



TRANSATLANTIC
COUNCIL *on*
MIGRATION

A Project of the Migration Policy Institute

RETHINKING EMIGRATION

TURNING CHALLENGES INTO OPPORTUNITIES

COUNCIL STATEMENT

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Turning Challenges into Opportunities

The 12th Plenary Meeting of the Transatlantic Council on Migration

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Executive Summary

While European nations struggle to manage massive inflows across the Mediterranean, a parallel challenge is unfolding: what to do about the scores of people *leaving*. The hemorrhaging of precious human capital—a persistent concern for many low- and middle-income countries around the world—has also been an urgent concern in parts of Europe. Several European Union Member States, still trying to find their footing after the economic shocks of 2008 and the ensuing fiscal crisis, find themselves again confronted with large outflows of their residents. As the continent grapples with historic inflows of refugees—many of whom will face massive integration challenges—it will also need to confront the effects of people leaving, a trend that will only become more complex in light of Europe’s current crisis.

In the 15 or so years before the Great Recession, Greece, Ireland, Italy, Portugal, and Spain were among the countries that had welcomed millions of migrant workers into their booming economies. Today, they have in some ways returned to their earlier, more traditional roles as significant countries of emigration. Meanwhile, many of the newest EU Member States continue to lose a steady flow of their more talented citizens to opportunities elsewhere, primarily within the European Union. And as mobility becomes the new “normal,” both high-income and fast-growing middle-income countries are having to readjust their thinking about the migration of skilled and talented people. How will they come to terms with the loss of the valuable, well-educated young workers on whom economies depend for growth, innovation, and economic competitiveness?

While European nations struggle to manage massive inflows across the Mediterranean, a parallel challenge is unfolding: what to do about the scores of people leaving.

Experience makes clear that policymakers can neither prevent their residents from leaving nor entice them to stay without improving opportunities at home. In fact, governments need to develop long-term strategies that include fundamental societal changes if they are to slow the exodus. Even more important, government, the private sector, and civil society must work together to create new systems to engage thoughtfully with their nationals while they are abroad, and undertake policy reforms that will allow them to draw more systematically on returning nationals’ new skills and experiences. And even if many emigrants never come back, governments may be able to encourage them to invest their knowledge and resources in ways that boost social and economic growth in the mother country.

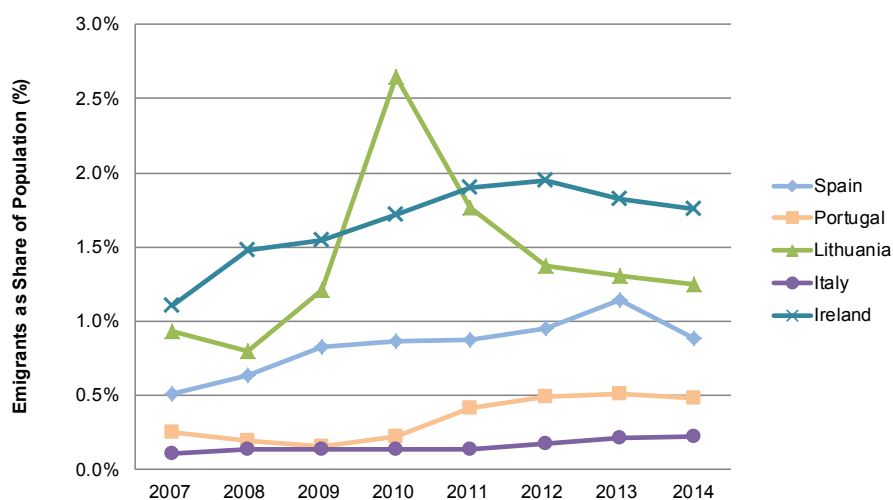
The Migration Policy Institute’s Transatlantic Council on Migration (TCM) convened to examine the scale and implications of recent mobility patterns and ask what concrete actions governments and societies from both origin and destination countries can take to mitigate the costs of emigration and thus capture more of its potential benefits. The Council concluded that as high-income societies adapt to constantly shifting economic and geopolitical realities, they can also learn from “traditional” emigration countries how to tap into the human capital and accumulated experience of their overseas nationals in new and innovative ways—by treating them as an extension of their national talent and expertise pool. However, engaging actively, and over time organically, with emigrants and diasporas must go hand in hand with structural, social, economic, and political reforms that will attract both returnees and new migrants alike—while creating a viable alternative to departure.



I. Introduction: Mass Exodus, Or the Dawn of a More Complex Era of Mobility?

While significant data limitations¹ prevent the accurate measurement of the volume of outgoing flows—and, with it, an adequate demographic profile of those leaving—today’s emigration from high-income countries is substantially different from past waves. Data from Ireland and reports from much of Southern and Eastern Europe,² for example, suggest that migrants today are younger, better educated, and more skilled than past waves, with a high proportion of professionals among those leaving.³ This is in large part a reflection of these countries’ enormous gains in education in recent decades, but it is also a function of the available opportunities, preferences, and immigrant-selection mechanisms of destination countries. And despite still-massive unemployment levels in much of Southern Europe, it is not only the unemployed who are seeking better opportunities abroad but also those who, though employed, see few or diminishing opportunities for themselves and their families at home. This last cohort is precisely the type of departure that can deal a serious blow to economies in crisis.

