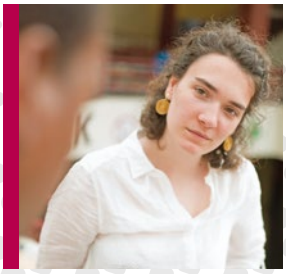





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A Fair Deal on Talent – Fostering Just Migration Governance

Lessons from Around the Globe

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Contents

Fostering a Triple Win through Fair Migration Governance

If well managed, migration can generate mutual benefits for migrants, destination countries and origin countries. Well-managed migration involves benefits for migrants, as they improve their standard of living, expand their personal skill set and achieve upward social mobility. For destination countries, it can bring innovation, alleviate demographic pressures, generate fiscal benefits and foster cultural diversity. For origin countries, it can bring benefits associated with remittances, knowledge transfers, investments and the cultivation of business relations.

In reality, however, migration-policy failures frequently lead to suboptimal or even negative outcomes. Migrants are often treated unfairly, unable to find employment commensurate with their qualifications or exploited by traffickers or corrupt employers. Poorly managed migration in destination countries can result in wage dumping and a neglected domestic labor force, both of which can subsequently foster social tensions and populist right-wing movements that feed on societal division. In origin countries, the external recruitment of workers may – unnder certain conditions – slow development opportunities and reduce the supply of skilled workers (brain drain).

In 2013, approximately 232 million people worldwide lived in a country other than their native one. Realizing the full potential of migration involves nothing short of a paradigm shift toward the fair management of migration. This is the theme of the Bertelsmann Stiftung's Reinhard Mohn Prize 2015. Already in 2006, Kofi Annan, the former U.N. secretary-general and recipient of the Reinhard Mohn Prize 2013, demanded more fairness in migration policies, saying: "More and more people understand that governments can cooperate to create triple wins – for migrants, for their countries of origin and for the societies that receive them." We need to uphold this triple win as a normative principle for migration policies that are universally fair.

Increasing migration rates around the world make this goal more urgent than ever. Development and urbanization pressures in developing societies are driving migration flows from these countries to many OECD countries currently facing dramatic demographic changes. According to U.N. estimates, by 2050, Europe's working-age population will shrink by 96 million. At the same time, Africa's working-age population will grow by 910 million and Asia's by 517 million. Migration pressures on OECD countries – in particular from African countries –

are therefore destined to grow. In parallel, international competition for labor will intensify. In the medium term, countries that have traditionally been the source of migration, such as China, will begin recruiting workers from abroad. Desired workers in this context include highly skilled professionals as well as persons with medium-level qualifications, particularly in the health care sector.

A further challenge for migration policymaking is posed by increasing refugee flows resulting from political crises, for instance, in the Middle East and Africa. Whereas neighboring countries in particular must deal with a large influx of refugees, many European countries are struggling to deal with growing numbers of refugees. Similarly, there are increasing numbers of people seeking to escape massive poverty and economic insecurity worldwide.

Implementing policies that can achieve a triple win is a challenging endeavor that gives rise to a number of questions. These include: Is the concept of a triple win merely "a fancy European idea" or a reflection of the way things do or should work? What are the respective roles of the market and the state in managing migration? To what extent can and should migration flows be controlled at all? How can we achieve both economic success and social cohesion? Can there be a "social market economy" for migration? What is the best system to manage migration in a fair way?

The present volume addresses these questions by discussing different aspects of fair migration management, examples of good practices from around the world and possible ways forward.

It has the following structure: Chapter I examines the main challenges and opportunities associated with fair migration. Chapter II presents a number of examples of good practices in fair migration management. Chapter III explores the perspectives of and approaches pursued by selected destination countries and regions of origin, as well as the role of international organizations and NGOs in fair migration management. Chapter IV examines how fairness in migration policy can be made fairer and provides policy recommendations for doing so.

The Bertelsmann Stiftung would like to thank all of the authors for their excellent contributions. In particular, we would like to highlight the commitment of the OECD's International Migration Division, which co-organized, together with the Bertelsmann Stiftung, a workshop of international experts that laid the foundation for the present volume. As a complex phenomenon with many intertwined dimensions, migration requires a holistic approach. We hope that the ideas presented here will help find and develop answers to current migration and integration challenges and inspire policymakers – to quote Kofi Annan again – "to create triple wins for migrants, for their countries of origin und for the societies that receive them."

