

Per Lundborg

# Immigration Policy for Circular Migration



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## **PREFACE**

Circular migration has long been a central concept when discussing urbanisation and development in developing countries, but it has only recently come into focus in discussions concerning a common migration policy in the European Union (EU).

The basic idea behind the concept of circular migration is that the workforce should be encouraged to move several times between the sending and receiving countries in order for both countries' economies to become more efficient. The discussions essentially concentrate on the migration of highly skilled personnel with regard to minimising the risk of the so-called 'brain drain', when the loss of these workers has a damaging effect on the poorer country's potential for development. Thus, migration policy becomes an integral part of economic development policies.

The report *Immigration Policy for Circular Migration* is written by Professor Per Lundborg of CEIFO, Stockholm University. The author focuses in particular on the degree to which the emigration of the highly skilled from poorer countries is a problem, and from that basis he discusses the problems that can arise when forming a policy for circular migration.

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## TABLE OF CONTENTS

<b>SUMMARY</b> .....	6
<b>1 INTRODUCTION AND AIM</b> .....	10
<b>2 THE INTERNATIONAL MOBILITY OF THE HIGHLY SKILLED WORKFORCE</b> .....	14
2.1 How great is the mobility? .....	14
<b>3 EXPECTED EFFECTS OF THE EMIGRATION OF THE HIGHLY SKILLED</b> .....	16
3.1 The direct ‘brain drain’ effect .....	16
3.2 Stimulating higher education .....	17
3.3 Diaspora effects and international activity .....	20
3.4 Remittances and savings .....	20
3.5 Should the country of origin promote a return? .....	22
<b>4 MIGRATION POLICY FOR CIRCULAR MIGRATION</b> .....	24
4.1 The significance of circular migration .....	24
4.2 Do immigrants return home? .....	27
4.3 Economic benefits only for the destination country? .....	27
4.4 Studies of the movements of migrants .....	28
4.5 Efficient use of the international workforce .....	29
<b>5 CONCLUSIONS</b> .....	33
<b>REFERENCES</b> .....	36
<b>SAMMANFATTNING PÅ SVENSKA</b> .....	41

## SUMMARY

Current migration policy discussions within the European Union concern an extended cooperation between the Union and less developed countries. In these discussions, circular migration has become a central concept for the future migration policy, implying that migrants should be encouraged to move repeatedly between the country of origin and the host country. The basic purpose is to utilise international labour mobility to make both countries' economies more efficient. Labour demand in the rich labour-receiving country should be satisfied at the same time as the incomes of migrants and their family members increase and the economic contacts with the home country are maintained. In particular, the discussions concern the out-migration of highly skilled workers with the stated purpose of ensuring that poor countries benefit from it. Therefore, migration policy has become an integral part of development policy.

Of central importance to the discussions is the long list of effects from the emigration of skilled workers that one needs to add for comprehensive assessment of any policy to regulate migration. Problems of specific migration policies to stimulate mobility discussed in the paper are based on a review of the relevant literature.

One conclusion that is drawn is that one should avoid focusing on the return of emigrants to their home country, whatever their level of skill. Any country that in the short run needs to increase the number of highly skilled workers should recruit these from an international labour market and not necessarily try to get emigrants back. A problem for many poor countries, however, is that they lack the necessary institutions to receive and integrate workers from other countries. Regions of free mobility of labour will hardly be established in the short run. Instead, the countries should focus on creating functioning markets for labour immigration.

Emigration of highly skilled workers lowers the stock of human capital in the short run but the possibilities to emigrate to well-paid jobs abroad may also stimulate more people to acquire higher education. The long run net effect is therefore not clear. Evidence exists that emigration of highly skilled workers has a positive effect on the human capital if the country of origin is large, like China, India or Brazil. Emigration of highly skilled



workers does not seem to generate similar positive effects on human capital formation except in these large countries. Instead, the negative effects on human capital formation appear to dominate. The size of the domestic labour market in the emigration country may thus be of significance for a successful policy of circular migration. A migration policy to stimulate mobility between a rich and a small, less developed country may therefore be to the rich country's benefit while the poor country may be negatively affected.

A migration policy to stimulate mobility should be pursued in cooperation with a large number of countries of origin. This would increase the probability of the positive effects of emigration of highly skilled personnel from poor countries exceeding the negative effects. It may, however, prove favourable for Sweden to elaborate further on the system of a liberal labour force immigration policy from third countries that it introduced in December 2008. Should Sweden have to choose between continuing down this avenue and turning to a highly regulated system according to the lines discussed regarding circular migration, the former option may be preferable.

Furthermore, if the financial effects in the form of remittances, increased trade and increased investment following a longer stay abroad are considered, it may certainly be the case that the small and poor countries may also benefit from emigration even if the stock of human capital decreases. But also these effects may be greater the larger the region of origin. The probability of returnees finding work where he or she may benefit from the new experiences and the knowledge acquired increases according to the size of the domestic country. Since the area within which one may search for business contacts after returning home is larger the probability of profitable investments increases as well, benefiting development.

Rather than cooperating with a single poor country in, say, Sub Saharan Africa, a single EU country could instead choose to cooperate with a set of countries South of the Sahara, where the separate countries have improved their chances of recruiting labour from other countries. Should EU countries today establish a policy for enhancing mobility between the countries, this could do more harm than good to many emigration

countries. Whether the single countries in, e.g. Sub Saharan Africa, are large enough today for a policy to enhance mobility to have favourable effects is a question in need of more analysis.

A possible strategy could therefore be to create first functioning labour market institutions so that the individual countries may receive immigrated labour and be better integrated. If conditions improve for migration to EU countries from regions with integrated economies, this would facilitate the search for work of the returning migrants and they could more easily make use of the experiences acquired during their time in the more developed countries. This would also increase the probability of establishing good business relations and profitable investments of any savings. Trade relations between the countries of the poor region as well as with the rich EU country would benefit. Should many single EU countries create a system based on circular migration where people from an area of a free labour market south of the Sahara may emigrate, this would probably generate positive trade effects for the poor region as well as for the developed EU countries. Furthermore, should firms in the rich country demand large numbers of highly skilled workers they could not just turn to a single small developing country.

A migration policy to encourage mobility as discussed under the notion of circular migration may lead to regulations with more negative than positive effects. Using migration policy to support economic development would require much more detailed knowledge about the effects on countries of origin of highly skilled emigrants. A successful highly regulated immigration policy for circular migration requires knowledge for each individual country on the effects on human capital, what migration duration that benefits entrepreneurial activities, effects and extent of remittances, etc. Since this knowledge is largely missing, and will be missing for a long time to come, it may turn out to be a better policy simply to let the market forces determine migration, i.e. to let labour demand in the rich countries determine labour immigration.