Figure 1. Emigrants from Select EU Countries as Share of Population, 2007-14



Notes: Emigration estimates, which are often of limited use because of underreporting and sampling issues, are prone to both under- and over-counting. Certain countries, such as Spain and Italy, use registration data (which rely on voluntary declarations and are subject to a time lag), while others rely on household survey data or surveys at ports of entry (which may not cover all countries and can go un- or under-reported). Because different countries use different methods, cross-country comparisons should be taken with a grain of salt. While Lithuania has a long history of significant outmigration, for instance, some analysts have attributed the spike in 2010 to an increase in *registration abroad*, rather than solely a product of new emigration. The introduction of a mandatory health insurance contribution in 2010 for all permanent residents may have encouraged previous emigrants to register their departure to avoid payments. See European Migration Network Lithuania, “Migration: 10 years overview,” accessed October 8, 2015, <http://123.emn.lt/en/general-trends/migration-10-years-overview>.

Source: Eurostat, “Population at 1 January [tps00001],” accessed October 8, 2015, <http://ec.europa.eu/eurostat/en/web/products-datasets/-/TPS00001>; annual emigration data from Spanish National Statistics Institute (INE), Statistics Portugal, Statistics Lithuania, Italian National Institute of Statistics (ISTAT), and Central Statistics Office Ireland (CSO).

- 1 While most countries have good (if variable) systems to measure the numbers of entrants (legal immigrants are required, and have solid incentives, to be registered), accounting for those who leave is fraught with difficulty. Citizens leaving their country of nationality, for example, have few incentives to “deregister,” and are thus not counted at all; meanwhile, immigrants who move on may be counted as departed only after a delay of months or years.
- 2 The deliberations of the Transatlantic Council on Migration focused primarily on the Irish and Southern European EU Member States, and as a result, so too do its conclusions. Emigration from many of the European Union’s newest members has also been substantial, but the scale, destinations, and circular nature of much of that emigration—as well as the vastly different employment conditions—put it outside the ambit of this analysis.
- 3 Portugal, with significant *low-skilled* out-migration, is a notable exception to this trend. See Irial Glynn, *The Re-emergence of Emigration from Ireland: New and Old Trends* (Washington, DC: Migration Policy Institute, forthcoming 2015); and David Justino, *Emigration from Portugal: Old Wine in New Bottles?* (Washington, DC: Migration Policy Institute, forthcoming 2015).



Despite such data caveats, available statistics can paint broad trends in emigration over time (see Figure 1). However, subtle nuances are not always captured by these datasets. Many of those leaving newly economically vulnerable European countries are immigrants moving on or returning to their countries of origin (or ancestry). Official data thus typically underreport the true scale and composition of the phenomenon. Moreover, there are significant time lags before concrete evidence of crisis-related emigration flows becomes available. Such flows in many ways signify that mobility (and especially intra-European Union mobility) is working as it should work, with EU nationals moving on when opportunities dry up in one country and beckon in another. Nonetheless, EU Member States losing valuable human capital through emigration, regardless of destination, worry about the long-term effects of these outflows on their economic growth, and wonder what they might do to again attract their skilled emigrants to return home.

In sum, the patchwork of data on contemporary emigration reveals a more complex story than that suggested by media headlines:

- ***Migration is now a routine strategy for seeking new opportunities and upward mobility.*** Free movement within the European Union and relatively low barriers to the movement of well-educated and trained workers among high-income countries have made the act of going abroad to take advantage of opportunity differentials increasingly routine; a lack of jobs and opportunities at home simply fuels and accelerates that process. But such movement is not just about economic opportunity. Many young people move abroad to learn a language or gain new experiences with no intention of settling permanently; families may make a strategic decision to move back to their country of origin once they have children (for social and cultural reasons); and, as more businesses become both more global and highly mobile, skilled workforces are simply falling in step. Fears about a “lost generation” of young, energetic, well-educated people need to take into account the bigger picture: it is the dawn of the age of mobility.
- ***Complex, multidirectional mobility will compete with traditional forms of migration in the years ahead.*** Many common assumptions about “permanent” migration (or permanent return) require adjustment.⁴ Today’s workers are moving for more diverse reasons and weighing an expanding array of economic (and sociocultural) alternatives. Old narratives—and immigration policies—will need to be updated to reflect the shifting realities of migration, which include more temporary and circular movements. Moreover, migration from the global “north” to the global “south” will continue to grow in importance; south-south flows may already be on the same scale as south-to-north migration, and those from low-income to middle-income countries will soon rival these trends.

Finally, it is worth noting that while immigration systems need to adapt to accommodate—and take better advantage of—new types of mobility, the basic laws of migration have not changed. Opportunity differentials still determine the direction of most migration. And migration remains first and foremost a “neighborhood affair.” Of course, linguistic, cultural, social, and economic ties—plus a tradition of migration relationships—strongly shape the choice of destination.

⁴ For example, one-third of all Chinese migrants who moved to Australia over the past 30 years have gone back; and those who have settled permanently visit about twice each year. Until mid-last century, U.S. data show even larger return flows of Chinese, though return has become less common today. And more Australians are settling in Asia for longer periods—showing that south-to-north movements do not capture the whole picture as well as they did a few decades ago. Meanwhile, many Australians abroad have returned with young families at the height of their careers, defying the migration literature’s stereotype of the “failed” migrant. See Graeme Hugo, Janet Wall, and Margaret Young, *The Southeast Asia-Australia Regional Migration System: Capturing the Benefits of Circular Migration* (Washington, DC: Migration Policy Institute, 2015 forthcoming).



II. Updating Old Narratives: Evaluating the Costs and Benefits of Emigration

Migration has been a critical element of survival, growth, and progress since the beginning of civilization—the fastest way to spread new ideas and spark all forms of innovation. Today’s wave of emigration from high-income countries has nonetheless triggered higher-than-usual levels of anxiety, with many European countries newly worried about “brain drain.” The departure of valuable middle- and high-skilled residents has struck a nerve for many countries still struggling to escape a spiral of economic recession and fiscal crises and loosen the grip of large-scale unemployment. And while governments know that economic recovery depends on attracting, training (and retraining), and *retaining* talent, many find themselves at least temporarily unable to keep many of their skilled workers or attract others to compensate for those who leave.