Dr. Jörg Dräger
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I. Key Challenges and Opportunities

The Benefits of the Migration of Talents: Evidence and Prospects

Jean-Pierre Garson

Introduction

"In the fall of 1743, a fourteen-year old boy entered Berlin at the Rosenthaler Tor. [...] We do not know whether he was wearing shoes. [...] The boy, later famous throughout Europe as the philosopher Moses Mendelssohn, was frail and sickly, small for his age. Early years of poverty had left him with [...] a badly humped back" (Elon 2002).

The above quotation shows the extent to which it was risky in Prussia in the mid-18th century to discount the contribution of future talent, even if it appeared insignificant at first glance. A century later in France, the saying "Happy as God in France" testified to the gratitude of immigrants to a host country where they had arrived after having overcome myriad obstacles. How many of these immigrants and their descendants eventually contributed in significant ways to their adopted countries? Even today, it is not always easy for a host country either to identify and nurture talent locally or to attract foreigners from abroad, and it is sometimes even more difficult to retain talented immigrants.

This paper is organized as follows: I briefly review the main aspects of talent recruitment in developed countries and conclude that for the moment, the issue of a "fair deal" (defined as an equitable distribution of the benefits of migration between receiving countries, sending countries and migrants themselves) is not high on receiving countries' political agendas. We then present policy options that could help receiving countries make better use of their immigrants' skills in both the short and long term, and could additionally harness immigrants' talents to foster development within sending countries. Finally, a short note on definitions: In the absence of a measurable definition of "talent," I use the terms "qualified workers" to refer to those with a high-level vocational or tertiary qualification, and "highly qualified workers" to refer to individuals such as scientists, senior researchers and other exceptionally qualified professionals.

Policies to recruit immigrant workers in OECD countries focus on the qualified without seeking to ensure a "fair deal" relative to migrants' countries of origin

Policies are designed to attract and retain qualified immigrants...

A portion of the current migration flows of qualified workers takes place between countries belonging to a framework, such as the European Economic Area (EEA), that enables the free movement of persons (Desiderio 2012). To a lesser extent, such migration also takes place in other regions, such as the Commonwealth of Independent States (CIS) (Chudinovskikh 2012), and in the context of free-trade or bilateral agreements between two or more partner countries, such as the North American Free Trade Agreement (NAFTA) between Canada, Mexico and the United States. Special programs also apply to skilled non-EU migrants; these include the EU Blue Card, Austria's Red-White-Red Card or Germany's Green Card (established between 2000 and 2005, mainly to recruit computer scientists from India), as well as labor-shortage lists in countries such as France and the United Kingdom. Moreover, employers can also recruit immigrant workers according to their labor-market needs, provided that they first obtain authorization from the receiving country's labor-market authorities (labor-market test). OECD settlement countries (Australia, Canada, New Zealand and the United States) have sought to attract qualified immigrant workers through measures such as special visas or point systems, with a particular focus on foreign investors, high-level scientists and researchers (Chaloff and Lemaître 2009; OECD 2010).

These increasingly selective policies pay little heed to the interests of origin countries, which are confronted with large numbers of qualified emigrants moving to developed countries (Kaczmarczyk 2012; Lubyova 2012; Salt 2012). Moreover, many origin countries would prefer instead to reduce their surplus of low-skilled workers.

...and competition is increasingly intense among developed countries...

Economic globalization has been accompanied by an increasing openness of trade in goods and services, as well as an increase in capital movements. In this context, recent immigrants to OECD countries are on average more highly educated than the average level within receiving countries' labor forces; moreover, the share of women among the highly qualified is increasing (Dumont, Martin and Spielvogel 2007). To succeed in attracting talent, high-level wages have to be complemented by good working conditions and other non-salary incentives, such as housing conditions, good education opportunities for recruited immigrants' children, and high living standards (Goos, Manning and Salomons 2010; OECD 2008b; Kuptsch and Pang 2006; Liebig 2005). It is very hard for developing countries to compete with benefits of this kind offered by developed countries. The former thus face a difficult task in containing the outflow of their own qualified workers, as well as in encouraging those already settled abroad to return to their home country.

