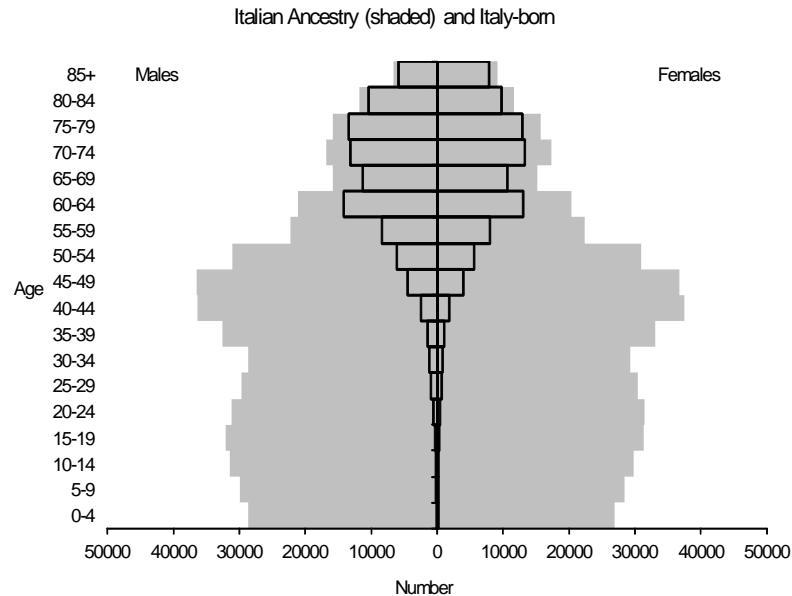
Immigrant engagement and identification with their homeland has always been part of the migration experience although the extent and strength of connections has varied considerably within and between immigrant communities. However, the role of diaspora has been given a new salience in the contemporary context. This is due to the fact that diaspora linkages can be developed and maintained with unprecedented levels of intensity, immediacy and intimacy because of modern developments in information and communication technology and the cheapening and time reduction of international travel. Email, texting and affordable rates for international phone calls have made it possible for migrants to be in daily contact with family, friends and professional contacts in their homeland. Cable television and online media means they are fully informed about the day-to-day happenings in their countries of origin and they can visit regularly or for special events and crises. Accordingly, the identification of expatriates with

their homeland is continually being reinforced and renewed and the channels for diaspora to participate in economic, social, cultural and political activities in their homeland are multiplied.

Hence the ‘national populations’ of countries can be defined not only as those counted in population censuses as residing within national boundaries on the night of the census but also those who consider themselves as ‘belonging’ to that particular nation state, although they live in another. The size of the latter group, depicted in Figure 3, does not reflect the active diaspora because not all emigrants continue to identify strongly with their origins. Also, the map does not include second and later generations of emigrants.

The significance of the latter factor is demonstrated in Figure 9. This shows that the Italian-born population of Australia in 2011 was 185,403. However, permanent immigration from Italy to Australia declined in the 1970s after two decades of strong growth. Accordingly, the Italian-born are an aged population, while the 916,116 persons who consider themselves Italian is much younger, representing second and later generations.

FIGURE 9: DISTRIBUTION OF ITALIAN ANCESTRY BY SEX AND AGE, AUSTRALIA, 2011



Source: Australian Bureau of Statistics (ABS). 2011 population census

There is increasing recognition of diaspora and the potential role it can play in the development of their homeland. More countries are recognising this potential and developing national diaspora policy. Table 7 shows that there has been a substantial increase in the number

of countries with diaspora policies. More than half of the world's countries now have diaspora policies.

TABLE 7. NUMBER OF COUNTRIES WITH NATIONAL DIASPORA POLICIES, 2011

(TOTAL NUMBER AND PERCENTAGE)

<i>Region</i>	<i>Economic policies</i>		<i>Special unit dealing with diaspora</i>		<i>Return policies</i>	
	<i>Total</i>	<i>Per cent</i>	<i>Total</i>	<i>Per cent</i>	<i>Total</i>	<i>Per cent</i>
<i>By Level of development</i>						
World	109	63	114	79	46	46
More developed regions	25	54	37	84	7	32
Less developed regions	84	66	77	77	39	49
Least developed countries	19	50	26	90	9	50
<i>By major area</i>						
Africa	28	62	28	82	15	54
Asia	25	63	24	69	6	27
Europe	24	59	33	85	6	33
Latin America and the Caribbean	26	81	24	86	17	68
Northern America	0	0	2	100	0	0
Oceania	6	43	3	50	2	29

Source: United Nations Department of Economic and Social Affairs, Population Division. 2013

#### 4. DIASPORA, FOREIGN INVESTMENT AND TRADE

Diaspora, especially successful entrepreneurs, can play an important role in generating flows of foreign direct investment (FDI). The diaspora can be both a direct source of FDI and be effective 'middlemen' to channel FDI towards the home country. Biers and Dhume (2000, 38) report that '... several overseas Indians who had reached upper management positions in western multinationals helped convince their companies to set up operations in India. Hewlett Packard, being a prime example'. Cases par excellence here are China and Taiwan, Province of China where the spectacular economic growth of recent years has been heavily influenced by investment from a diaspora of perhaps 30 million overseas Chinese (Lucas, 2003). There has been considerable discussion of how Chinese business and social networks have overcome barriers to international trade. Rauch and Trindade (2002) found that ethnic Chinese nationals have a quantitatively important impact on bilateral trade. The Indian diaspora, second in size only to that of China, is of around 20 million people with an income of US\$160 billion – more than a third of India's GDP (Sharma, 2003, 29).

Moreover, as indicated earlier there is clear evidence of increases in bilateral trade between countries where there is an expanding migration relationship. Another element in this expansion of economic linkages is the role of diaspora communities in creating markets. Thus, Korean Americans were the bridgeheads for the successful penetration of the United States market by Korean car, electronics and white good manufacturers. Canadian studies have shown that a doubling of skilled migration from Asia coincided with a 74 percent increase in Asian imports to Canada (Head and Reis, 1998; Lucas, 2001).

Several countries have developed policies and programmes to encourage diaspora populations to make greater financial investments in their homeland. Agunias and Newland (2012, 132) provide a number of examples of such programmes, focusing on providing access for diaspora groups to information regarding investment opportunities, connecting them with homeland business networks, providing access to training and access to funds and encouraging them to invest in public infrastructure in support of FDI projects.