Emotional factors are also at play. Countries like Spain and Ireland have experienced a turbulent period of change by virtually any historical standard. Officially estimated emigration (of both natives and immigrants) more than doubled between 2005 and 2012 in Ireland, more than tripled in Lithuania, and increased by a factor of almost seven in Spain—bringing these countries back to their roots as countries of emigration, and bringing to a halt—and even reversing—years of sustained growth that had made them such attractive destinations for newcomers in the first place. After rising to become enviable models of economic prosperity and magnets for massive immigration in remarkably short periods of time, they have experienced an equally rapid downward spiral, wracking people’s sense of national pride and self-esteem.⁵

The departure of valuable middle- and high-skilled residents has struck a nerve for many countries still struggling to escape a spiral of economic recession and fiscal crises.

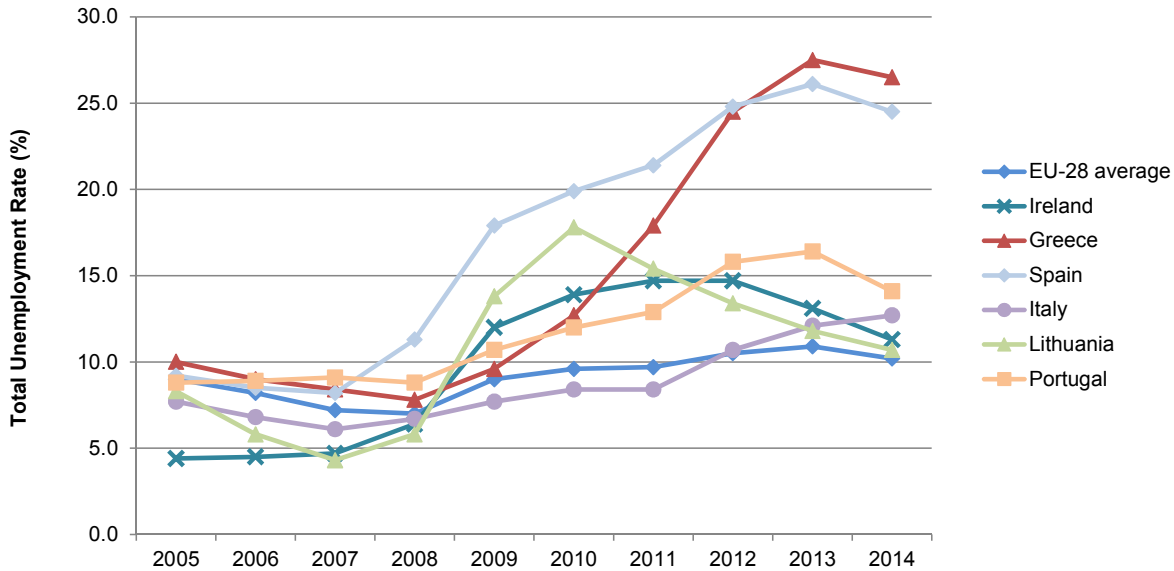
While the economic future remains uncertain,⁶ the answers to some of the most important questions—if and when nationals with substantial human capital will return—largely depend on two things. First, how long the countries in question remain mired in crisis (and, in particular, how long it will take for robust employment growth to return) and, second, how nimble governments are in enacting structural reforms at home that will make returning and/or investing in home countries attractive.

5 For example, the “Celtic Tiger” label, used during Ireland’s robust economic growth in the 1990s and 2000s, is now a source of embarrassment for some: many young people who came of age during this period of promise have now emigrated in search of better prospects abroad.

6 Today, the four European countries hit the hardest during the Great Recession and the severe debt crisis that followed are making substantial—if uneven—economic progress. The April 2015 social security data for Spain, for example, showed a 9.2 percent growth in employment, including a 4.7 percent growth in *youth* employment. While the overall figures in Spain continue to be daunting—total unemployment was at 22.37 percent as of the second quarter of 2015—this is the lowest rate recorded since 2011. Improvements in the unemployment rate can also be seen in the second quarter of 2015 in Ireland (9.8 percent unemployment) and Portugal (12.1 percent unemployment). Youth unemployment is more worrisome, however, with 2014 rates for youth under age 25 at 53.2 percent in Spain, 34.7 percent in Portugal, and 23.9 percent in Ireland (though all three have improved over 2013 figures). Eurostat, “Unemployment rate by sex and age groups - annual average, % [une_rt_a],” accessed October 8, 2015, http://ec.europa.eu/eurostat/en/web/products-datasets/-/UNE_RT_A, and Eurostat, “Unemployment rate by sex and age groups - quarterly average, % [une_rt_q],” accessed October 8, 2015, <http://appsso.eurostat.ec.europa.eu/nui/show.do>.