...even to attract international students, a source of future talent.

Many developed countries have increased their annual intake of international students. In most cases, the calculation is that the best and brightest will succeed in obtaining a diploma and a qualification fully recognized in the country, excellent language skills (Chiswick and Miller 2014), and good knowledge of the functioning of the labor market and the society at large. Language skills are a prerequisite for many occupations and professions, and indeed some English- and French-speaking countries benefit from having potential qualified labor-force reserves abroad in areas with the same mother tongue (Chaloff and Lemaître 2009).

This strategy, which proposes to match immigrant workers' qualifications to local labor-market needs, rests on the hypothesis that international students trained in the host country will stay following the completion of their studies rather than migrate to another developed country or return to their country of origin or that of their parents. The current trend in some OECD countries toward a high increase in the annual inflow of international students indicates that these countries assume international talent mobility will not increase in the medium term, and/or that employers will try to retain the talented persons they recruit. It is consequently likely that international-student retention rates will increase in some OECD countries (Australia, Canada, France, the United Kingdom and the United States). It is not clear how origin countries can benefit from such a situation, especially if the primary and secondary education of these students is funded by origin countries (OECD/MAE 2012).

Mobility among qualified workers is high between developed countries as well...

Countries that are fully open to international trade experience two opposing migration patterns: On the one hand, an outflow of qualified residents takes place along with the export of goods, services and direct investments abroad, while on the other, these countries design policies with the aim of increasing the inflow of qualified immigrant workers who are expected to alleviate labor shortages in some sectors and occupations. Even an apparent loss of skilled workers, as in the first case, should not inevitably be interpreted as a net negative. Germany, for example, as the leading global exporter, could not maintain its trade surplus in the medium term without the support of qualified German technicians, experts and managers working abroad in Germany's main export areas. Thus, at least for a developed country, having a share of qualified native-born workers working abroad is not per se an issue of brain drain hindering economic development. However, the overall assessment of net migration must be made with reference to a country's capacity either to train a sufficient number of workers to respond to labor-market needs (which can take time) or, alternatively, to quickly increase recruitment of immigrant workers with needed skills (which can also be difficult). Again, in this race for talent, origin countries are typically at a strong disadvantage worldwide in recruiting qualified immigrant workers. Inequality of human-capital resources is increasing, and the countries most affected are those that have the greatest share of their qualified workers working and living abroad (Dumont, Spielvogel and Wiedmaier 2010).

...yet the political debate in many receiving countries is focused on the global impact of international migration on the labor market, public finances and social transfers.

The increase in immigration flows in many OECD countries during the two past decades has raised concerns about the overall impact of immigration on the labor market, housing, health expenditures and public finances. Some economists have tried to measure the effects of migration on the salary of natives, on native worker displacement and on increases in inequality, especially when immigrants and natives act as close substitutes (Borjas 2004; Kerr and Kerr 2011). Other researchers have focused on the increase in the social cost of immigration (housing, health and education expenditures) or the attractiveness of social-protection systems in the destination countries (welfare magnet). The economic crisis and the increase in the unemployment rate of immigrants and their children have had an impact on public opinion, at least among that share of the population not convinced of the merits of an increased reliance on immigrant workers. Clearly, the issue of a "fair deal" is not yet high on the agenda of the destination countries.

Migration of talent: How can benefits to migrants themselves and to their countries of origin be increased?

The benefits of migration of talent are not always what immigrants themselves expected...

Economic analyses that focus on brain-drain or brain-gain issues show that the emigration of talent from developing to developed countries can benefit the migrants themselves in terms of human capital, but also those left behind, and even the origin countries more broadly. The authors of these studies explain that thanks to emigration, those left behind invest more in education and vocational training in hopes that they in turn might emigrate in the near future. The authors conclude that, on average, the level of human capital rises in emigration countries much more than if there were no ability to emigrate (Mountford 1997; Batista, Lacuesta and Vicente 2007). In addition, migrants have the opportunity to enhance their vocational training and professional experience in their destination countries; if they do return, these new skills benefit their country of origin. Finally, migrant remittances contribute to improved living conditions (income, education and health) for family members in addition to providing hard currency to their countries of origin (Boeri and Brücker 2012).