Sweden is much in the front line in terms of openness for labour immigration from third countries. The discussions so far about the future EU immigration policy seem to imply less openness than the present Swedish system enjoys. It would be regrettable if Sweden turned to a

system with a lower degree of labour mobility across its borders. One strategy could then be to hold on to the present policy and to develop this system. A major advantage is the simplicity and the minimum of regulations that the system requires. Still, the immigration country benefits and the emigration country may find it hard to attract emigrants despite a high demand for their services. The creation of institution for labour immigration in the emigration countries could be an efficient way to improve labour market matching.

## **1. INTRODUCTION AND AIM**

The feasibility of extended migration cooperation between highly developed EU countries and individual less developed countries outside the EU has been the focus of recent discussions in EU circles. The discussions have centred on the concept of circular migration as the Union's future migration policy. Migrants should be encouraged to move several times between countries. The basic idea is that international mobility of labour should stimulate the economy of the host country as well as the economy of the country of origin; the labour demands in the richer host country would be satisfied, while the higher incomes of the migrants imply increased support of their dependents at home, and the economic contacts between the countries are intensified. While migration policies are intended for all educational levels of the workforce, including students, most discussions have concentrated on the emigration of the highly skilled workers. One wants to avoid the risk that developing countries become drained of their highly educated personnel and ensure that emigration from the country of origin leads to 'brain gain' rather than 'brain drain'. Therefore, migration policy needs to become an integral part of development policy.

I discuss the concept of circular migration later in this paper. Suffice it to say that international migration has always contained an element of 'circularity', which is why circular migration in itself cannot be seen as a specific policy. Instead I here refer to a 'mobility-enhancing migration policy', which involves a system that supports circularity.

No developed immigration policy based on circular migration has yet been presented, which hampers any discussion on the topic. The report therefore discusses mobility-enhancing migration policies, based on existing tentative guidelines for the formation of such a system, and on available studies of the effects of skilled emigration. In the case of Sweden it is hardly relevant to discuss the immigration of unqualified personnel from countries as distant as Africa or Asia. The availability of unqualified labour is good, especially since the EU expanded, so it is hardly likely that there would be any considerable demand for unqualified workers from other continents to be employed for wages stipulated by a Swedish collective agreement. One exception could be immigrant seasonal workers such as berry pickers. It is possible that in the future immigrants from developing countries may be sought to fill labour needs within the health services.

Of central importance to these discussions are the different effects of skilled migration, which must be taken into account in a consistent evaluation. A question that arises is whether, and by what means, one should actively regulate the international flow of qualified workers. Is a system whereby highly skilled emigrants are required or encouraged to return to their homeland consistent with an efficient use of world labour resources? What principles apply to the efficient use of mobile labour forces? If free mobility improves the world's use of its labour force, how will welfare be distributed within and between the rich and the poor countries? To what extent are the rich countries' interests in conflict with those of the poor countries in obtaining their highly skilled workers? Even if information has increased concerning emigration from poor regions of the world, our knowledge of the degree of 'brain drain' that occurs in the long and short term is limited. The consequences of the emigration of qualified workers for welfare and the economy are many and complex, and the solutions vary in accordance with the region. What is the significance, for example, of the loss of qualified workers compared with the value of the remittances that the emigrants generate for their home country? Does it detract from the gain of the large number who return and establish new businesses and bring financial capital that increases the tax base? How should their acquired knowledge and experience be evaluated?<sup>1</sup>

There are of course no simple answers to these questions. No reliable overall view has been presented in the literature. This report can only discuss on a highly principled level, and to a limited extent, how a more suitable migration policy for all might be formulated, and merely indicate how, from a Swedish viewpoint, one might address these questions. Instead, against the background of the consequences for the country of origin, host country and migrant, I shall briefly discuss the problems that may arise from the execution of a mobility-enhancing migration policy. At best the report might also contribute to a discussion of the formulation of this policy.

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<sup>1</sup> In fact we also know very little about the true dimensions of immigration. To be registered as an immigrant in Sweden requires a stay in the country of at least one year, but it is not known how many intend to stay in the country for a shorter time. This short-term migration could have great significance for smoothing economic fluctuations and thus have important effects on welfare. Such a lack of data leads to discussions that are to a great extent theoretical and discursive as empirical judgements are of necessity limited.

The literature contains studies of various factors such as the degree of self-employment among returning migrants, the propensity for remittances, effects on human capital formation, etc. These detailed studies of different factors in different regions of the world are, however, not sufficient for an overall view of these questions. Quite simply, a fundamental theoretical model that embraces all factors is missing. Conclusions involving the best position of the governments of the host and home countries in relation to the returning migrants must therefore be drawn in great uncertainty. This especially concerns the questions of whether emigration should be restricted and the return encouraged. Drawing conclusions under uncertainty is not uncommon in social sciences and occurs whenever results are divergent.

However, a number of qualified studies have recently been published that try to evaluate the effects of skilled migration on the home countries' long-term supply of human capital. Based on these and other available results, one should still tentatively be able to indicate a suitable standpoint.

One conclusion of this report is that focus should not so much be placed on encouraging migrants from poor countries, whether qualified or less so, to return to their home countries. Instead, an individual country that needs to increase its supply of qualified workers should recruit from the international labour market while continuing to benefit from its own emigrants' remittances. If, for example, South Africa loses such a large proportion of its medical doctors to the USA or the EU that a shortage is created, it can hardly offer salaries that exceed those paid to its doctors abroad. Instead it should try to attract doctors from other countries. If it attempts to stop the emigration, not only is this a restriction of personal freedom, but also in many cases it is economically unacceptable in the long term, as it reduces the incentives for the local population to invest in higher education. Salary differences between the poorest and richest countries are also so great that it is more reasonable to attempt to attract workers from other poor countries.

A problem for many poor countries is that they lack the institutions that may be needed in order to receive and integrate workforces from other countries. This may also be the case in relatively developed countries such as Poland and other new EU members, which might counteract

the drain of their workforce by receiving more workers from outside. If poorer countries are to be integrated into a globalisation that involves free mobility, this presupposes the creation of institutions that facilitate this mobility. As happened in the Scandinavian countries in the mid-1950s when a free Nordic labour market was formed, several such regional free labour markets could be created in the poorer areas of the world. These free labour markets will not be established in the short term, so individual countries will need to build up the necessary institutions for a well-functioning labour force immigration.

A mobility-promoting migration policy for EU countries such as Sweden should ideally happen in cooperation with a larger region of countries of origin. This increases the possibility that the positive effects of the emigration of qualified workers from these countries of origin might outweigh the negative ones. It might be advantageous for Sweden to develop further the system introduced in December 2008, for a more liberal approach to the immigration of a labour force from third countries. If Sweden has to choose between continuing along the established path or changing to a highly regulated system in accordance with the discussions that are raised around 'circular migration', then the former is to be preferred.