## 5. KNOWLEDGE TRANSFER

Diaspora networks have long been conduits for transmitting knowledge and information from destination to origin. This dimension is largely confined to skilled migrants. Lucas (2001, 22) has shown how professionals in origin and destination countries have maintained strong linkages so that ideas flow freely in both directions. In Taiwan, Province of China, meetings of local and diasporic scientists are held. In the scientific world, flows of information are of utmost significance and it may also be that diaspora can play a role in technology transfers (O'Neil, forthcoming; Luo and Wang, 2001). For several decades Taiwan, Province of China has been a case of "brain drain" par excellence. It is estimated that in the two decades beginning in the mid-1960s, 20 percent of undergraduates in science and technology in Taipei went abroad for higher education, but that fewer than a fifth returned (Luo and Wang, 2001, 5).

The government subsequently took a number of initiatives to use the talents of overseas Chinese from Taiwan, Province of China (predominantly in the United States), which included the use of formal and informal channels to draw on the expertise and business connections of overseas Chinese from Taiwan, Province of China, encouraging them to visit Taiwan, Province of China and to interact with colleagues, the development of a database for overseas migrants, and

an attempt to build a 'transnational community' with expatriate scientists and engineers deliberately brought back to attend meetings and conferences sponsored by the government.

There have been a number of studies showing how the development of scientific networks by diaspora can facilitate knowledge transfer and the development of tertiary research and teaching organisation in the home country (Meyer and Brown, 1999). Governments in China and India, the largest exporters of scientists, have begun to appreciate the positive role that the diaspora can play in development at home. India has been encouraging these linkages through such initiatives as providing taxation privileges to expatriates using Indian banks for their savings, organising an annual conference of expatriates and the setting up of a separate ministry to formalise its dealings with the diaspora. In China there has long been a policy at national and regional level to encourage the return of highly skilled emigrants and to encourage expatriates to retain strong linkages with home (Xiang, 2006; Wattanavitukul, 2002; Wescott, 2005).

A recent survey of Indian-born and Chinese-born academics in Australia showed that over half the sample had contacts with their country of origin more than twice a week and made visits to their country of origin at least once a year. The survey revealed high levels of interaction between the country of destination and the countries of origin: 73 percent of Indian-born and 69 percent of Chinese-born regularly visited colleagues in their homelands in person. Furthermore, some 71 of the Indian-born and 60 percent of the Chinese-born regularly presented academic papers in their home country, while two thirds of Chinese scholars in Australia had active research projects with their colleagues back in China compared with 50 percent of Indians.



TABLE 8. PROFESSIONAL LINKAGES MAINTAINED BY CHINESE AND INDIAN ACADEMICS  
AUSTRALIA, 2007 (PERCENTAGES)

<i>Type of linkage</i>	<i>India (n=111)</i>	<i>China (n=239)</i>
Running seminars/courses in India	41.1	61.0
Training Indian/Chinese students in Australia	27.0	51.5
Editing a book with an Indian/Chinese scholar	19.3	19.5
Collaborative research with Indian/Chinese scholars	50.0	65.6
Presented academic papers in India/China	71.4	59.5
Consulting in India/China	14.0	24.6
Own a company that works in India/China	7.2	3.9
Visit colleagues in India/China regularly	73.0	69.0

Source: Survey 2007

There has been an increasing recognition in the literature that the existence of a diaspora of researchers, scientists and technologists can provide a ‘brain gain option’ without returning to their home country since they can be avenues for technology transfers, information spread and training for people in their home country (Barre, Hernandez, Meyer and Vinck, 2003, Meyer et al., 1997, Meyer, 2001a and b, Meyer et al., 2001). China has used administrative means in order to encourage such networking (Xiang, 2006). The potential of ‘virtual return’ through the use of modern information and communication technology has led to a significant change in China’s official policy toward the highly skilled people in its diaspora. Wescott (2005) has pointed out that the policy has changed from ‘huiguo fuwu’ (return and serve the motherland) to ‘weiguo fuwu’ (serve the motherland) in recognition of the increasing ability of the diaspora to deliver benefits to the homeland while abroad.

## 6. SOCIAL REMITTANCES

Levitt (1998) coined the term “social remittances” to draw attention to the fact that in addition to the reverse economic flows that migrants initiate to their homelands they also send back new ideas, attitudes and behaviours. She recognised four types of such flows – norms, practices, identities and social capital – that circulated between origin and destination as a result of migration. Such flows can impact substantially on development in origin communities. These cultural and social flows influence organisational practices, attitudes, perceptions, ways of doing

things, approaches and values. Levitt and Lamba-Nieves (2011) point out that these effects on origin communities can be both positive and negative.

Nevertheless, it is apparent that social remittances can have an impact in creating a more conducive environment for development initiatives at home. Kapur (2004), for example, demonstrates how the Indian diaspora has had an effect in improving efficiencies in homeland bureaucracy and in facilitating economic reforms. Another impact has been improving attitudes towards health (Donato, 2008). Effects on women's empowerment, education, gender relations, patron-client relations and other social dimensions in places of origin are unclear. The social dimensions of migration's impact on development, however, remain a neglected area of study.

## 7. DIASPORA TOURISM

Tourism is one of the fastest growing economic sectors globally with receipts estimated at US\$919 billion in 2010 (Agunias and Newland, 2012, 215) and for several decades it has been a major source of foreign exchange. It can, and does, facilitate development in low income countries through infrastructure, development, job creation and stimulating growth in other sectors. Agunias and Newland (2012, 215) point out that while in 1990 low income countries accounted for 32 percent of tourist arrivals, by 2010 their share had increased to 47 percent. The diaspora make up an important part of that flow and are more likely to have local economic impacts rather than through isolated high end enclave tourist destinations. In Australia there is a very strong correlation between the size of the diaspora community resident in Australia and both the number of short-term visitors from that country ( $r=0.804$ ,  $n=262$ ) and in the number of Australian residents leaving on a short-term basis to visit that country ( $r=0.948$ ,  $n=262$ ).

There are limited data on the involvement of the diaspora in tourism. One study has indicated that the Caribbean is one area where diasporic tourism has had a significant impact. Nurse (2013), for example, has shown that diasporic tourists make up 45 percent of tourist arrivals to the Dominican Republic, 66 percent of those to Guyana, 30 percent of tourists to Jamaica and 62 percent in Suriname. He also demonstrates the emergence of local entrepreneurs associated with diasporic tourism and how it fosters creative industries and maintenance of heritage.