...and the beneficial effects of migration for countries of origin should be qualified...

Developing countries that are facing a continuous increase in their population's fertility rate and that do not or cannot carry out efficient and continuous family-planning policies will not benefit from an increase in their human capital due to the structural effects of this "demographic time bomb." Remittances are often regarded as an opportunity for origin countries; however, these remittances belong to emigrants and not to their respective origin countries.

In many origin countries, remittances are used in part for family members' current consumption expenditures. Another portion is devoted to financing children's educations, often with the intention of giving these young people a chance to emigrate and obtain a better job and social status abroad than that held by their parents or other members of the family left behind. If we generalize about this first-generation migrant behavior, the reproduction of migrant talent will be financed by the primary providers of remittances as they send earnings home to other members of their family (OECD 2005).

For the moment, there is no evidence of a "fair deal" on the migration of talent, especially if we consider origin countries faced with a looming crisis in their health care workforce (OECD 2008a) and the loss of skilled personnel in the education sector. Migration of qualified workers in these two sectors primarily benefits destination countries and, to a lesser extent, the emigrants themselves, as their qualifications are not always fully recognized in the destination countries (see below). New policy options are needed in order to increase benefits from the emigration of talented individuals, but these should be primarily oriented toward the economic development of less-developed emigration countries as well as toward migrants and their family members, rather than focusing on the nature and the magnitude of migration flows.

...however, new opportunities are emerging that will allow migration to foster development within origin countries.

Because employment and investment opportunities are lacking in their home countries, many qualified migrants do not expect to return. Nor do they expect to contribute to their native country's economic development. Encouraging and supporting origin countries in their development of policies reducing obstacles to skilled migrants' return migration would provide a positive contribution to a "fairer deal" (OECD 2009). Such policy options might include good economic-governance measures, an increase in investment opportunities at local and regional levels, and measures improving confidence in financial and administrative institutions. These are areas where cooperation between origin and receiving countries can be strengthened in order to give emigrants sufficient incentives to migrate back to their home countries and, especially in the case of talented individuals, to better contribute to the economic development of their country of origin (Kaczmarczyk 2013; Mereuta 2013).

In this regard, it is useful to distinguish between policies that could be put in place in the short term and those that necessitate structural changes, the effects of which would be evident only in the medium or long term. The aim of all such policies is to move toward a "fairer deal" among the main stakeholders: enterprises (both in destination and origin countries), immigrants living in destination countries (including members of diaspora communities), and origin countries. Other partners, such as civil society groups (including migrant associations involved in economic development), in both origin and receiving countries (Ould Aoudia 2012) can also be usefully included in this deal.

Policy measures that could be carried out or strengthened in the short term

Developed countries are often looking for more qualified workers, even as their labor markets contain many skilled immigrants who are overqualified for their current jobs (Dumont and Monso 2007; Quentini 2011). Native-born workers are also subject to this problem of overqualification, but immigrants are relatively more affected by this displacement. Recognizing immigrants' qualifications would be a first step toward a "fairer deal." In addition, bridging education and vocational training programs (as is already in place in countries such as Sweden) would also represent progress, as would any other measure that increases the portability of immigrants' human capital (Friedberg 2000; Niknami and Schröder 2012). Similarly, it could be useful to accelerate recruitment of international students and to help them realize their potential by better recognizing their qualifications and degrees, thus helping to avoid untapped skills (OECD 2012b).

Moving toward a "fairer deal" does not imply that brain drain should be the only issue to be taken into account. It simply seems more realistic and efficient to expand the current approach to immigrant workers, irrespective of their qualification level. For example, governments' discourse about the economic contribution of migration would benefit from being more balanced. Discourses that distinguish between "good" qualified migrants and "unwanted" low-skilled migrants may offend and ultimately repel talented migrants who believe that their low-skilled countrymen also contribute to the economic growth and international trade of destination countries (Hatzigeorgiou 2010). Another example of such complementarity links native-born and immigrant workers. A recent study carried out in the United States demonstrated the need to analyze the effects of immigration on all destination-country groups through different channels and at different regional levels (Cortés and Tessada 2011). According to the authors, an increase in low-skilled immigration into a region leads to an increase in the labor supply of highly skilled native women. This contrasts with theories that highly skilled women do not choose demanding careers because they place a higher value on staying home with their children.