The layout of the paper is as follows: first I present the extent of and trends in the international mobility of a highly skilled workforce. After this comes the positive and negative effects that arise for the emigration countries and whether emigration should be encouraged. After a survey of the literature the concept of 'circular migration' is discussed. Here problems that can be expected to arise are taken up and the concept is related to the question of the effective use of the international workforce. On the basis of this, conclusions are then drawn about how to formulate a mobility-promoting migration policy that might increase the chances of positive effects.

## **2. THE INTERNATIONAL MOBILITY OF THE HIGHLY SKILLED WORKFORCE**

### **2.1 How great is the mobility?**

International migration of the highly skilled has greatly increased. It has been estimated that in 2000 there were c. 20 million highly skilled workers, that is, with university or college qualifications and born abroad, living in the OECD. This means an increase over a 10-year period of c. 64%, which can be compared with an increase of only 14% among less skilled workers in the same period (cf. Docquier and Marfouk, 2006). A clear majority of these highly skilled immigrants came from developing countries and are equivalent to more than a third of the total immigration to the OECD.

Docquier and Marfouk (2004) provide the best data to date covering immigration based on education. The total number of adult immigrants (over 25 years) domiciled in OECD countries was 39.8 million in 1990, and 58.5 million in 2000. From a global perspective, 1.66% of the working population live in a country other than their birth country. According to education levels 0.94% unqualified, 1.64% medium qualified and 5.47% highly skilled live in another country. Docquier and Marfouk (2006) find that the likelihood of emigration is between 5 and 10 times higher for persons with more than 12 years' education than those with fewer than 12. Therefore, the highly skilled are clearly over-represented among those living abroad. A major explanation is that richer countries more often open their doors to the highly skilled than to the low skilled.

From an even longer perspective the emigration of the highly skilled has greatly increased. UNCTAD (1975) reported that the *total number* of migrants from poor to rich regions in the world between 1961 and 1972 amounted to only 300,000 persons. According to the 1990 US census there were more than 2.5 million highly skilled immigrants from developing countries (not counting students) in the US. Emigration of highly skilled people from individual countries was very considerable. Studies from the ILO show for instance that almost 40% of all the emigrants from the Philippines are highly educated. Many of these naturally received their education in the developed countries.



The emigration of highly skilled workers is relatively even, in absolute numbers, among richer countries (where the highly skilled are normally very numerous) and some large but poor countries viewed in relation to their population size. The countries that in 2000 had the largest numbers of emigrated highly qualified workers include the UK (1.5 million), the Philippines (1.3 million), India (1.0 million), Germany (1.0 million) and China (0.9 million). The poorest countries dominate in terms of the percentage of the total number of highly skilled emigrants like Haiti (81.6%), Somalia (58.6%), Ghana (42.9%), Mozambique (42.0%) and Sierra Leone (41.0%). In these usually crisis-affected countries the highly skilled have had greater possibilities to emigrate than the low skilled. The absolute numbers are small but the percentages are high.

The increased mobility is to a great extent driven by globalisation, which has cleared the way for increased international migration especially for the highly skilled. Globalisation has strengthened the tendencies for agglomerations of highly skilled people in areas of the world that already have large numbers. This has also driven forward a positive self-selection of highly skilled immigrants. It is interesting to note that two OECD countries, Canada and Australia, have especially increased their percentage of highly skilled workers.<sup>2</sup> These two countries were also the first to establish officially a quality-selective immigration policy to make it easier for the highly skilled to receive entry. The fact that people the world over are increasingly receiving a higher education also contributes to the rise in international migration.

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<sup>2</sup> Both countries encourage skilled immigration. In Australia the highly skilled immigrant's qualifications are checked before entry, which is not the case in Canada where evaluation takes place shortly after entry. In Australia an acceptance is valid throughout the country whereas in Canada only for the state in which the immigrant arrived. Australia applies an upper age limit for highly skilled immigrants. Comparisons show that the Australian policy has been more successful than the Canadian. Cf. Richardson and Lester (2004).

### **3. EXPECTED EFFECTS OF THE EMIGRATION OF THE HIGHLY SKILLED**

Various mechanisms for the evaluation of the welfare effects of skilled migration from poor to rich countries have been studied in the literature. The first-generation studies from the 1960s strongly emphasised the negative effects of such outflows. More recent studies, however, give a more balanced view and emphasise other more positive effects. In general terms four different mechanisms can be isolated.

#### **3.1 The direct 'brain drain' effect**

The first and most obvious effect is the direct loss of the highly skilled for the developing country. This research goes back to early contributions such as Grubel and Scott (1966) and Johnson (1967). The theoretical literature focuses on the effect of an exogenous (that is, explained outside the model) reduction of the human capital in the home economy assuming simultaneous market disturbances. The major conclusion was that welfare is reduced for the home country's remaining population, but the conclusion was sensitive to the assumptions concerning wage formation and employment. In the main, this research has shown that skilled emigration strengthens the efficiency losses generated by the disturbances. These disturbances or public interventions can for example include subsidies for education or underemployment of the workforce as a result of intervention in wage formation.

When persons choose to work in another country, the country of origin also loses tax revenues. Suggestions were made at an early stage that countries of origin, with the assistance of the host country's tax agencies, should tax the emigrants.<sup>3</sup> This question is of special interest with regard to the highly skilled since the country of origin has often paid a large part of their education costs. According to Desai *et al* (2004), even a very restricted tax of their citizens abroad would greatly increase the Indian governmental revenues. The entire earnings of Indian-born persons in the USA alone are equivalent to c.10% of India's national revenue. The taxation of Indian residents over the whole world would generate considerable sums for

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<sup>3</sup> Cf. Bhagwati and Partington (1976), Bhagwati and Wilson (1989). Cf. also Commander *et al* (2003).

India's state coffers. The taxation of citizens active in other countries has been applied by the USA and the Philippines.<sup>4</sup>

### **3.2 Stimulating higher education**

After the 1970s, research began to focus more and more on the dynamic effects of the emigration of the highly skilled. Gradually a second aspect of emigration came to be studied. This concerned the influence of emigration on the incentives for the remaining population to educate themselves. Emigration of the highly skilled to the USA or the EU from a poor country means that the native supply of highly skilled workers is reduced in the short term, which tends to increase the salaries for this group. The effects on salary mainly focussed on the richer country of immigration, but lately the consequences for the home country have also been studied. Mishra (2007) has found that the emigration from Mexico led to considerable consequences for wages and welfare. The emigration of 10% of the workers of a certain category defined by education and experience led to a wage increase in the same category of a not negligible 4%.