One particular type of diasporic tourism involves medical tourism with former residents returning home to access high quality medical infrastructure, expertise and services at competitive prices (Agunias and Newland, 2012, 216). Countries like the Columbia, Estonia, India, Philippines and Thailand have used medical tourism as one of the key strategies in connecting with their diaspora. Origin countries are beginning to realise that targeting tourist advertising not only at former residents and citizens but also at second and later generations can have positive development impacts.

## 8. DIASPORA PHILANTHROPY

Another of the flows of finance from high income destination countries to low income origin countries along diaspora corridors is private and institutional philanthropy. Diaspora philanthropy refers to donations from individuals or groups of expatriates to a range of causes, projects and activities in their homelands, some of which have impacts on economic development and poverty reduction. These can be initiated by crises in origin countries, one-off donations for specific projects or regular patterns of giving. It can be by private individuals or families but also institutions which develop in single or multiple destination countries such as religious organisations, hometown associations, professional associations or diaspora organisations.

Agunias and Newland (2012, 188) have presented details on a number of initiatives undertaken by origin countries to maximise philanthropic inflows. These have involved engaging key individuals, developing diaspora focused organisations and pooling funds via donor organisations. There are major challenges in moving beyond charitable contributions to investment in actions which have lasting impacts on economic development and poverty reduction.

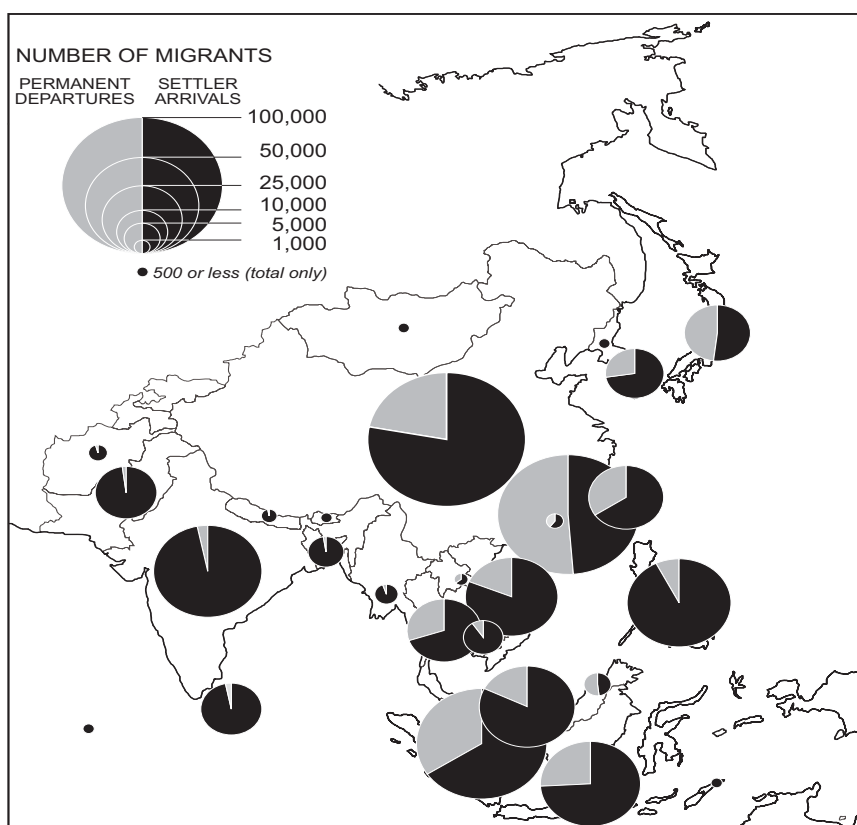
#### D. RETURN AND CIRCULAR MIGRATION

Lucas (2005, 7-8) has identified that the departure of highly skilled people from developing countries produces three sets of costs. First, the country of origin suffers productivity losses. While there is a correlation between average years of schooling and the rate of economic growth, Lucas points out that it is contentious whether educational expansion causes growth or expanding incomes permit educational expansion. Second, these countries are faced with a loss of key professions not allowing basic needs to be met. Thus, the departure of health workers and teachers may lower access to health care and quality education for future generations. Third, the emigration countries face fiscal losses, including (a) the loss of any net contribution the educated migrant would have made to the fiscal balance had they remained at home and (b) the loss of such a migrant exports the returns to the public investment made to their education.

The main way in which emigration countries have attempted to recoup the human capital of skilled emigrants is through return migration programmes. Clearly, if migrants return to their origin they not only negate the 'brain drain' effect of their leaving but in fact often return with greater skills and experience than they had before they left and potentially make a greater development contribution. Hence many countries have developed programmes and policies to encourage and facilitate return migration. Traditionally, this return has been seen as a permanent move back from the destination. Increasingly, however, it is being recognised that regular non-permanent return visiting also offers an opportunity to contribute to development at home. Hence 'brain circulation' has increasingly been seen as a way to use the skills, experience and networks of the diaspora to fill gaps in the skilled labour force and contribute to economic development at home.

As Dumont and Lemaitre (2005) have pointed out, this flow is significantly underestimated in size and influence by analysts and policy makers, largely because there are little or no data relating to it. On the one hand, high income destination countries rarely collect information on who leaves and concentrate only on immigration. On the other hand, low income source countries have little data on immigration, especially immigrants who are citizens returning after a sojourn abroad. Australia is an exception since information is collected on all who leave the country. Figure 10 provides data on permanent arrivals and departures from Australia to Asia-Pacific countries and it can be seen that reciprocal flows out of Australia are important, especially for East Asian countries. Overall, there is one return migrant for every three settlers.

FIGURE 10: COUNTRIES OF ORIGIN OF SETTLERS IN, AND COUNTRIES OF DESTINATION  
OF PERMANENT DEPARTURES FROM, AUSTRALIA, IN ASIA, 1994-95 TO 2005-06



Source. Department of Immigration and Citizenship. Unpublished tabulations.

However, these permanent flows are only the ‘tip of the iceberg’. The Australian data also provide complete information on short-term movements (Australian residents and citizens whose intended stay abroad is less than 12 months and foreign visitors whose intended stay in Australia is less than 12 months) and long-term movements (departures of Australian residents and citizens who intend to return but with the intended length of stay abroad being 12 months or more and foreign visitors with temporary residence who intend to leave Australia but after a period of more than 12 months).