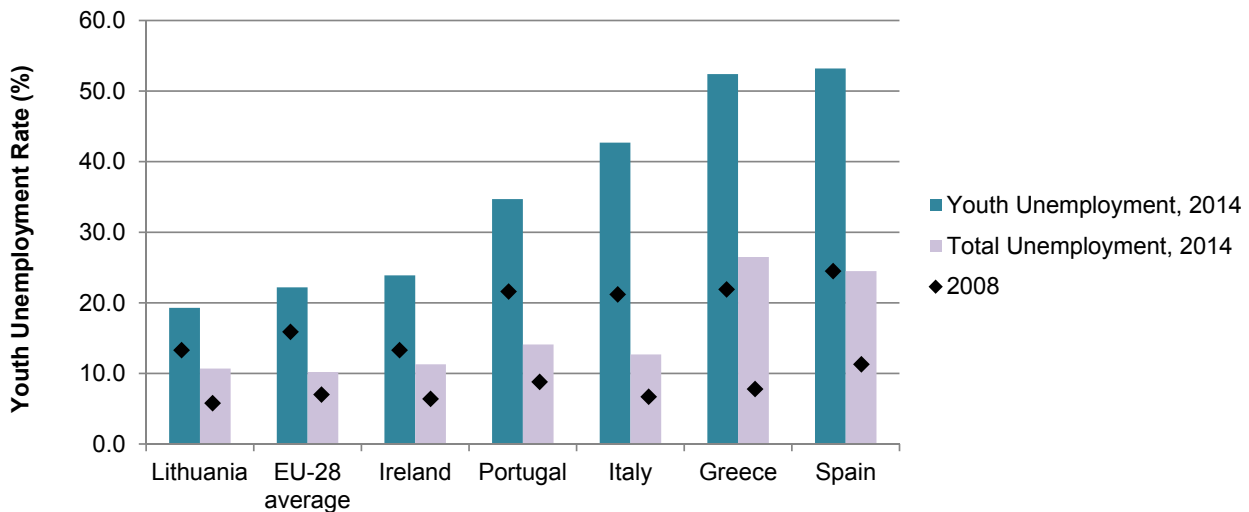


Figure 2. Total Unemployment Rate in Select EU Countries, 2005-14



Source: Eurostat, "Unemployment rate by sex and age groups - annual average, % [une_rt_a]," accessed October 8, 2015, http://ec.europa.eu/eurostat/en/web/products-datasets/-/UNE_RT_A.

Figure 3. Youth Unemployment (ages under 25) as Compared to Total Unemployment, 2008 and 2014



Source: Eurostat, "Unemployment rate by sex and age groups - annual average, % [une_rt_a]," accessed October 8, 2015.



Countries experiencing large-scale emigration are facing an intricate web of policy challenges interspersed with potential opportunities:

- ***Emigration can act as a “safety valve” for high unemployment, as it always has.*** For countries mired in crisis, emigration provides opportunities for citizens whose skills are otherwise underused to find gainful employment elsewhere. In the short term, this takes pressure off social support systems in a context of decimated public budgets; in the medium to long term, it helps young people avoid some of the economic scarring effects associated with extended youth unemployment.⁷ In Europe, freedom of movement—a right enshrined in EU legislation—is the principal mechanism to adjust macroeconomic imbalances, given that currency revaluations are not an option in the eurozone. In theory at least, everyone gains when workers in places with sky-rocketing unemployment (such as Andalusia, at 33.6 percent in 2013) can seek jobs in places with very low unemployment (like the Munich region, at 2.6 percent in 2013).⁸ But only 2.8 percent of EU citizens work or reside in a Member State other than their country of citizenship⁹ compared with 5.6 percent of U.S. residents who live in a different state than they did five years ago.¹⁰
- ***The loss of talent can exacerbate skills gaps and adversely affect economic dynamism.*** When unemployed workers become gainfully employed abroad, the gains are clear. The picture muddies, however, when people who *are* employed at home, and often in good jobs, also leave. Well-educated Irish or Greek professionals who have jobs at home yet choose to move to Australia or Germany (respectively), or medical professionals in “shortage” occupations who leave the Philippines, represent a real loss for their home economies, and perhaps more important, for their societies.
- ***But in the long term, emigration can create a pool of new skills from which countries of origin can also benefit.*** The loss of human capital can be mitigated over the long term if migrants return—especially if many of them bring more knowledge, skills, experiences, and resources than they had before they left. Young people who have left their comfort zone to compete in expanding labor markets in other countries can be real assets for their countries of origin by creating business and talent networks abroad, identifying opportunities for new ventures in both countries, and, more generally, acting as social, cultural, and economic “ambassadors.”
- ***The departure of professionals means a loss of return on investments in education, but can also help reinvigorate sclerotic educational institutions.*** Countries that have invested heavily in the education and training of their nationals feel “shorted” on their investment when these workers employ these skills in another country. This feeling persists regardless of whether they would have been employed at a level commensurate with their skills at home. In a period of

7 See Demetrios G. Papademetriou and Aaron Terrazas, *Immigrants and the Current Economic Crisis: Research Evidence, Policy Challenges, and Implications* (Washington, DC: Migration Policy Institute, 2009), www.migrationpolicy.org/research/immigrants-and-current-economic-crisis-research-evidence-policy-challenges-and-implications; and Demetrios G. Papademetriou and Madeleine Sumption, *Eight Policies to Boost the Economic Contribution of Employment-Based Immigration* (Washington, DC: Migration Policy Institute, 2011), www.migrationpolicy.org/research/boosting-economic-contribution-employment-based-immigration.

8 Indeed, the European Commission expects greater mobility—alongside getting more women and older workers into the labor market—to be an important contributor to the competitiveness of the European Union. European Commission, “Employment: report shows worker mobility key to tackle EU demographic and skills challenges,” (press release, September 18, 2014), http://europa.eu/rapid/press-release_IP-14-1016_en.htm.

9 This number has increased slightly in recent years, up from 2.5 percent in 2011, almost wholly due to high levels of migration to the United Kingdom and Germany; Eurostat, “Population on 1 January by five year age group, sex and citizenship [migr_pop1ctz],” accessed October 20, 2015, http://ec.europa.eu/eurostat/en/web/products-datasets/-/MIGR_POP1CTZ.