The possibility to emigrate to rich countries where one can be paid perhaps ten times more also contributes to the *expected* returns to education. This dramatically rises for the person who has a good chance of gaining employment in a developed country. If it is likely that one can obtain a well-paid job in a rich and developed country after graduation, then the incentives to be educated increases. The effects of emigration on the proceeds of higher education became a central theme in later literature.<sup>5</sup> If one allows emigration for the highly skilled, the expectations of well-paid appointments abroad will stimulate additional investments in human capital in the country of origin, but since not all emigrate, the effect might be to enlarge that capital. For these incentives to be active, higher education must not only increase the chances of emigration, but also increase the chances in the new country of obtaining work that demands a high level of training.

This literature rests on the assumption that all citizens in developing countries have the same opportunities, after receiving a college degree,

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<sup>4</sup> For an evaluation of the Philippine experience of taxation of citizens active in other countries, see Richard Pomp's contribution in Bhagwati and Wilson (1989).

<sup>5</sup> Cf. Beine *et al* (2001, 2008), Stark and Wang (2002).

for taking well-paid work in the developed countries. This presumes that rich countries cannot check out the potential workforce in advance. The models thus presume that selection among the new graduates is not controlled. This hardly coincides with reality. In fact new graduates are very carefully selected before a job appointment by active recruitment campaigns in the country of origin, trial appointments and by contact with local teaching institutions. This can inhibit other than the best students from applying for higher education. The screening of new graduates is however never perfect and many students believe that they will achieve top grades, so these disincentive effects to education need not be so great.

For many citizens in poorer countries, the possibilities, from their point of view, of extremely high incomes in the developed countries may be a strong motivation behind their efforts at work and in education. This can be shown especially in the world of sport. The argument against limiting emigration becomes almost too obvious in the case of some sports stars. No one would dream of questioning that athletes practise their profession abroad. The training fervour in the teens of a youngster to become an elite ice-hockey, basket or soccer player, is most likely driven partly by expectations of annual multimillion incomes as a professional. Subsequently the collective wealth may lead to considerable investments in the home country thus contributing in this way to the country's economic development. It would clearly not have been a good policy to deny sports players and artists etc. the chance to emigrate.

It has been argued that the emigration of top sports persons lowers the quality of the domestic production of 'sports stars' in local ice rinks, football arenas, etc. True or not, it is clear that foreign 'multimillion-dollar' contracts, which can provide economic independence for the rest of one's life, must be of consequence to many a young person's ambitions. The domestic production thus becomes characterised by hungry young talent and returning experienced 'employment-producing' players.

Principally similar arguments can be applied to young people in poor countries whose incentives to obtain higher education, strive with school work etc. is influenced by the possibilities of what they see as excessively high incomes in more developed countries. The opening up of free market immigration in the rich and developed countries considerably raises the

expected benefits of higher qualifications, and may therefore be a way of stimulating a desire for education among citizens of poorer countries and improving individual efforts for study. Doubtless some of the top talent, in their best years, might be lost to their country of origin; but if they return, their collected experiences will be extremely valuable to that country.

The opportunity to emigrate might also stimulate the home production of highly skilled jobs in education. India, China and South Korea are examples of countries that have established top quality higher education. At the beginning of the twenty-first century India produced about 25,000 engineers annually.<sup>6</sup> The Indian Institute of Technology (IITS) is responsible for almost 10% of these newly graduated engineers, and at the beginning of the twenty-first century the IITS produced 78% of the USA's Indian-born doctors of technology. Of Korea's technology doctors, 65% came from Seoul National University. Similar numbers can be listed for China's elite colleges. The graduates from these schools in developing countries are highly competitive in the international market, which is evidence of success in maintaining top quality in higher education. When one remembers that the majority of the new graduates remain in the home country, the test of educational quality that international mobility provides is of great significance to the home situation.

Many of the highly skilled who emigrate to the USA do not return. An estimated 70% of all foreign-born doctors stay in the country and many become American citizens. It is often impossible for their home country to entice these people to return. It is hardly possible for Sweden, which is a small country without the top universities of the USA, to make the same use of foreign top students. Even if they come to gain a doctorate from, say, the Royal Institute of Technology (KTH), there is a clear risk that after graduation many will move to another European country or to the US. If the EU opens its doors in the same way that the USA has done, it might be possible for Sweden to attract highly skilled persons from India and China who have received their research training at some well-reputed European university.

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<sup>6</sup> Cf. Bhagwati (2003). The number is probably much higher today.

### **3.3 Diaspora effects and international activity**

A third type of effect especially linked to the emigration of the highly skilled might be called the 'diaspora effects'.<sup>7</sup> International migration may facilitate and be a source of international business contacts.<sup>8</sup> Gould (1994) shows that the immigrant population in the USA has a positive effect on USA trade. A 10% increase in the number of immigrants in the USA from any one country increases exports to that country by 4.7% and imports by 8.3%. The effects of the exports can be interpreted as a pure network effect. Head and Ries (1998) evaluate a similar model to that which Gould uses but find lower effects for Canada of a 10% increase in the number of immigrants: 1.3% for exports and 3.3% for imports. In general it has been found that 'diaspora effects' are vital for international business collaboration (Rauch, 2001). Saxenian (1999; p.55) concludes that 'the Chinese and Indian entrepreneurs of Silicon Valley ... are creating social structures that enable even the smallest producers to locate and maintain mutually beneficial collaborations across long distances.'

### **3.4 Remittances and savings**

Emigrant remittances are a further source by which emigration can affect the home country in a positive way. Remittances are a large source of income for many countries, often accounting for a high percentage of the gross national product, which is well documented in the literature. These incomes are of special importance to extremely poor countries where the capital markets are characterized by considerable liquidity restrictions. Remittances may affect the household's labour supply, decisions concerning the children's education, choice of profession, investments, etc. with potentially large effects. The money flows back to close relatives and to pay services to take care of the emigrants' aged relatives or children, or to manage their cattle or land. However, not all remittances are of an altruistic nature. For the highly skilled they are often used to pay study debts. At the same time, the highly skilled more than the unskilled emigrate with their whole family and for longer periods or permanently,

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<sup>7</sup> The concept 'diaspora' has received a general meaning and can be said to include a diffuse range of immigrant groups including political refugees, temporary residents in other countries, guest workers, ethnical minorities and all sorts of groups of immigrants who in some way maintain a link with their home country. Cf. Shuval (2000).

<sup>8</sup> Cf. Gould (1994), Rauch (2001) and Saxenian (2001).

whereby they become less inclined to send money home than the usually short-term unskilled emigrants. This however does not mean that their remittances are insignificant. Kangasniemi *et al* (2004) show that 45% of the Indian medical doctors working in the UK sent back remittances, corresponding on average to 16% of their incomes.