FIGURE 11. SHORT-TERM ARRIVALS AND DEPARTURES OF ASIA AND PACIFIC-BORN PERSONS,  
AUSTRALIA, 1993-94 TO 2011-12

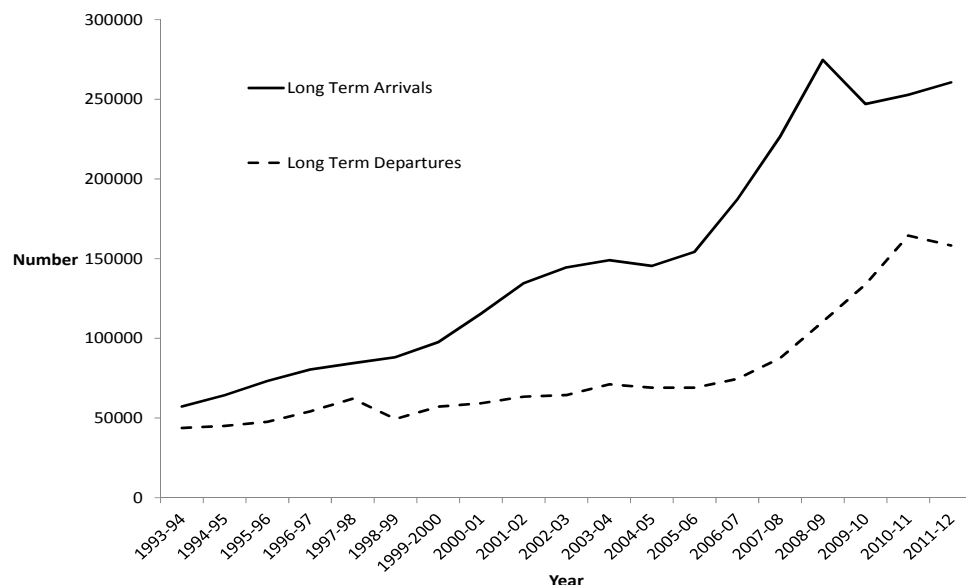


Source. Department of Immigration and Citizenship. Unpublished tabulations.

The numbers of short-term movements to and from Asia over the last two decades are shown in Figure 11 and show that the in-movements and out-movements are approximately the same and that the numbers are increasing. It has been shown (Hugo, 2008b) that there is a high level of repeat short-term movement of individuals, that visiting family accounts for around 30 percent of movements, that visits to carry out business or work accounts for a fifth of movers, that a high proportion of movers from Asia to Australia are former settlers in Australia who have returned home, and that a high proportion of movers from Australia to Asia are settlers visiting their home country (30.1 percent between 1993 and 2012).

This short-term mobility is hence linked to permanent movement as well as involving other groups. The potential of these flows to influence development in origin countries is substantial.

Figure 12. Long-term ARRIVALS AND DEPARTURES OF ASIA AND PACIFIC-BORN PERSONS,  
AUSTRALIA, 1993-94 TO 2011-12



Source. Department of Immigration and Citizenship. Unpublished tabulations.

Turning to longer term temporary migration, Figure 12 shows that the inflow is greater than the outflow which indicates a pattern of significant numbers of such migrants who change their status to that of a permanent resident. However, the overwhelming impression is of circularity rather than of a permanent south-north migration. This is not unique to Australia, it is only that Australia has the completeness of data to be able to demonstrate it quantitatively. The key question then becomes how this circularity in south north migration systems can be best utilised to have the maximum impact on development in origin countries.

Hitherto policy interventions have sought to facilitate permanent return migration. Korea and Taiwan, Province of China (Englesberg, 1995), for example, have long had programmes to encourage a 'reverse brain drain' (Chang, 1992) with some success (Yoon, 1992), although it is not clear the extent to which this was due to the programmes and how much was a result of rapid economic development in those countries (Lucas, 2001, 41). Saxenian (1999, 59) points out that some of the advantages flowing from these activities was an increase in interaction between Taiwanese and Korean scientists and engineers with expatriate colleagues in the United States facilitating knowledge transfer, investment and business cooperation (Lucas, 2001, 42). Taiwan, Province of China has had one of the most comprehensive reverse brain drain programmes with around 50,000 returning in the 1985-90 period (Tsay and Lim, 2001).

The numerically largest outflow of talent has been from China. A Chinese Academy of Sciences Report (Asian Migration News, 1-15 February 2007) estimated that one million Chinese students had left to study abroad in the two decades to 2006 and that two thirds had chosen to remain abroad after graduation. Chinese governments at national and regional levels have put in place a large number of programmes to attract these migrants back on a permanent or temporary basis (Zweig, 2006). In addition to national policies to attract back skilled expatriates, Chinese provinces, companies and development parks also offer a range of incentives to return, including competitive salary packages and paid trips to China, while the national government programme offers higher salaries, multiple entry-exit visas and access to strictly controlled foreign exchange.

While permanent return migration is significant, origin countries are increasingly realising that they can benefit from a transfer of human capital which involves temporary, or even virtual, movement. The importance of this has long been recognised. In the Taiwan, Province of China context, Luo and Wang (2001, 6) examined ‘... ‘temporary returnees’ or ‘transnational workers’ ... who work on both sides of the Pacific ... play the role as the middlemen linking businesses in the two regions together with their personal networks, technological and market know-how’.

Agunias and Newland (2012, 160) identify three categories of policies and programmes which have been developed to initiate and facilitate this ‘brain exchange’ or ‘brain circulation’. The first set of programmes focus on engaging diaspora with particular expertise to fill on a permanent or temporary basis key resource or knowledge gaps. A second set seeks to match diaspora with counterparts in the home country as a basis for a long-term exchange of resources and knowledge. A final set of policies seeks to establish networks of scientific, technical or business groups to channel resources and knowledge from the diaspora to the home country.

In the contemporary migration and development discourse, opposing views have evolved regarding the relative merits of circular or other temporary migration. The opposition to temporary or circular migration (Vertovec, 2006, 43) is motivated by various concerns. First temporary migration schemes may lock migrant workers into modes of dependency and exploitative relationships with employers. Second, enforcement mechanisms are often draconian. Third, the rights of workers at destination are often restricted leading to social exclusion. Fourth, temporary schemes may foster undocumented migration as migrants may overstay their visa. There are also other concerns raised in relation with temporary workers as employers may use



them to drive down working conditions and wages, forcing out local workers. Moreover, the long separation from family can have significant negative social consequences.