10 U.S. Census data show that 35.4 percent of people ages 5 and older moved to another residence between 2005 and 2010, though most stayed within the same state. People who moved to a different county—within the same state and to a different state—accounted for 6.7 percent and 5.6 percent, respectively. These movements have decreased significantly since the recession. See David K. Ihrke and Carol S. Faber, *Geographical Mobility: 2005 to 2010*, Current Population Reports, P20-567 (Washington, DC: U.S. Census Bureau, 2012), www.census.gov/prod/2012pubs/p20-567.pdf.



economic crisis, these lost skills are seen as perpetuating a vicious cycle: crisis-ravaged nations may be losing the very people they need most to revive their flagging economies. However, the departure of talented nationals for better opportunities abroad can also be an action-forcing event that motivates governments and the individuals left behind to invest in education and skills to replace those lost through emigration. This might include implementing needed reforms to raise standards across educational and training institutions in ways that can make their graduates more successful in competitive labor markets.

- **Emigration has concentrated local impacts.** One often overlooked fact is that “national” talent losses and gains are actually felt locally. Migrants tend to move from a particular part of one country to settle in a particular part of another; yet policies made at the national level fail to account for the positive and negative effects felt in specific areas. The loss of even small numbers of talented people can thus have dramatic impacts in relatively small cities, where the talent pool may be shallow.¹¹ The remedy here starts with an appreciation of this reality and a commitment to work closely with local governments and communities to address it.

In sum, the impact of emigration depends in large part on whether movements are temporary or permanent, whether emigrants have scarce skills or leave large skill gaps in their areas of origin, and whether or not the return and/or circulation of nationals responds to renewed economic opportunity and structural changes at home. Regardless, governments will benefit from direct lines of communication and engagement with their nationals while they are abroad. Reaping the potential benefits of emigration is far from automatic. Instead, it requires constant nurturing with smart policies before, during, and after migrants’ time abroad.

III. Policy Challenges and Responses

In order to draw on the benefits of emigration and reduce its costs, societies of migrant origin need to invest in two areas where proactive policies can make a substantial difference in future outcomes: engaging nationals abroad, and enticing them to come home. Governments may not be able to “prevent” their nationals from leaving, but smart growth policies can modulate further emigration and make return more attractive. Nationals abroad are best treated as an extension of the national talent pool in which the country of origin must keep investing.

A. Diaspora Engagement

Today’s emigrants are in constant, almost intimate, contact with their homelands—a reflection of the lower barriers to movement (and return) and the ease of modern communication. Thus, even if the current wave of emigrants does not move back permanently in the medium term, their ideas, knowledge, and investments (and those of subsequent generations) can have positive ripple effects, both direct and indirect, in their countries of origin. But for those effects to materialize, governments must actively engage their diaspora and offer the right incentives (and mechanisms) for them to contribute financially and intellectually to communities of origin.¹²

Though it can be politically fraught for countries in crisis to appear to be investing in those who left, the

11 See Demetrios G. Papademetriou, *Migration’s Local Dividends: How Cities and Regions Can Make the Most of Immigration* (Washington, DC: Migration Policy Institute, 2014), <http://migrationpolicy.org/research/migrations-local-dividends-how-cities-and-regions-can-make-most-immigration-transatlantic>.

12 See Kathleen Newland, *Diasporas: New Partners in Global Development Policy* (Washington, DC: Migration Policy Institute, 2010), www.migrationpolicy.org/research/diasporas-new-partners-global-development-policy.



proliferation of diaspora ministries, agencies, departments, and bureaus speaks to a new understanding of the importance—and potential benefits—of full engagement with nationals and their descendants abroad.¹³ While previous diaspora policies often appealed to moral obligations, today’s engagement is a product of mutual needs and desires, as well as a new understanding of the economic potential of emigrants.¹⁴ And while diaspora policies were traditionally the domain of developing countries, middle- and high-income countries are adapting diaspora engagement strategies to fit their own needs.

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There are three major channels through which countries all along the income spectrum can engage their diasporas abroad to create durable social and economic ties: (1) granting political and legal rights (such as dual nationality and property rights) to keep nationals invested in their country of origin and to potentially facilitate their return; (2) setting the stage for diaspora members to use their talents and resources to create or facilitate economic opportunities in their homelands; and (3) motivating engagement by creating and nurturing emotional links.

- **Granting diaspora rights.** Granting political and legal rights to citizens abroad (and, as appropriate, to their descendants) often comes at relatively low (or no) cost, especially compared with the potential value this approach holds for maintaining and cementing the link between migrants and their country of origin. Such an approach could include creating new immigration channels to benefit the diaspora (e.g., preferential visas for those with family in China, or the lifetime entry/exit cards offered to the Indian diaspora); offering them special property rights otherwise not available to foreigners (e.g., the opportunity to own land in tightly controlled coastal areas) or simply making it possible for them to hold on to their assets when they leave—thus making it easier for them to return); and finally, offering dual citizenship and voting rights.¹⁵
- **Facilitating diaspora engagement.** Whether or not diaspora members return, governments can mobilize their special talents and resources by working with them to grow promising sectors of the economy.¹⁶ Organizations such as GlobalScot, ChileGlobal, and the Global Irish

13 For example, the Irish government appointed its first Minister for Diaspora Affairs in July 2014, and released its first diaspora policy strategy in March 2015.

14 The growing size and influence of remittances has become an impetus for countries of origin to invest in the integration of their nationals abroad. There is in fact increasing evidence that the better integrated immigrants are at destination, the greater the likelihood of their economic success, and the deeper their social, cultural, and political influence. Conationals abroad, in fact, are not only a source of income for their families, but also potential investors at home and influencers of the destination country’s policies toward the origin country—making them valuable “ambassadors.” In recognition of this, countries of origin have invested in creating a set of expanded rights and benefits for the diaspora (such as the right to vote or privileged access to government officials) to cement their link to the home country.