As an alternative to remittances, emigrants also accumulate money in foreign savings for investment in their home country when they return. There is considerable evidence that this is especially common among the less qualified who on return start their own businesses, usually as small companies. McCormick and Wahba (2001) show that both savings and the length of the period as migrants have a significant positive effect on the likelihood of Egyptian migrants starting a business on returning home.<sup>9</sup> The duration of the migration is an important variable in this regard, as the migrant must be away a certain amount of time in order to save sufficient means for starting up a business in the home country.

Research has also studied the determinants of return and selection effects. Borjas and Bratsberg (1996) show in a theoretical model of individual's decision to return that if the highly skilled are over-represented among immigrants, then the lower qualified will be over-represented among those who choose to return, and vice versa. Return migration thus strengthens the selection that characterises the original emigration. This theoretical result also finds support in the empirical analyses carried out by the authors.<sup>10</sup> The conclusion is of considerable significance as it shows that the businesses in the host countries take the icing off the cake, so to speak, and the best qualified and most talented tend not to return to their home country.

A case of returning migrants that is well recorded in the literature, and which was possible to analyse because of the existence of an interesting body of data, is that from northern and central Europe at the beginning of the 1980s. Until 1973 northern and central Europe, including Sweden, accepted a large number of immigrants from southern Europe, Turkey, North Africa and other parts of the world. The returnees were interviewed

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<sup>9</sup> For further examples, cf. Agunias (2006).

<sup>10</sup> Cf. also Agunias (2006).

by IAB<sup>11</sup> prior to and after their return.<sup>12</sup> It was found that more than half of the returning Turks were running their own businesses, and that a large number were not active in the labour market. A high percentage of self-employed persons was also the case in a study of those returning to Ireland where c.30% had started their own firms (Gmelch, 1980; p.150).

Over the past thirty years immigration to Sweden has to a great extent been dominated by refugees, and for this type of migration the question of who stays or returns is mainly of an administrative nature. A large number of refugee immigrants receive protection in the country for a limited period and it is therefore not a question for the individual whether he or she is to stay in the country, return or move on. Instead this decision is taken by the migration office based on an assessment of the political situation in the home country.

For those who have obtained permanent residence permits, however, the option of returning arises should the situation in the home country so allow. Similarly, immigrant workers are able to choose to return (or re-migrate to a third country). Far from all choose to stay in the host country. Many come for a predetermined duration, and those who come for an undecided length of time will revise their decision on the basis of their experiences in the new country.

### **3.5 Should the country of origin promote a return?**

For a long time a general view was that skilled emigration implied a loss for the country of origin. However, for policy conclusions to be drawn a large number of effects must be accounted for. If the country of origin attempts to restrict the emigration of its highly skilled workers, this can lead to a long term reduction of the country's human capital. Rich countries therefore do not automatically need to see themselves as cynically exploiting the highly skilled workforce available in poor countries, or that such immigration need be at the cost of the poor.

The problem is rather that the effects on the poorer countries differ according to remittance propensity, the effects the possibility to emigrate has on university premiums in the home country, etc. To formulate a general

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<sup>11</sup> Deutsche Institut für Arbeitsmarks- und Berufsforschung.

<sup>12</sup> Cf. Hönckopp (1987) and Dustmann and Kirchkamp (2002).



rule for the rich countries that does not harm the effective allocation of the international highly skilled workforce is naturally very difficult. This requires a detailed empirical knowledge of how each individual country of origin is affected in both the short and the long term.

Such detailed knowledge is missing today. Beine *et al* (2008) make an attempt to empirically evaluate some central effects. They weigh the effect of the direct loss of the highly skilled against the value of the expected returns to higher education stimulated by an increased supply of skilled personnel. In data covering 127 developing countries their aggregate finding is a positive effect on human capital formation from improved possibilities for the skilled to emigrate. More specifically they find that if the emigration rate is doubled, the human capital formation rises by 5% among the local population of remaining and emigrated higher qualified workers. This number is stable over different specifications and estimation methods.

However, the gains from skilled emigration differ strongly between countries. For large countries such as China, India and Brazil, the gains are considerable while small countries in sub-Saharan Africa and Central America are considered to lose from emigration in terms of reduced formation of human capital. The loss in those countries that lose tends to be greater than the gain won by the countries that benefit from the emigration of the highly skilled. The negative effects for the small countries might thus be considerable. On the aggregate level, however, it seems that the emigration of the highly skilled from poor countries has positive effects, but these effects thus vary considerably from country to country. Considerably more research and better data are needed before more final policy conclusions can be drawn.

In these studies the authors have not considered other effects of the emigration of the highly skilled. If the effects of remittances and investments by emigrants in their own countries of origin, the ‘diaspora effects’, etc., are considered, the results could well be quite different.

Against the background of this survey of the literature, I shall now move on to discuss circular migration.

## 4. MIGRATION POLICY FOR CIRCULAR MIGRATION

### 4.1 The significance of circular migration<sup>13</sup>

Circular migration has not been given any specific or scientifically viable definition, which is probably related to the fact that the origin of the concept lies in political discussions concerning migration policy and not in the scientific literature on migration.<sup>14</sup>

It might be appropriate to examine the concept more closely from the discussions that have taken place. The concept was discussed, *inter alia*, in a workshop held in Mauritius, on 8–9 September 2008, and a document was circulated wherein a definition was attempted.<sup>15</sup> There it was indicated that circular migration might be understood as a temporary, recurring movement of persons between two or more countries for the purpose of work or studies (point 8). However, circular migration can also refer to persons who have settled permanently abroad, but who temporarily move home while retaining their main domicile in the host country (point 10). Thus, circular migration includes both temporary and permanent migration in both directions. Migration is circular when migrants tend to retain transnational contacts in both the home and the destination country and when the persons eventually return to their country of origin or to the country in which they have chosen to settle (point 11). Thereafter, it is concluded that circular migration differs from the traditional concepts of ‘permanent’ and ‘temporary’ migration as these are ‘... usually understood in a more static and linear way’.

It is however unclear why traditional permanent and temporary migration cannot also retain transnational contacts. In this regard there are hardly such differences as to warrant a new concept. The concept can therefore be a source of confusion rather than enlightenment. A large portion of the migration that the world has witnessed historically and still witnesses

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<sup>13</sup> Agunias (2006) provides a survey of the literature on this topic, which bears the subtitle ‘Literature review on circular migration’. That paper refers however to the general migration literature that serves as the basis for a discussion of the concept.

<sup>14</sup> The concept ‘circular migration’ became more commonly known after a co-initiative from the German minister of the interior Wolfgang Schäuble and French president Nicholas Sarkozy. The concept occurs however in earlier reports from the European Commission.