However in the recent discussion on the relationship between migration and development, there has been increasing advocacy for circular migration as a mechanism which can deliver benefits for migrants and both at destination and at origin simultaneously. Vertovec (2006, 43) suggests there are four reasons for this. First, at least potentially, circular migration can deliver a ‘win-win-win’ outcome for countries and migrants alike as migrant workers return to their place of origin and bring with them the skills, experience and money they acquired abroad. Second, there is evidence that circular migrants remit a larger proportion of their income than permanent migrants. Third, policy makers in destination countries consider temporary migration as more acceptable to public opinion than permanent migration. Fourth, improved immigration control systems make it more difficult for migrants to overstay their temporary visa.

The strong opposition to circular migration programmes is based largely on the experience with guest worker programmes in Europe in the 1950s and 1960s and the more recent contract labour migration to Western Asian countries. Some of these programmes have been associated with exploitation of migrant workers, abuse of their rights, excessive fees by intermediaries and officials, and poor governance at origin and destination. This has meant that potential benefits at origin and for the migrants themselves have often been diluted. However, this does not mean that circular migration should be discarded altogether. Circular migration can, and does, have positive development outcomes and it is often a preferred strategy among migrants themselves. Poor governance of international labour migration does not mean that such mobility is intrinsically leading to adverse outcomes. The question should not be whether or not to have such mobility but rather how to develop programmes that deliver triple win outcomes.

One of the ‘truisms’ that has entered the migration lexicon is that ‘there is nothing as permanent as a temporary migrant’. This refers to the fact that many erstwhile temporary and circular migrants intend to, and eventually do, become permanent settlers at the destination. However, the conventional wisdom that all circular migrants fit this profile must be challenged. In fact, for many movers a circular strategy is preferred to permanent relocation because the migrants are able to earn in the high income destination but ‘spend’ in the low income origin and hence maximise the purchasing power of their earnings. Also, temporary migrants can retain their

traditional cultural, language and other associations with their homeland. Further, not all movers consider temporary migration as the first stage to permanent settlement. Indeed, the decision to settle permanently in the destination is sometimes made because destination countries make circulation and return difficult and expensive. In sum, circular migration and permanent relocation policies are not alternative approaches, but an effective migration policy should contain a judicious mix of both so that the migrant has real choices.

## E. THE SOCIAL IMPACT OF MIGRATION

### E.1 IMPACTS IN COUNTRIES OF DESTINATION

In the preoccupation with the relationship between migration and economic development the important social dimensions are often overlooked. Nevertheless, there are important social impacts in both origin and destination areas and these need to be better understood since they often form the basis of opposition to migration and discrimination against migrants (Hugo, 2005). From a destination perspective the social implications of migration are complex and diverse but a few generalisations can be made.

Incorporation or inclusion of migrants into destination societies and economies has become an area of increasing attention among both policy makers and researchers (Fix, 2007). Castles (1998, 247-250) has identified four possible approaches to migrant incorporation:

(a) *Assimilation* – ‘... the incorporation of migrants into society through a one-sided process of adaptation in which migrants are expected to give up distinctive linguistic, cultural and social characteristics and become indistinguishable from the majority population.’ (Castles, 1998, 247). This approach was dominant in the countries that experienced mass migration in the early postwar years and is inherent in human capital approaches to migration which imply that the state should leave all matters relating to migration to market mechanisms.

(b) *Integration* ‘...refers to a process of mutual accommodation involving immigrants and the majority population.’ (Castles, 1998, 248). Immigrants are expected to cease over time to be distinctive in culture and behaviour but there is also some adaptation on the part of the host society.

(c) *Exclusion* – where immigrants are incorporated legally and/or informally into some areas of society (especially the labour market) but not others such as the welfare system, political participation and citizenship (Castles, 1998, 248). This applies to many temporary labour migration programmes.

(d) *Multiculturalism* – while this has taken different forms in different societies, it refers to the development of immigrant populations into ethnic communities that remain distinguishable from the majority population with regard to language, culture, social behaviour, etc. and migrants are granted more or less equal rights. As Castles (1998, 248) points out, it implies the willingness of the majority group to accept or even welcome cultural differences and adapt institutions accordingly.

There is considerable criticism of states' policies toward incorporation of migrants. Freeman (2004, 446), for example, states that 'No state possesses a truly coherent incorporation regime. Instead one finds ramshackle, multifaceted, loosely connected sets of regulatory rules, institutions and practices in various dimensions of society that together make up the framework within which migrants and natives work out their differences... (this) defeats efforts to identify national models or construct abstract typologies of incorporation regimes'. This is an area of major policy concern. Migration is a permanent and structural feature of the economies of high, and many middle, income nations. Developing policies of incorporation that facilitate the integration of migrants, protect their rights and those of the non-migrant majority is a major imperative for the future. Moreover, the four approaches outlined above refer predominantly to permanent settlement in destination countries. However, this paradigm of international migration is increasingly being replaced by a transnationalism model involving both more coming and going of migrants and greater commitment and loyalties to more than one country among those who permanently settle at the destination. It may be that we are entering an era where a more flexible approach to integration is adopted. This would perhaps revolve around a new concept of citizenship, which recognises that people in a country can have different types of citizenship depending on the nature of commitment they have to that country. Of course there must be some basic entitlements and rights which are common to all residents. It would seem too that it would be possible to incorporate many of the principles of multiculturalism within a new concept of citizenship. A fundamental trend of multiculturalism is the maintenance of identity with origin cultures which could readily be extended to supporting the maintenance and strengthening of transnational ties.

While the overall issue of incorporation is the dominant social issue in destinations there are a number of other social considerations. One relates to the challenges associated with increasing cultural diversity within destination societies. It is difficult to see any realistic future scenario other than one which sees high income countries experiencing increased ethnic and cultural heterogeneity over the early years of the twenty first century. This makes it all the more important for those countries to develop effective ways of not only coping with this increased diversity but maximising the benefits which can accrue from it. Another challenge relates to the increasing significance of temporary and circular migration and the protection of the basic rights of those migrant workers.