15 Middle- and high-income countries may learn a lesson from Canada, which has long seen some of its skilled nationals emigrate to the neighboring United States. (By population, Canadians in California would represent the seventh largest Canadian province.) Preventing people from leaving is out of the question, but Canada (like nearly two-thirds of all countries) maintains connections with its expatriates, in part by offering dual citizenship. Canadian citizens in the United States have one of the lowest rates of naturalization of any immigrant group, which reflects both strong retention of Canadian identity and the ease of living and working in the United States (a result of provisions in the North American Free Trade Agreement, NAFTA). Ireland also maintains very active ties with the diaspora, involving them and working in parallel with them to attract investment, philanthropic contributions, and visits. The Irish diaspora in fact played an important role in the peace-making process in Northern Ireland in the long run-up to the Good Friday Agreement.

16 See Yevgeny Kuznetsov, ed., *How Can Talent Abroad Induce Development at Home? Towards a Pragmatic Diaspora Agenda* (Washington, DC: Migration Policy Institute, 2013).



network identify members of their respective diasporas who may be influential in directing businesses or promoting research ties to their countries of origin.¹⁷ PepsiCo, for instance, now has huge investments in India thanks in some part to its Indian-origin CEO. Similarly, having an Indian-origin CEO helped make CitiBank the largest foreign bank in India, with special business lines such as remittance products and education loans developed for the diaspora market. Some governments are proactively engaging successful expats. For instance, China is reaching out to Chinese academics in science, technology, engineering, and math (STEM) professions, offering often hard-to-resist return packages (such as research laboratories and long-term funding) and inviting others back to give lectures and mentor students. And many developing-world nations have created explicit investment options for nationals abroad, such as diaspora bonds.¹⁸ The lesson for policymakers is to create favorable conditions for these types of investments on the understanding that while people may be inclined to invest in their country of origin/ancestry out of emotion or loyalty, it is the prospect of profits and other tangible benefits that provide the most powerful motivation.

- ***Nurturing diaspora identity.*** Governments and civil society can also cultivate the symbolic appeal of the homeland and nurture affective ties with the diaspora. Symbolic awards or positions, such as being invited to be a member of an elite government advisory group, can motivate engagement at low to no cost. Ties strengthened through music and sport, which thread in elements of emotion and entertainment, can sustain further engagement over generations. Successful diaspora initiatives could also model themselves after academic alumni groups, creating a sense of loyalty and belonging that in turn facilitates a concrete investment of time and resources.

Partnerships between countries of origin and destination have become increasingly important.

In each of these categories, communication needs to be targeted to fit the needs, preferences, and motivations of specific populations. The responsibilities of membership should not be so high as to dissuade people from connecting (for instance, a requirement to attend numerous meetings), and the communication portals need to appeal to the rising generation. The experience of Greece, for instance, illustrates that mobilizing the diaspora through activities such as weekly church gatherings in countries of destination no longer appeal to young people; this population is accustomed to instant, “viral” communication that they do not have to actively seek out.¹⁹

Finally, partnerships between countries of origin and destination have become increasingly important. A new dynamic has emerged as origin countries have moved beyond thinking of the successful integration of diaspora members abroad as a form of disloyalty (or even betrayal), to recognizing it as beneficial for the homeland, the country of destination, *and* the members of the diaspora.²⁰ Mexico has been a leader in this regard. Its recognition of the value in engaging its U.S.-resident nationals and promoting their effective integration in the United States (through immigration and other legal services, language assistance, and

17 Dovelyn Rannveig Agunias and Kathleen Newland, *Developing a Road Map for Engaging Diasporas in Development: A Handbook for Policymakers and Practitioners in Home and Host Countries* (Washington, DC and Geneva: Migration Policy Institute and International Organization for Migration, 2012), www.migrationpolicy.org/research/developing-road-map-engaging-diasporas-development-handbook-policymakers-and-practitioners.

18 Ibid, 208-11.

19 See Jennifer Cavounidis, *The Changing Face of Emigration: Harnessing the Potential of the New Greek Diaspora* (Washington, DC: Migration Policy Institute, 2015 forthcoming).

20 Maria Vincenza Desiderio, *Supporting Immigrant Integration in Europe? Developing the Governance for Diaspora Engagement* (Brussels: Migration Policy Institute Europe, 2014), www.migrationpolicy.org/research/immigrant-integration-europe-developing-governance-diaspora-engagement.



even the provision of preventive health services) has reversed a decades-long trend of negative attitudes by Mexican diaspora members toward the Mexican government. This reflects a growing acknowledgment that diaspora investments in the homeland tend to be greater when migrants are better integrated at destination.

Diaspora policy is typically viewed from the perspective of the country of origin, but in fact advantages can accrue at destination as well. Allowing immigrants the opportunity to participate in the political life of their host society, at least at the local level, can be beneficial for both communities of origin and destination. Turkish migrants living in the Netherlands, for example, can participate in local Dutch elections after five years of residence (without Dutch citizenship), which promotes a greater degree of integration in society.²¹ Some have even suggested that this policy may be a contributing factor to the high rate of entrepreneurship among Turks in the Netherlands, which is on par with that of natives.²² Greater cooperation and partnerships between sending and receiving governments can increase such benefits.

B. Creating the Conditions for Return

For most countries of emigration, the virtual engagement described above will always be second best to physical return. But migrants will not automatically opt to return, even as economic opportunities improve. In order for crisis-hit countries to attract many of their emigrating citizens and residents back, they will need to offer much more dynamic labor markets, as well as attractive conditions for individuals to invest their human capital and resources. The question, then, becomes how to create long-term “nodes of attraction” in countries of origin—even in the midst of crisis—so as to attract the skills needed to fuel growth.