<sup>15</sup> Cf. ‘Workshop on creating development benefits through circular migration’, JLS/B3/KT/kg D (2008) 16257.

today is to be understood as circular in the meaning that people have moved between two or more countries several times. For example many Finns moved back and forth several times between Sweden and Finland during the 1960s and 1970s, and many from the Baltic nations and Poland move frequently between their home countries and the older EU member states.

If the concept is to mark a new system for regulated mobility between countries, then it should rather be considered as a modified and more regulated variant of a guest worker system within a geographically defined area, such as between two or more countries, over a limited period. It is reasonable and perhaps justified to assume that one wishes to avoid the use of the term 'guest worker system', which has received negative overtones since it is possible to interpret its introduction as directed only to the benefit of the host country. The system discussed here under the term circular migration places equal emphasis on advantages for the country of origin. The migration policy for circular migration should thus be considered as a type of guest worker system for the EU countries, but where the EU countries cannot make economic profits at the expense of the countries of origin. The idea is instead that the system be formulated for the good of both countries, and of course the migrants, and that it should contribute to the economic development of the countries of origin.

A policy for circular migration will then be based on considerable regulations of the movements. These regulations are motivated by the need to avoid possible negative consequences for the home country when the workforce moves out. Therefore, the system should encourage abundant mobility between different countries so that the less developed countries do not suffer. However, mobility within the framework of the programme must follow the needs of the market.

Migration can take place within the framework of a defined migration programme, which is expected to give several advantages as discussed above, such as the transfer of knowledge, increased investments in the country of origin, etc. It has also been suggested that the policies for circular migration would be able to limit illegal migration. Migration programmes may include specific quotas for the various professions and

be placed under national control as the demand for labour differ between professions and between countries.<sup>16</sup>

The European Council has accepted a directive concerning the so-called Blue Card programme, a variant on the American Green Card system. The programme is expected to come into force in 2009 and will include a 'fast track' that can deal quickly with migration requests.<sup>17</sup> It is not clear how this might relate to a policy that encourages circular migration. It is stated, however, that member countries shall avoid a 'brain drain' in the countries of origin:

A new clause states that Member States shall not actively seek to attract highly skilled workers in sectors that are already subject, or are expected to be subject, to a shortage of highly skilled workers in the third world. This applies to the health and education sectors in particular. Members note that the derogations to Directive 2003/109/EC will encourage the circular mobility of these professionals, as well as the subsequent involvement of the same migrant workers in training, research and technical activities in their countries of origin. Member States should establish cooperation agreements with third world countries with a view to safeguarding both the Union's needs and the development of the countries from which highly skilled immigrants come. Member States may reject an application for an EU Blue Card in order to avoid a brain drain in sectors suffering from a lack of qualified personnel in the countries of origin.<sup>18</sup>

This document, however, does not contain any strict obligations for the member countries to avoid damaging the countries of origin by attracting their best workers. The member countries are allowed to make different assessments of what is meant by '... suffering from a lack of qualified personnel ...'.

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<sup>16</sup> According to Aguinas and Newland (2007), circular migration concerns both less and highly skilled personnel and can be temporary or permanent. Emigration of the less qualified is not so controversial and is seldom linked to negative effects for the country of origin.

<sup>17</sup> <http://www.europeanunionbluecard.com/>

<sup>18</sup> <http://www.europeanunionbluecard.com/>

## **4.2 Do immigrants return home?**

It is possible to understand the system as a variant of the guest worker system previously applied in, e.g., Germany and France. One of the lessons of the system was that it was often difficult to persuade the immigrant workforce to return to their home countries when their contracts had run out. This was one reason why these countries stopped recruiting guest workers at the beginning of the 1970s. Also in the discussions of circular migration, doubts have been raised concerning the difficulties of persuading the immigrant workforce to return when the programme is over.

However, with this migration policy the situation is slightly different as the migration programme is to include the option of a future return to the destination country. Thus, the system will rather resemble that for seasonal workers such as in Germany where they are availed of a few months each year. The possibility to be able to return year after year eases the decision to return to the home country. The risk of an immigrant staying illegally should be reduced if he or she has a written permission to return within the framework of the migration programme. Empirically, however, the extent of illegal residency remains an open question.<sup>19</sup>

## **4.3 Economic benefits only for the destination country?**

One principle for the present discussions concerning circular migration is that persons from poor countries should have the chance to emigrate to developed countries when these have an abundance of vacancies. Correspondingly, remigration will occur when these countries face a recession. Free mobility between rich and poor countries tends to become a system that better favours richer countries. Migrants move to a high degree to countries offering the highest wages. As long as wages are considerably higher in the richer countries the migrants will not voluntarily return home even if the home country is enjoying a period of prosperity with job vacancies and rising wages. Free mobility then has a countercyclical effect on the rich host country but not on the poorer home country. If both countries find themselves in an economic boom, the host country will benefit at the cost of the country of origin. On the other hand, during a period of global recession, such as at present, migrants will return to their home countries, causing a rise in unemployment there.

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<sup>19</sup> Cf. Angenendt (2007) for a discussion.

#### 4.4 Studies of the movements of migrants

Circular migration presumes that the migrants move many times between their home and host countries. Some studies have specifically studied the behaviour of migrant movement across the borders. The focus has mostly been on the patterns of movements between the USA and Mexico. Since these refer to countries that do not have any established system for circular migration these studies are not necessarily relevant to migration policy procedures. However, they do illustrate migrant behaviour when there is a possibility for legal return migration.

Massey (1987) examined the frequency of movement of legal immigrants from Mexico to the USA and back, and found that the likelihood for additional journeys was highly determined by the person's experiences and the size of their social network. Neither age, education, marital status, number of children nor land ownership played any role in the consideration of a temporary return to stay in the USA.

Donato *et al* (1992) studied the repeated illegal movement of Mexicans to the USA. The study showed that older immigrants have a lower tendency to carry out a second journey, but that the probability increased with the number of previous journeys. It was found that if a career as a recurring migrant had been embarked upon there was little reason to change the behaviour. A later study by Massey and Espinosa (1997) examined the likelihood of additional journeys into the USA once one journey had been completed. They found that for both legal and illegal immigrants the number of previous journeys was very important. Once one had begun to move between countries, the pattern often continued. Return trips to the USA increased with experience, the likelihood of obtaining work, the number of previous trips to the USA and the social capital that had been established in the host country.

Constant and Zimmermann (2007) have studied the frequency of movement among immigrants who came to Germany within the guest worker system using data from the period 1984 through 1997.<sup>20</sup> These immigrants come

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<sup>20</sup> The authors refer to this as a study of circular migration. I refrain from using the concept in such a context since in this report my purpose is to use the term in the same way as it is used in EU discussions, where circular migration is to be considered a system for regulating migration between two countries.

from Italy, Greece, Spain, the former Yugoslavia and Turkey. All the immigrants live legally in their host country and have lived there over a relatively long period. During the period under study the immigrants were not involved in the guest worker programme.