One of the main barriers to improving the situation of migrants and migrant workers are the often powerful vested interests in destination countries who perceive that they benefit from the inferior status of migrants and would suffer losses if they had similar rights to citizens. They seek to preserve the lower wages, poorer conditions, lack of security etc. of migrant workers since this keeps their production costs down and increases profit. In some cases an argument is made that if migrant workers were treated the same as local workers then export markets would be lost because costs of production would not be competitive. There are other vested interests in government which also wish to see preservation of the status quo because they receive financial gain from recruiters of migrant workers, both from those operating within legal regulations and those outside of them; through unauthorised taxes and charges being placed on migrant workers themselves and from the employers of migrant workers. It needs to be appreciated that a substantial industry has grown up around the movement of migrant workers, both documented and undocumented, and in many respects they have not always operated in the interests of individual workers but rather in the interests of employers and intermediaries facilitating migration. These interests will need to be overcome if the well-being of workers is going to be achieved.

The emergence of transnationalism as a major paradigm in international population mobility (Portes et al., 1999; Portes, 2001; Vertovec, 1999) has brought into question traditional conceptions of citizenship. The overwhelming norm has been for people to be citizens of a single nation state and for nation states, with some important exceptions, to restrict acquisition of citizenship to the *jus sanguinis* principle or descent from a citizen parent. In the traditional immigration nations, access has been available through naturalization or *jus soli* (being born in the country). The expectation was that legal immigrants to a nation would eventually apply for citizenship of the destination country and commit themselves fully to that country.

It is also important to recognise the diversity within migrant groups in the development of effective incorporation policy and practice. Gender issues are of particular significance since many women migrants are faced with multiple situations at destination with discrimination against them, not only being because of their migrant status but also their gender.

It is apparent that citizenship policy is being transformed in response to transnationalism with more than a half of the world's countries now recognising dual citizenship. Bauböck (2004) has shown that the most substantial changes in citizenship policy have occurred in Western migrant receiving nations. Transnationalism involves people having obligations towards more

than a single state with individuals have varying identities, commitments and affiliations with origin and destination countries. A citizenship which demands full commitment to a single nation state and in which other non-citizen permanent residents are excluded in various ways would no longer seem appropriate in destination countries. Bauböck (2004) has argued that in this changing situation there is a need for more consistent and inclusive citizenship policies which take account of this new complexity. Such policies need to be developed so as not to ignore state concerns about self determination of its own nationals.

Undoubtedly, the fear of migrants breaking down social cohesion is a major barrier to immigration. However, a breakdown of social cohesion is more a result of failure to institute appropriate policies and programmes to facilitate ethnic and racial diversity than any intrinsic differences between language, religious and ethnic groups. Indeed, a failure to give equal rights to migrants and migrant workers may in itself produce and exacerbate division between groups by institutionalising the perceived differences and placing some groups in an interim position compared with others. There are frequently beliefs that social cohesion is dependent totally on ethnic, religious, linguistic and cultural homogeneity. Such beliefs are very deeply ingrained in some countries and widely accepted by policy makers and the public alike. In such contexts there are fears that immigration of any different groups will automatically break down social cohesion.

There can be no doubt that in some cases prejudice and bigotry are a barrier to the acceptance of immigrants in destination societies. In most countries groups who have prejudices against particular ethnic, national and religious groups monopolize discussions about migration. These discussions are often effective in the use of media to spread unfavourable stereotypes about migrant groups and to unfairly make scapegoats of them with respect to crime, health and other issues. There is a great deal of myth creation in relation to migrants and migrant workers. They are frequently made scapegoats for all kinds of problems being faced by host societies. They are often blamed for a high incidence of crime when in fact the objective data more often indicate a low involvement in crime. They are often stigmatised as the spreaders of disease like HIV where in fact this is not the case. They may be blamed for the inadequacy of services or infrastructure when in fact it is inadequate or poor planning which is the real cause of such problems. They are often unfairly stereotyped in negative ways which creates myths of negative impact. In previous times this racism was explicitly built in to immigration legislation and while this has been progressively dismantled over recent decades there are still elements of it that survive.

Developing an empirically based, balanced and fair discourse on migration issues, not just in destination countries but more generally, is a major priority. The media, politicians, academics and non-governmental organisations all have crucial roles in facilitating this change in community discussion of migration.

## E.2 IMPACTS IN COUNTRIES OF ORIGIN

The migration literature is characterized by two main biases. First, there is a ‘development bias’ which sees an overwhelming emphasis in research on the economic dimensions (especially the consequences) of migration and a neglect of its social causes, consequences and implications. Second, the unit of analysis has tended to be either at the level of the individual migrant or at a macro (usually national) scale. There has been a neglect of socially significant units such as family, household, community and region in examining the causes of international migration and its consequences.

There is a need to redress these biases by putting greater emphasis on social consequences of emigration and on the impacts at levels of region, community and family. The social consequences of migration for migrants, their origin families and communities and their destination communities are of considerable significance. The family as the fundamental units of social organisation in the majority of societies is important from the migration perspective because the family is often the unit of decision making for migration, changes in the family structure and functioning can influence migration, migration can impact family structure and functioning, and because the family is often significantly influenced by migration. Communities are important when assessing the effects of the migration process. Because all migration tends to draw people from particular parts of countries means that the impacts tend to be spatially concentrated too.

It is important to distinguish between two types of impact that migration has on the family in the place of origin of the migrants. Families of migrants at the place of origin must adjust not only to the permanent or temporary absence of family members but also to the influences of the newly acquired money, goods, ideas, attitudes, behaviour, and innovations transmitted back to them by the movers. The adjustments to these impacts that families must make depend upon which family members move, the length of the absence, and the socio-cultural

system at the place of origin, especially dominant types of family structure and the degree of flexibility within that structure (Hugo, 1997).

In the case of labour migration, it must be borne in mind that most such movement is non-permanent, that such migration generally involves the separation of husband and wife, and that children are deprived of at least one parent's influence for extended periods. There is a growing body of research which indicates that the accelerating levels of migration of women in less developed countries is leading to increased incidence of children living separately from their mothers. Demographic and health surveys indicate a relatively high incidence of mothers and children living separately in developing countries, especially in Africa. Explanations that can be put forward for this include divorce, a high incidence of fostering out of children as well as migration. Hence mothers may leave behind children in the village when they go elsewhere to work since conditions at the destination are not conducive to childcare. Another common practice is for urban-based parents to send their children back to their home village to grow up under the care of grandparents, aunts or uncles in what is considered to be a more conducive, traditional environment.