We already know what does not work: Governments cannot stop their citizens and residents from leaving, nor can they compel them to return.

One of the major challenges in this regard is that the costs of these reforms are immediate, yet the yield on the investment is long term. It will take many years before employment rates are back to precrisis levels, for example, and returning migrants may need significant assistance—even incentives—to put their foreign-acquired/honed skills to productive use and build long-term career ladders. The importance of policy interventions here cannot be overestimated. Without the right systems in place, a worker’s midlevel skills could be wasted twice: once when they emigrate and end up working below their skill level, and again when they move back and the additional formal, informal, or tacit skills they’ve gained abroad are not recognized in their country of origin. It is in fact abundantly clear that the policies that can slow down emigration are the same ones that can create opportunities for return migration.

We already know what does *not* work: Governments cannot stop their citizens and residents from leaving, nor can they compel them to return. This is not to say that some have not tried. In response to fears of lost investments in education, for example, Hungary has passed legislation requiring students to either work in Hungary for two years for every year of state-funded college studies, or reimburse the state for their

21 Gonul Tol, A Comparative Study of the Integration of the Turks in Germany and the Netherlands (Washington, DC: Middle East Institute, Center for Turkish Studies, undated), <http://eucenter.berkeley.edu/files/tol-a-comparative-study.pdf>.

22 Sharda S. Nandram and Karel J. Samsom, *The Spirit of Entrepreneurship: Exploring the Essence of Entrepreneurship through Personal Stories* (Berlin: Springer, 2006).



education.²³ But policies such as these may be short-sighted as they are hard to enforce and may make eventual return less likely.

Creating the right conditions to enable return requires a four-pronged approach:

- ***Building a solid economic foundation into which returnees can reintegrate.*** This requires lowering structural barriers to growth by reducing red tape, cronyism, and corruption on the one hand, while creating real incentives for entrepreneurial and high-skilled individuals to invest in the country on the other. Governments must also think much harder about labor market and tax reforms if they expect people to come back and invest their hard-earned assets. Most important, promoting business-friendly environments benefits *all* residents, not just returnees.
- ***Communicating new reforms to attract (back) talent.*** When countries put these reforms in place, they need a way to efficiently communicate the new labor market and business opportunities to nationals abroad (in close cooperation with employers). Creating platforms for the communication of continually updated information about investment and labor market opportunities—useful for both emigrants and prospective immigrants—is easy to do, yet typically neglected.
- ***Building efficient systems to proactively recognize, use, and reward skills.*** The only way to retain talent (including that of natives, returnees, and new immigrant workers) is to recognize and efficiently employ skills. This involves providing services that match the skills workers have gained abroad (including soft skills) to opportunities in the local labor market. While reintegration has long been an underappreciated and underfunded policy area—in significant part because return has often been associated with failure—some new innovations are under way. The program *Somos Mexicanos* (“We Are Mexican”), for example, provides postarrival services in four pilot cities to help Mexican returnees utilize their skills in their home communities.²⁴ In order for programs like these to be successful, however, the business sector needs to be put front and center in the planning processes of education and training systems. The reason is simple: no government agency can forecast labor market needs a few months into the future, let alone one or more years ahead. Employers are the only actors who know what jobs are needed in real time.
- ***Designing policies that address the emotional needs and priorities of returnees.*** Countries must also consider the profile of their nationals abroad and calibrate policies accordingly. For instance, have emigrants lost language skills or cultural knowledge while abroad? In fact, many emigrants hope to return,²⁵ but encounter significant barriers that go beyond the conditions of the labor market. Children born abroad may not speak the native language well and need special services at school; would-be circular migrants may be hampered by a lack of portable benefits. The context into which people come back also matters. Improving perceptions of returnees (and their families)—so that return signifies a success story, not a failure—is key to reintegration. Governments wooing their emigrants back could prepare the ground for them by communicating a positive narrative that, among other things, features the importance of their skills in propelling economic growth and competitiveness. Finally, return policy should

23 Peter Teffer, “Students Receive Subsidized Studies in Hungary—for a Price,” *The New York Times*, February 17, 2013, www.nytimes.com/2013/02/18/world/europe/18iht-educlede18.html?_r=0. There is also a strand of literature from the 1970s that argues in favor of a form of tax system for highly skilled professionals who have emigrated. See Jagdish N. Bhagwati, ed. *Taxing the Brain Drain, Vol. 1: A Proposal* (Amsterdam: North-Holland, 1976).

24 National Migration Institute, Mexico (INM), “Somos Mexicanos,” July 1, 2014, accessed October 30, 2015, www.inm.gob.mx/index.php/page/Somos_Mexicanos.

25 The “myth” of return has been a staple of the literature on emigration and also applies to these cohorts of emigrants, if in an attenuated manner. Although the demographic and educational profiles of the emigrants at the heart of current discussions make these flows substantially different than earlier ones, some of the emotional hurdles are similar.



be strategic and target those most likely to gain from coming “home”—and in the window when they are most likely to return—for instance, families who want to raise young children in their country of origin.²⁶

IV. Conclusions and Recommendations

Mobility is fast becoming the new “normal.” Today’s circulation of talent upends the old idea that workers make linear, permanent moves that predominantly flow in one direction. Emerging economies have joined the ranks of traditional countries of destination as major poles of attraction, while high-income countries are competing with one another for top skills—and draw people interested not only in better economic prospects but particular lifestyle choices as well.