Of those workers who had arrived through the guest worker system, 60% repeatedly migrated. Those who have full freedom to move between Germany and their home country do this to a considerably higher degree than others and stay outside Germany for longer periods. This is the case for the youngest and the oldest migrants. Men move around more frequently than women.

Family members who remain in the home country constitute a strong argument for continued migration. Persons with a higher education often remain longer in the host country than the lesser educated. Knowledge of the labour market of course plays a role in the duration of the stay. The easier it is to move around, the more frequently people do so. This conclusion might seem trivial but it underlines the fact that immigrants feel that if they have free admission to their host country they can also leave it, secure in the knowledge that they are able to return. A migration system that supports circular migration should allow high mobility between the host and the home country.

#### **4.5 Efficient use of the international workforce**

Simply expressed, the prerequisites for reaching an optimal usage of the world's labour force increase the greater the geographical area within which it can freely move. With free mobility across the countries of the world, the aggregated value of the world's production of goods and services would be maximised, all else being equal.

While free mobility for the workforce will be in operation in the near future within the Union, most EU countries today have no developed system for third-country workforce immigration. Most EU countries only allow for immigration of highly specialised labour. Therefore, a system for circular migration could mean that these countries take a step towards freer mobility of the international labour force. A migration policy regulating the return of the highly skilled to their home countries, however, involves restrictions to free mobility. The person in question might not be given

a suitable position or conditions of work, for example within research, in the home country that would take full advantage of the value of the experiences he or she has acquired while working abroad. A talented researcher from a developing country can do more for that country by, say, developing a malaria vaccine in a research institute in the USA or Europe than by holding a university position in the home country with little or no possibilities for research. Moving to a third country can lead to better use of the person's experiences. In the discussions so far held concerning a policy for circular migration the chances of such a possibility, however, seem limited.

Instead of focussing their efforts on the return of highly skilled emigrants when needed in the workforce, it is probably more economically efficient for the developing country to attempt to attract a workforce from outside no matter where they come from. Here, the emigrated population must be neither favoured nor disadvantaged. A condition must be that there exists a clear demand for the highly skilled workforce.

A poor country with an emigrated highly skilled workforce would thus be favoured more by the immigration of highly skilled foreigners than by returning emigrants with experience from developed countries. For example, if highly skilled IT engineers from India choose to move to China after having worked for a while in Silicon Valley, or a Chinese doctor chooses to work in India after working in England, this may obviously be preferable for both India and China than if the Indian engineer returns to India and the Chinese doctor to China. Stimulation of one's own emigrated personnel to return to the home country might therefore conflict with the efficient use of the world's labour resources. It seems unlikely that governments and state agencies in the developed countries would be better able to regulate this migratory movement for optimal usage of the international labour force than would market forces.

Naturally, it might still be beneficial for India to continue to educate engineers and China to continue to educate doctors to the extent that the countries have their comparative advantages in these fields. Where the trained engineer or doctor later decides to work should ultimately be decided by the demand for engineers and doctors in the respective countries.



In a well-operated international labour market with free mobility and with a functioning infrastructure for the immigrated workforce, this division of the workforce will come about without the state needing to become involved. If the required workforce is not available at close hand at the salaries that it is possible to offer, it is natural for privately owned companies to seek to fill a vacancy from abroad. In such a situation there is no reason in principle to prefer a previously emigrated highly skilled person over a skilled one from another country.

There is hardly any reason for a state owned company or agency to behave any differently. If e.g. a new university is to be set up or a new research department is to be built in an existing university there is no reason to prioritise the previously emigrated workforce. Instead one should undertake what is now common praxis in many developed countries, that is, to seek out the international labour market and recruit the persons that one considers most suitable for the planned research, developmental or educational work to be carried out. In this way one gains personnel with suitable combinations of scientific and cultural competence. Thus, there is no argument for specifically enticing back previously emigrated staff. In many cases, however, returning emigrants will dominate since many, all things being equal, prefer to live in their home country and the home administrators find it easier to evaluate a returnee's qualifications than those of an immigrant from another country.

One should solve the problems experienced in the health sectors of many countries from which the emigration of doctors and nurses is considerable, despite great demand for health care at home, in similar ways. Here too it may be better to attempt to satisfy their own health-care needs by recruiting from other countries instead of preventing their own doctors and nurses from leaving. If the emigration of one's own personnel is prevented this will have negative effects in that the real yield from education will diminish. This is determined in principle as the salary available to the highly skilled at home or abroad, divided by the salary of a less skilled worker at home or abroad, and the quotient is reduced if one forbids the highly skilled from leaving the country.

For a well functioning system of circular migration, one needs to consider the welfare of both the host and home country. One must ask to what extent

immigration should be part of the host country's labour market policy to affect labour supply, or be a part of its development policy to contribute to the development of the emigration country. Deciding how to weigh the effects on the two countries becomes a matter of some complexity.

A policy for circular migration will not be optimal as an efficient use of the world's labour forces. However, it would most likely lead to a better use than today's highly limited system, which is in force in most EU countries for third-country workforce immigration.

Since December 2008 Swedish companies have improved possibilities to employ workers from non-EU countries. The basis for decisions concerning work and residence permits for workers from a third country is now the employers' assessment of their need to recruit foreign workers. A fundamental condition is a job offer suitable for the person in question to live on. Swedish collective agreements or praxis within the branch or profession must be followed. The principle of preference for EU members applies, whereby citizens of the EES and Switzerland are to be favoured for an appointment. A work permit is granted for no more than two years but can be extended several times and after four extensions a permanent residence permit can be issued. A residence permit can be recalled from foreign workers who have lost their job. A person who loses his/her job while still holding a work permit has three months to find new employment. During the first five months, this opportunity was seized by between three and four thousand persons with a technical qualification.<sup>21</sup>

This system seems more flexible than the one sketched out and discussed under the concept of circular migration. In the Swedish system there are no limitations for the destination country (that is, Sweden) with regard to the choice of third country from which to recruit. At the end of a contract, all that is demanded of the individual worker is that he or she leaves the country but not necessarily returns home.

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<sup>21</sup> Cf. the Swedish Migration Board website: <http://www.migrationsverket.se/>

## 5. CONCLUSIONS

There is evidence that the emigration of highly skilled workers has a positive effect on the country of origin's human capital, if it is a large country such as China, India or Brazil. The emigration of highly skilled people from small and poor countries seems not to generate the same positive effects on human capital; rather it seems that negative effects dominate (Beine *et al*, 2008).