The separation of the nuclear family by migration is an increasingly important phenomenon. The absence of family members who migrated to work overseas can potentially have detrimental effects on other dependent family members remaining behind. Family members who are dependent on persons of working age, especially children and ageing parents, are particularly affected.

Transnational families involving members of the nuclear family and especially the extended family living in more than one country is an increasing feature of the 'age of migration'. This can be a deliberate strategy undertaken by families to maximise their incomes and insure their futures but it also creates challenges to caring for dependants, marital stability and raising children which need to be better addressed in the policy and research arenas.

There is little appreciation of the complex relationship between migration of women and wider social and economic change. In particular we lack knowledge of the relationship between population mobility, on the one hand, and changes in the role and status of women, on the other. It is clearly a two-way relationship whereby increased female empowerment might encourage migration while migration may be associated with empowerment of women. Migration can



impinge upon the position of women in two ways. First, the role and status of women who move may change as a result of the migration. Second, the roles of women who are left behind by the migration of husbands, brothers and fathers may change due to the absence of these males.

Other things being equal (which of course they rarely are), it would be expected that migration would be an empowering process for women. This derives from a number of changes which are often associated with female migration, namely, that (a) migration often involves women moving away from the immediate control of traditional, often patriarchal, forms of authority and being separated from those controls by some distance, (b) migration is often associated with a move from a familial mode of production to an enterprise mode, (c) migration often involves a transition from a rural to an urban context, (d) migrant women may, for the first time, receive money for their work and have control over how they spend those monies, (e) migrants may, for the first time, be living with people other than their family, (f) migrants are exposed to a range of experiences and influences different to the traditional way of life maintained in the place of origin, (g) migrants will interact, especially in the workplace, with people from a wider range of backgrounds and experience than in their place of origin, (h) migrants are more likely to have greater personal decision-making power, (i) migration may result in a breakdown of the seclusion and isolation of women in traditional societies, (j) migration may change the relative roles of men and women, and (k) migrants may form new types of alliances and friendships with other women - e.g. through their involvement in formal and informal groups like unions, sisterhoods etc. Indeed such group solidarity of women migrants in the absence of family is common.

While there is often an association between migration and empowerment of women, there is also evidence that migration of women does not necessarily initiate a change in their role and status. Indeed, migration can serve to entrench the existing status quo, be neutral in its impact or in fact women's situation can worsen as a result of exploitation and abuse. The protection of women migrants must be an important part of the policy agenda in this area. Women migrants are often important agents of development in origin communities and migration and development policy needs to be sensitive to not only this role but also the potential for exploitation of women migrants.

## F. POLICIES ON MIGRATION AND DEVELOPMENT

### F.1 COUNTRY OF ORIGIN PERSPECTIVES

There is a pressing need for the current and potential role of migration in development to be considered by governments and communities in a more objective way. Migration is an emotional issue but in many countries, especially in destination nations, there is widespread misunderstanding and misinterpretation of the nature, scale and effects of contemporary international migration of workers. Myths and half-truths abound regarding migrants and their impact on development. Negative stereotypes such as involvement in crime, spreading disease and displacement of local workers need to be challenged with empirical evidence. Governments and the community more generally need to recognise that migration is increasingly a permanent, structural, integral and continuing element in local economies. The failure to recognise these realities has led to unrealistic policies and programmes to prevent immigration and emigration, overly restrictive entry policies which encourage the proliferation of irregular migration and marginalisation of migrants, and severe restrictions of the rights of migrant workers.

Hence, there is a need for the wider dissemination of quality research based information about the realities of migration and its effects to key stakeholders, policy makers, planners and the general community. Moreover, as was indicated earlier, this is an area where policy can make a difference. What are some of the key policy considerations from an origin perspective? How can such countries formulate and operationalize emigration and diaspora related policies which are 'development friendly'?

The objectives of diaspora policies involve the three 'Es' to engage, to enable and empower expatriate populations. While there is a great deal of diversity in contemporary diaspora, we can make the following generalisations. Diaspora populations are growing rapidly. They are often selective of highly educated skilled people. There are strong networks/linkages between sending and receiving countries with developments in information, communication and transportation technology enhancing this. There is a strong identification among many in the diaspora with their home countries. There is an increasing recognition that the diaspora can play a positive role in the economic development of homeland areas through financial and social remittances, direct investments, philanthropy, return migration, whether permanent and temporary, by building networks among natives and expatriates so that the inflow of capital,

investment, skill and ideas from destination to origin is enhanced, and by using expatriate communities as “beachheads” to sell goods produced in the home nation and to facilitate trade.

So far, the discussion has focused on the economic dimensions of the diaspora and its effects. It must be remembered, however, that diaspora are emphatically social phenomena. Hence, if diaspora are to become significant engines in the economic development of sending nations, there will need to be a better understanding of the social underpinnings of how diaspora are created, function and grow. If the diaspora is to be mobilised to assist development at home it will be necessary to strengthen the linkages with the diaspora and enhance expatriates identification with their homeland. In order to do so, the complexities of citizenship need to be addressed. Research on diaspora, at least first generation settlers in destinations, confirms that a majority have a strong identification with their homeland, even if they have no intention of returning to it.

Perhaps there is a need for rethinking, in both conceptual and practical terms, what we consider to be a country's ‘population’. National governments, national bureaucracies and other national stakeholders define their national population in terms of those counted within national boundaries at the last population census. However, in a globalising world, it may be more appropriate for some purposes to conceive of the ‘national’ population as including the diaspora. This would mean being more inclusive of the diaspora in the activities of the country and to include them in policy making. Already many emigration countries are now seeing advantages in allowing dual citizenship and discussing what this means for individuals is an important area. What rights and responsibilities are associated with dual citizenship as opposed to having a single nationality? The reality is that with improved information and communication technology, the diaspora can maintain intimate and instantaneous contact with their homelands in a way that was never possible before. Through the internet they are reading newspapers from their homeland at the same time as people in their homeland. They can interact daily with family members and in times of emergency, they can return quickly. This provides sending countries with real possibilities to be inclusive of their diaspora. There may be clever and new ways to use the new information technology to strengthen the identification of expatriates with their homelands.