In order for countries to create a solid foundation for growth, they need to have on offer real opportunities for talented individuals to use and grow their skills and invest their energy and resources. There is a pronounced policy disconnect between politicians’ hand-wringing over the loss of precious home-grown talent and some of the austerity policies implemented in many countries during the financial crisis that followed the Great Recession. It is no surprise that many scientists are leaving Spain, for instance, when research funding has been cut by 40 percent, or that young Irish professionals (and even civil servants) are emigrating in the face of hiring freezes and lower salaries and benefits; these policies have a direct impact on the loss of talent. Similarly, the Philippines’ failure to make structural adjustments to its labor market has made voluntary return rare, wasting an opportunity to turn it into an engine for growth.

Today’s circulation of talent upends the old idea that workers make linear, permanent moves that predominantly flow in one direction.

While substantial outward movements of well-prepared workers are always a challenge, if governments begin to view emigration as part of a country’s arsenal for economic development they are more likely to seize upon the sometimes significant (even if not immediate) benefits. Whether or not emigrants return, governments can mobilize the special talents and resources of their nationals and former residents who have gone abroad, as well as their broader diaspora, by working with them to develop promising sectors of the economy.

The Transatlantic Council recommends the following guiding principles for managing emigration effectively:

- ***Emigrants and the diaspora can be an important part of a country’s economic recovery and broader economic development strategy.*** Systematically engaging the diaspora can reduce the inevitable costs associated with emigration. Moreover, it can bring economic benefits to both countries of origin and destination, provided policymakers understand the needs and aspirations of the diaspora well and work closely with civil society and the business community to create ways for its members to remain engaged with communities back home—regardless

²⁶ Data from Australia, for example, show that the bulk of returnees consist of young families; people leave at a young age, but then return when they have children and want them to grow up “at home.” See Hugo, Wall, and Young, *The Southeast Asia-Australia Regional Migration System: Capturing the Benefits of Circular Migration*.



of whether or not they plan to return. High-income countries can learn a lesson from the developing world (and particularly middle-income countries) in thinking of their diasporas as potential assets—even if diaspora members neither come back nor invest directly in their home communities.

- ***Long-term structural reforms are more effective than short-term fixes (though perhaps less politically popular) in stemming the outflow and creating indirect incentives to return.*** Investments in education and training may have short-term costs, but their long-term benefits can be immense. Such investments, together with structural economic and labor market reforms, are essential to gradually attract workers back to crisis-hit economies. They are also the same policies that will grow domestic skills, attract new migrants, and boost economic growth.
- ***Structural reforms should focus on the needs of the broader society and not just target immigrants.*** The risk of a “lost generation” through emigration involves more than the people leaving; those left behind, whose unemployment and underemployment may become structural, can also be “lost.” Strategies to attract high-value emigrants to return—such as the creation of business-friendly environments, support for talent hubs, and a commitment to reduce corruption and red tape—are the same ones that can grow and take advantage of domestic talent. Integration measures designed to make a country more attractive for foreigners can also be valuable in encouraging the return of citizens and former residents. Moreover, policies dedicated to attracting specific types of migrants (entrepreneurs, scientists) can also help create broader opportunities for entire communities.
- ***New immigration will always be part of the answer—but it can never be the main solution.*** European labor markets will face increasingly serious skills and worker gaps in the years and decades ahead. However, countries cannot fill every gap in their labor force with immigrant workers; their main source of talent will always be domestic. This means revisiting the retirement age, identifying and targeting groups that are not in the labor force (e.g., Germany has the most stay-at-home educated women in the world, and employment gaps between natives and persons of immigrant background are still remarkably wide), investing smartly in technologies that actually reduce reliance on workers, and even thinking through the pros and cons of moving certain lower-value-added manufacturing activities to production facilities in countries in the region. On the international side, this also means reconsidering the rigid separation between humanitarian and economic migration streams, a separation that prevents refugees (both in camps and urban settings) from using their often significant reservoir of skills.²⁷
- ***Origin and destination countries need to work together to assess, certify, and effectively put to use the skills and education that migrants and returnees bring with them.*** One of the gravest threats to a country’s competitiveness may not be the loss of talent per se, but the *waste* of talent when citizens abroad get stuck in jobs that are not commensurate with their skills (or remain unemployed), and return with degraded skills. Systematic cooperation in assessing and recognizing skills and, over time, gradual alignment between training and education institutions in both countries of origin and destination can build a pool of skilled workers whose work trajectories—and opportunities to contribute fully to the communities in which they live—will not be undermined by mobility.

As human capital becomes the ultimate resource, economic success requires growing, attracting, retaining, and rewarding talent. Rather than treating migration as a zero-sum game, states will need to enhance their cooperation along the migration arc to systematically increase their skills pools. Among the

²⁷ See Katy Long, *From Refugee to Migrant? Labor Mobility’s Protection Potential* (Washington, DC: Migration Policy Institute, 2015), www.migrationpolicy.org/research/refugee-migrant-labor-mobilitys-protection-potential.



challenges that must be addressed in this regard are how education and training institutions can prepare workers with qualifications that can be recognized and put to proper use, regardless of location and finding common ground between countries of origin and destination so that immigration does not become synonymous with precarious work and disrupted career trajectories. The goal of mobility—whether moving or returning—is to provide a career-enhancing experience that improves workers’ own prospects (and those of their families) but also lays the foundation for benefiting the economy—and community—in which an individual settles, regardless of how long they remain. Finally, while in the short term the costs of emigration of young, well-educated nationals are cause for consternation, these are far outweighed by the longer-term benefits of more open and outward-oriented societies that have used emigration as an opportunity to make ambitious structural reforms.

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The Migration Policy Institute is a nonprofit, nonpartisan think tank dedicated to the study of the movement of people worldwide. MPI provides analysis, development, and evaluation of migration and refugee policies at the local, national, and international levels. It aims to meet the rising demand for pragmatic and thoughtful responses to the challenges and opportunities that large-scale migration, whether voluntary or forced, presents to communities and institutions in an increasingly integrated world.

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