Another example relates to the immigrant job-search measures (job-seeker visa), sometimes irrespective of migrants' qualification levels, recently implemented in European countries including Sweden (OECD 2011b), Germany and Austria. Under these policies, migrants who are able to find a job before the expiration of a limited period of time can obtain a residence permit that is renewable as long as they remain employed. These new measures demonstrate that labor-market adjustment is acceptable as long as the country's legal pay and working-conditions rules are respected. Indeed, Sweden's job-search measures resulted in an increase in middle- and low-skilled labor immigration. In Germany, a previous policy to recruit qualified migrants was deemed comparatively unsuccessful, mainly because it was too cautious and too burdensome at the administrative level. However, the liberalization of these policies in 2012 (in part to add a job-search incentive), especially for the highly qualified, has resulted in an increase in immigrants in mainly middle-skilled jobs (OECD 2013a). It is too soon to draw lessons from these trends without taking into account the effects of the business cycle; however, they may indicate that the ostensibly urgent need for highly qualified workers is in fact less important than imagined, and that employers might in fact prefer to hire skilled

and highly skilled workers who are already in Germany. Finally, recruiting more middle-skilled labor abroad may have had additional benefits through a kind of "added effect" regarding overqualified resident workers both in Germany and Sweden.

Medium- and long-term policy measures should focus more on development than on migration.

Migrants can clearly support development in their country of origin, but they cannot initiate it (Luo and Wang 2001; Ould Aoudia 2012; OECD/MAE 2012). Migrants not only provide their home country with remittances and other forms of financial transfers; they can also serve as channels for invisible transfers of modernity, social and political changes, and learning processes at the family, community and citizenship level. Here again, it is crucial to increase the portability of returning migrants' human capital so as to increase the return on experience acquired abroad and foster development in their home countries (OECD/MAE 2012).

Origin countries themselves have an important role to play in strengthening relationships between local institutions, local workers, immigrants and immigrant associations. They could also design new measures to create investment opportunities, such as the "creative state" measures taken in countries such as Morocco and Mexico (Iskander 2010), to mobilize immigrants' savings and orient them toward local development projects without requiring migrants or members of the diaspora to return permanently. In this context, the former president of the France-based Migration and Development association, which provides considerable support for rural projects in Morocco, has proposed the following redefinition of the so-called pull and push factors: "Pull factors are those that contribute to identifying investment opportunities in origin countries, and push factors are those that help identifying candidates among internal and international migrants who are ready to invest in the territorial development" (Ould Aoudia 2012; Iskander 2010).

The extension of decentralized cooperation is another policy option that could help increase the benefits of emigration, provided that public authorities can mobilize the support of migrants and other partners (including enterprises) in destination countries (e.g., associations promoting economic development in migrants' origin countries, working in cooperation with migrants). A large number of projects funded or otherwise supported through this model have been and are being carried out, including infrastructure works, care centers, rural tourism facilities, and more (Ould Aoudia 2012).

Encouraging the transfer of skills and experiences through the mobilization of diaspora members is another challenge. Some origin countries, especially in Asia (Luo and Wang 2001; Rosenzweig 2007), have been supportive of diaspora communities. Nevertheless, migrants and larger diaspora communities have come to be increasingly connected to their countries of origin (Diminescu and Pasquier 2010). In addition, thanks to the work done by the OECD and others, migrant and diaspora profiles (Dumont, Spielvogel und Widmaier 2010) are coming to be better understood. This may in turn facilitate opportunities to harness migrants' (and diaspora) skills in order to foster home-country development. Policy options are currently under review (OECD/AfD 2012).

Efficiently mobilizing migrants and diaspora communities is a long-term process, however. One of the main obstacles is the time required for the integration of migrants in the receiving country, which may be considerable. Integration status may affect migrants' opinions regarding possible contributions to development in their home country; and, indeed, many prove unwilling to contribute in this regard. Any active policy to facilitate and support the integration of immigrants and their children (OECD 2010) in the destination country, including through naturalization (Liebig and Von Haaren 2011; Steinhardt 2011) and the recognition of qualifications (see above), would represent a structural approach toward a "fairer deal" (Ould Aoudia 2012; OECD/MAE 2012).