What policies and programmes are being used by sending countries to strengthen diasporic identification and links with their homeland? Several countries give the diaspora voting rights in national elections either through them having their own representative in national

parliament or allowing them to retain voting rights in their place of origin. Clearly these should not be available for the entire diaspora since many have no intentions to return, do not pay taxes, etc. but for others with intentions to return it is often important. Hence, having arrangements which ensure that expatriates with an intention to return retain voting rights is important. Equally providing facilities for expatriates to vote is important. Some emigration countries have specific institutions to serve the diaspora and retain their identification with their home nation, some have set up cultural and language maintenance programmes at destinations, others have programmes to facilitate the growth of networks between expatriates and colleagues in the homeland, in business, research, etc. Some emigration countries provide particular facilities, taxation advantages, etc. for expatriates investing in their homeland. Lastly, some countries have programmes to encourage the return of expatriates permanently or temporarily.

Nation states vary in their attitudes toward, commitment to and policies regarding, current and former nationals who are abroad. In formulating these policies, a number of considerations apply. First, there is a need to take into consideration the social effects of international migration in origin countries, in particular the separation of migrant workers from their immediate families. Second, there is a tendency to focus predominantly on the economic aspects of such mobility but the associated social costs can be high. The need to facilitate families traveling with migrants, frequent return visiting when workers move without families, provision of support services for 'families left behind', facilitating regular contact between home and destination, etc. need to be considered. New forms of information and communication technology need to be harnessed in this area. Third, where the outmigration is more permanent, countries should consider the development of an integrated diaspora policy, which goes beyond facilitating investment, the flow of remittances and other economic arrangements. The role of sending countries in helping organise expatriates at destinations, facilitating their home visiting and permanent return, in cultural and language maintenance, etc. can be of significance both in ensuring that the expatriate continues a relationship with the home country but also in assisting their adjustment at the destination. Fourth, protection of the safety and rights of expatriates abroad both permanent and temporary is an important responsibility. Entering into bilateral and multilateral relationships can facilitate this. Fifth, modern information technology and travel should be used to ensure that interaction between migrants and their families left behind is as cheap and readily available as possible. Sixth and finally, emigration countries need to review their attitudes and policy toward citizenship and nationality. Examination of ways to incorporate the diaspora into the definition of the nation state is an important priority.

## F.2 COUNTRY OF DESTINATION PERSPECTIVES

In the discourse on the potential of migration to facilitate development and the role of policy, the predominant focus has been on origin governments of countries of origin. In destinations, research and policy attention has been directed toward the contribution of migration to their own economies and on the adaptation and experience of migrants in the destination. However, if the triple dividends of migration are to be achieved it is important to ask the question as to whether policies and practices by destination governments can play a role in facilitating positive development impacts in origin areas. To what extent can destination government migration policy be 'development friendly' and facilitate development and poverty reduction impacts of migration in origin communities?

At the outset it needs to be underlined that a sensitive immigration policy does not involve any loss of national sovereignty or control over who can enter or settle at destination or any sacrifice of the benefits of migration to the destination's economy, society and culture. The challenge is to develop effective policies to facilitate emigration playing a positive role in the development and poverty reduction without compromising the benefits to the destination and the migrants themselves.

What are the elements in a development sensitive migration immigration policy? Fundamentally it involves examining and considering the benefits and impacts of a particular migration policy, not only from the perspective of the destination country but also that of the origin countries. One issue which needs to be confronted is 'brain drain', especially that involving medical workers. It has been argued that a more ethical approach to recruitment of health workers needs to be adopted (e.g. Scott et al., 2004). A number of possible approaches have been suggested, including banning of recruitment and immigration of selected skilled occupational groups such as doctors, developing a code of conduct for ethical recruitment, compensating the sending country for costs incurred in training of personnel, increased training of health workers in destination countries, limiting recruitment of skilled health professionals from the most affected countries, supporting health care training in origin countries, and encouraging the return of doctors after they complete a period in the destination.

A potential approach is for destinations to facilitate circular migration of skilled migrants to their origin country. This would involve encouraging those skilled migrants who wished to work in both origin and destination without jeopardising their rights in the destination. Policies of ‘brain sharing’ have not been explored but have potential to deliver dividends to both origin and destination. This presents a challenge to migration management and to assimilationist thinking but is achievable through cooperation between origin and destination countries.

Selective targeting of low skilled migration programmes to particular countries and regions where it is recognised that migration can have a positive impact is another element in a development friendly migration strategy. Such programmes as the Recognised Seasonal Employer (RSE) Program in New Zealand and the Pacific Seasonal Worker Program in Australia are deliberately targeted at Pacific Island countries as an initiative to facilitate development at origin, while meeting seasonal agricultural worker shortages at destination. Such programmes need to be integrated with development and development assistance policies and programmes.

A further plank in such an immigration policy relates to remittances. As indicated earlier, the transaction costs of sending remittances remain high in many situations and the cooperation of destination governments is important in bringing down these costs. Moreover assistance in the development of ways in which origins can lever those remittances would also be relevant.

Destination countries also have an important role in facilitating the development and maintenance of diasporic linkages. A range of issues are involved here including the encouragement of dual citizenship, facilitating circular migration and visiting to origin countries, making entitlements fully portable, and encouraging business, research and academic linkages with origin countries.

## G. CONCLUSION

Among all of the transformations which have swept the world in the last two decades, the increase in population mobility has been one of the most striking. There has been an increase in both scale and complexity of population movement both as a cause and a consequence of the dramatic social, economic, political and demographic changes. International migration has been an important part of this change. The scale, spatial distribution and complexity of international movements have increased with rapid economic transformation, globalisation, political change, development of education etc. Moreover there is every indication that international population movements will continue to increase in scale and significance.

Demographic gradients will continue to widen over the next two decades and despite the prediction of neoclassical economic theory, it would not appear that the large economic disparities between countries are lessening. These trends are long-term structural elements in the economies and societies of countries of origin and destination. Migration must no longer be considered a temporary, ephemeral phenomenon. Yet while migration is becoming more embedded in global, national and subnational economies, some of the barriers to it are increasing. Migration is only part of the solution to achieve development in low income countries. It is not a substitute for good governance, sound economic policy and enhancing human capital and human rights. However, it can play a significant enabling role. The extent to which it is able to play that role effectively will be heavily dependent on the migration policies developed by high income and low income countries and on the degree of cooperation between those countries.

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