With time, policy options targeting diaspora communities may increase benefits accruing to origin countries (Kapur 2010). Here, it is once again development rather than migration per se that is at stake, and many young and qualified actors, including entrepreneurs, are engaging in initiatives that help developing countries benefit from technology transfers, scientific and technical education, vocational programs and other such goods. These participative initiatives and other forms of partnerships may increase the prospect of a "fairer deal" associated with labor migration. Clearly, this participative strategy is different from a tax, such as that proposed (but never implemented) in the 1970s (Bhagwati and Delafar 1973) on the income earned by skilled migrants, an issue still discussed in the brain-drain/brain-gain debate. Adopting such a tax would not only hamper the freedom of mobility (Dumitru 2012), but would also give money to sending countries without any guarantee that it would be used for economic-development purposes or to create jobs for those left behind.

In my view, the structural approach described above also excludes policies designed to increase circular migration (Constant, Nottmeyer and Zimmermann 2012) that do not per se fit either within the perspective of origin countries' economic development or within destination countries' policies aimed at better regulating and managing migration flows. Indeed, circular migration is a concept mainly aimed at limiting immigrant workers' duration of stay and the costs of their integration into destination countries. In addition, opening destination countries' labor markets to more temporary migration would increase emigration incentives for potential migrants who in fact had no previous intention to move. Moreover, the nature of the demand-driven aspect of labor migration (temporary or permanent) cannot be decreed by the government, but stems from employers making decisions under the oversight of public authorities (OECD 2009).

Conclusion

For the moment, the migration of talent primarily benefits destination countries (mainly employers) and qualified immigrants themselves. New developments in the management of labor migration are doing little to change this. If a "fairer deal" on talent is to be achieved, an approach is needed that focuses on origin countries' economic development more than on migration per se. Mobilizing migrants to participate in development efforts in their country of origin offers opportunities to all primary actors: migrants themselves, employers in destination countries and origin countries, origin countries and other partners interested in helping

origin countries increase their benefits from migration. The policy options presented in this paper illustrate the fact that central stakeholders have to modify their agendas both in terms of migration and development. The current deal is not "fair" for all actors, but it could be made "fairer" if the whole range of migrant qualifications were to be taken into account, and if origin countries were to reduce obstacles preventing return migration and the mobilization of diaspora communities behind development efforts.

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Labor Migration: Achieving a Fairer Deal for Origin Countries

Georges Lemaître

Measures to ensure a fairer deal for origin countries

It is generally believed that benefits can accrue to origin countries when skilled nationals who have migrated abroad return to their countries of origin, bringing with them the knowledge, skills, entrepreneurial know-how and income they have acquired in destination countries. However, one should not hold illusions with regard to the likelihood of such returns – unless, of course, the issue is only temporary migration, where a return has always been intended. Although returns following a successful migration do occur in cases of permanent migration, they tend to make up a minority of such circumstances, especially if migrants move to destination countries with their families. Data from Australia and Canada suggest that as many as one-fourth to one-third of permanent labor migrants to those countries do eventually leave. That said, research has shown that most such departures take place in the early years following arrival, which does not suggest a positive migration experience. In the following, we will nevertheless assume that cases in which highly skilled migrants return to their country of origin are generally beneficial for the origin country, even if it is uncertain that this is always the case in practice.

Destination countries and employers in need of highly skilled workers often have little interest in seeing skilled immigrant workers who have been recruited from abroad, trained and employed for some time in the destination country leave their jobs and return home. Nevertheless, in the interests of fairness, one could argue that destination-country policies should at the very least be neutral with regard to returns and should not create disincentives to such decisions. Rather, the judgment should be left to the immigrant alone.

This contribution provides an overview of some policy measures that could be implemented to ensure a fairer deal for origin countries on labor migration. It considers a number of disincentives to return migration that could be eliminated, but it also looks at other types of revenue-neutral measures. Finally, it considers more proactive policies that would involve expenditure outlays and involve collaboration with origin countries.

Flexible residence permits

One disincentive to return migration is the loss of residence rights if the migrant returns to the origin country for longer than a short, specified period of time. Returns to the origin country are more likely if immigrants retain the right to come back to the destination country after a certain period of time spent abroad. The surest way of guaranteeing this right is clearly for the immigrant worker to become a citizen of the destination country, and in many EU countries, the conditions for the acquisition of citizenship by immigrants have indeed been relaxed in recent decades (OECD 2011a). But in those cases where the origin or destination countries do not allow dual nationality or the immigrant wishes to retain the nationality of his or her origin country, flexible residence permits allowing temporary returns of a certain maximum length without the need to reapply for entry could usefully be implemented.

Portability of pension contributions and benefits

A second disincentive concerns the non-portability of pension contributions and/or benefits (see Holzmann and Koettl 2012 for a general overview). A migrant worker will clearly be less likely to return if the pension contributions he or she has made cannot be withdrawn following a definitive return to the origin country or cannot be received abroad upon retirement. Switzerland, for example, allows immigrants who have contributed to the pension system for at least a year to withdraw the contributions they and their employers have made if they leave Switzerland definitively with their spouses and children under 25 years of age (OFM 2010). Note that the value of the reimbursed contributions ought to take into account any increases in the cost of living that have taken place since the contributions were made; otherwise the immigrant's contributions will effectively be devalued upon reimbursement.

Facilitating temporary migration

Rather than the elimination of a disincentive per se, a third desirable measure involves the facilitation of temporary movements, which are arguably of more benefit to origin countries. Because the movements are temporary and overstay is less likely for highly skilled migrants, there is room to loosen constraints with respect to this type of migration, allowing more flexibility than currently exists with regard to eligible occupations and minimum salary levels. The impact on domestic jobs, especially those for which proficiency in the native language is important, is not likely to be very high, especially in countries whose native language is spoken to only a limited extent outside national borders.

Making the most of permit fees

Most applications for work-related immigration permits involve fees for the recruiting enterprise, which are generally charged to cover the cost of processing the application (OECD 2011b). The fees charged by national governments are generally comparatively low (often less than $700), so there is some room for increasing them in order to fulfill objectives other than those of covering administrative costs.

Fees are increasingly being regarded as an appropriate means by which to regulate the scale and type of movements. We will not go into detail here on the rationale for this or describe specifically how this could be done in practice; instead, we will focus on possible uses for the funds generated through immigration fees. In the United States, immigration fees are sometimes earmarked to fund training programs for domestic workers in the occupations for which recruitment is being carried out (for example, in the case of the United States H-1B visa). Another possible use might be to create a development fund tasked with financing specific aid-related projects in origin countries. However, this practice may not generate a substantial amount of funds. For example, if 10,000 work or residence permits were to be issued, each with a €5,000 fee, this would generate €50 million for development purposes. This is not a large sum in comparison with the development-aid budgets in countries such as France and Germany. In addition, as work- or residence-permit fees were increased, the wages paid to immigrants by employers would need to be verified to ensure that the cost of the fees was not being recouped from recruited immigrants following entry.

Adapting international student tuition fees for development objectives

Another possible measure would involve using the tuition fees charged to international students for development purposes. Currently, countries such as France and Germany charge low tuition fees for international students, making university attendance in these countries possible for students from comparatively low-income backgrounds. It should be noted that both countries currently count the imputed tuition fees for students from developing countries as development aid (technical assistance) to the origin countries, even if the students remain in the country of study (or, for that matter, move to another developed country) after the completion of their studies.

Many international students in European countries currently come from non-EU OECD countries, while others are from comparatively high-income backgrounds in emerging economies or even less-developed countries. A more development-oriented approach might involve charging non-EU international students tuition fees and using the funds generated from students with high-income backgrounds to fund scholarships for those from less-advantaged situations or countries. If current expenditures for international students were maintained, then the reallocation of funds generated by charging tuition fees to students from high-income backgrounds to needy students in the form of scholarships would result in an increase in international-student enrollment from developing countries (see below). Such a measure was in fact implemented by Sweden in recent years, when its introduction of tuition fees for

international students was accompanied by an increase in scholarship funding for needy international students.

Not all international students remain in the destination country once they finish their studies. Estimates suggest that between 15 and 35 percent of international students, depending on the country of destination, stay on in the country of study for reasons of work, marriage or asylum (OECD 2010). It is worth noting that since these figures are measured as a proportion of all international students, including those who do not complete their studies, the figures for those who complete their studies may be higher. Those staying for reasons of work must generally find employment within a specified period in order to stay on.

Most international students from non-EU countries appear to leave, presumably to return to their countries of origin and contribute to its economic and social development. The funding of study for students from needy countries can thus be expected to bring benefits to these countries that would not have occurred otherwise.

Beyond neutrality

The measures described above are predicated on the assumption that labor migration will generally continue to be demand-driven in EU countries. As noted above, under these conditions, governments have limited ability to intervene directly; however, opportunities for indirect actions do exist, for example, by removing disincentives to migrants' returns, by facilitating movements considered to yield positive effects for origin countries, and by earmarking or redirecting existing or generated funds to support development objectives more efficiently. Note that the measures described thus far have not involved any funding out of general taxes. In the difficult budget environment currently faced by many countries, the use of general tax revenue can be a difficult option; hence the focus on revenue-neutral measures that yield positive benefits for origin countries and for which direct costs cannot be invoked as an impediment to implementation.

The extent to which more proactive measures by governments are possible will depend on employers' ability and willingness to recruit from abroad in order to satisfy their skill needs. There is evidence from Sweden that multinationals and ethnic businesses are the primary drivers of recruitment from abroad, and that very few small or medium-sized enterprises look beyond national borders for employees (Employment Service Sweden 2012). The implication here is that some means of assisting such employers in recruiting from abroad may be necessary, provided that candidates with the necessary skills and language proficiency can be found.

One additional issue of concern is whether employers in EU countries in general are recruiting at a level sufficient to support growth. A number of studies suggest that only a minority of employers intend to go abroad to satisfy skill needs (Lemaître 2014). If this is so, one possible scenario for the future might be a fall in the size of the workforce, a reduction in social security contributions accompanied by an increase in the size of the retired population, and a move or outsourcing of production facilities abroad. In other words, there may be negative externalities associated with depending only on employer demand for immigrant workers.

Decisions made by individual employers to ensure the continued profitability of their firms may result in negative outcomes for society as a whole.

In both cases, the question is whether governments should act to increase the pool of immigrants who employers are willing to recruit or to facilitate their recruitment. The universe of measures that can practically be taken will naturally be constrained by budget considerations, but let us examine a number of possibilities. All of them presuppose that education and training expenditures will be required in order to "produce" candidates who employers would be interested in hiring. None are programs automatically requiring participants to return to their country of origin; indeed, the decision to migrate or not, or to return or not, is left to the individual. It is true that programs stipulating temporary stays could be designed and implemented, and a potential immigrant candidate pool would very likely exist. However, it is assumed here that destination countries' needs are or will be for permanent migrants, and that expenditures on migration programs only make sense if at least some candidates migrate and stay on for good. Conversely, the accrual of benefits by origin countries requires that not all program beneficiaries migrate permanently. In practice, immigrants' own decisions have generated both outcomes.

Increasing international student enrollment from developing countries

Measures that further increase the number of international students from developing countries – over and above the possible increase associated with the revenue-neutral reallocation of tuition fees cited above – represent one clear avenue for such government action. However, when the size of the domestic youth cohort declines, as is the case in some countries, the government can offset this without increasing education spending by recruiting more students from abroad. Note that study in the host-country language would be necessary if graduating students were to have any chance of being recruited by anybody other than multinational corporations that function internally using international languages.

Financing education abroad

More advantageous to the origin country, however, as well as cheaper for the destination country, would be the organization and funding of study abroad, with instruction in the language of the destination country, and focusing on the skills required in the destination country's labor market. This would create an enlarged pool of potential migrants in origin countries. Some of these students would likely be recruited to the destination country and would thus migrate following the completion of their studies, but some would also remain in their countries of origin. This type of program would also involve transfers of knowledge and technology to the origin country, and in some cases could lead to improvements in the quality and nature of the education provided.

It is beyond the scope of this note to address the organization and funding of such education in detail. However, it would require collaboration between employers and education pro-