The size of the local labour market in the emigration country is therefore of importance to the effects of a policy for circular migration. A policy to stimulate circular migration between a particular rich country and a particular small less developed one may benefit the former but negatively affect the latter.

Of course one should not only consider the effects on human capital formation in assessing different systems. When the financial effects of migration in terms of remittances, effects on increased trade and increased investments due to longer sojourns abroad are considered, it might indeed show that even the smaller and poorer countries benefit from the emigration of skilled workers, notwithstanding the loss of human capital. It is however reasonable to believe that even these effects can prove to be greater if the country of origin is a larger region. The likelihood is greater for the returning migrants to find work where they can apply their new experience and knowledge. With greater access to business contacts the likelihood increases for good investments that will benefit development.

An individual EU country should then not enter into cooperation with an individual poor country, such as, e.g., a sub-Saharan African one, but with a region of countries in that area where the individual countries have improved their chances of recruiting a workforce from other countries. Should individual EU countries today establish a system for mobility that encourages a migration policy with individual countries, it would possibly do more harm than good to many countries with high emigration. Whether the individual nations in e.g. sub-Saharan Africa are large enough today for a mobility-enhancing migration policy to have positive effects is a matter in need of further research.

Therefore, one strategy could be first to establish well-functioning labour market institutions whereby the individual countries may receive immigrant workforces and the countries become better integrated with one another. If migration to EU countries was enabled for greater regions with more integrated economies, the individual returning migrant might find appropriate work more easily in which he or she can make use of the experiences gained during the period in the more developed countries. It would also increase the chances of establishing good business relations and investment of any savings. This would benefit trade relations between the countries of the poor regions and between these individual countries and those of the EU. If many individual EU countries created a relationship with workers from an area with a free labour market south of the Sahara, say, this would most likely generate positive trade effects for both. It is also obvious that if one wishes to reach large volumes of highly skilled immigrants one can hardly turn only to one small African country.

The policy to stimulate mobility being discussed under the concept of circular migration may however lead to regulations with more negative than positive effects. The use of a migration policy to achieve economic development would require a very detailed knowledge of the consequences for the home countries of the emigration of their highly skilled workforce. A successful immigration policy presumes that we know, or at least have a good estimation of, the effects of emigration on the human capital of the country of origin, which duration of migration best suits the establishment of businesses, the effects and extent of remittances, etc. Since such knowledge is lacking, and will be lacking for a long time to come, it might be better to let the market forces steer third-country migration.

In comparison with other EU countries, Sweden is at the forefront with regard to openness for third-country labour immigration. The discussions held so far about the EU's future immigration policy seem to involve less openness than enjoyed in today's Swedish system. It would be regrettable if Sweden switched to a system that caused a lower degree of labour mobility across its borders.

A good strategy could be to maintain the present system and further develop it. Its best features are its simplicity and the minimum of regulations it requires. However, the host country benefits most and the home country

may find it hard to attract back its highly skilled workforce also if their services are in great demand there. Here again, though, the creation of new institutions facilitating immigration into the poorer countries could be an efficient way forward.<sup>22</sup>

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<sup>22</sup> One can also consider transferring some Swedish tax revenues paid by the skilled immigrants from third countries back to the country of origin. This is, however, a large and complicated matter requiring detailed knowledge of the effects on developing countries of the emigration of their highly skilled people – knowledge that is lacking at present.

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#### *Links*

<http://www.eldis.org/go/topics/dossiers/human-resources-for-health/africa/migration>

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## **SAMMANFATTNING PÅ SVENSKA**

Inom EU har man diskuterat möjligheterna till ett utökat migrationssamarbete mellan enskilda EU-länder och mindre utvecklade länder utanför EU. Cirkulär migration har här blivit ett centralt begrepp för unionens framtida migrationspolitik, innebärande att migranter ska uppmuntras att flytta flera gånger mellan utvandrings- och invandringsland. Det grundläggande syftet är att den internationella rörligheten för arbetskraft ska effektivisera både ursprungslandets och mottagarlandets ekonomier. Arbetskraftsbehovet i de rikare, mottagande länderna ska tillfredställas samtidigt som migranternas och deras hemmavarande familjemedlemmars inkomster ska öka och de ekonomiska kontakterna med ursprungslandet upprätthålls. I hög grad har diskussionerna rört sig om utvandring av högutbildad personal varvid syftet varit att undvika riskerna med att utvecklingsländer ska tappas på högutbildad personal. Emigrationen från ursprungslandet ska således inte leda till s k ”brain drain” utan till ”brain gain”. Därmed blir också migrationspolitiken en politik för ekonomisk utveckling.

Vid utvandring av högutbildade uppkommer en lång rad effekter som måste vägas samman vid en total utvärdering av en migrationspolitik för cirkulär migration. Mot bakgrund av en litteraturgenomgång av dessa effekter diskuteras problem som kan uppkomma i samband med utformandet av en rörelsefrämjande politik.

En slutsats som dras är att utvandringsländerna inte nödvändigtvis bör fokusera på att få tillbaka sin utvandrade högutbildade personal då arbetsutbudet behöver ökas. I stället bör företag i ett enskilt land varifrån högutbildade utvandrat, och som på kort sikt behöver öka antalet högutbildade, rekrytera personal på den internationella arbetsmarknaden och inte nödvändigtvis försöka förmå emigranter från det egna landet att återvända. Ett problem för många fattigare länder är dock att de saknar de institutioner som kan behövas för att ta emot och integrera arbetskraft från andra länder. På kort sikt kan därför enskilda länder i stället behöva bygga upp nödvändiga institutioner för en väl fungerande arbetskraftsinvandring. På längre sikt bör fattiga länder gå samman för att skapa stora regioner med fri arbetskraftsrörlighet. Detta förutsätter dock en politisk process som kan ta lång tid.

Samtidigt som utvandring av högutbildad personal kortsiktigt minskar tillgången på humankapital kommer möjligheterna att utvandra till höga inkomster också att stimulera flera att söka sig till högre utbildning. Nettoeffekten på den långsiktiga humankapitalbildningen är därför inte given. Det finns belägg för att utvandringen av högutbildade har en positiv effekt på ursprungslandets humankapital i stora länder såsom Kina, Indien och Brasilien. En orsak till detta kan vara att dessa länder har ett förhållandevis väl utvecklat utbildningssystem. Utvandring av högutbildade från små fattiga länder förefaller däremot inte generera samma positiva effekt på humankapitalbildningen i hemländerna. I stället verkar här de negativa effekterna på humankapitalbildningen att dominera. Storleken på den inhemska arbetsmarknaden i utvandringsländerna kan således vara av vikt för om en politik för cirkulär migration ska gynna ursprungsländerna eller inte. En invandringspolitik för att stimulera cirkulär migration mellan ett enskilt rikt land och ett enskilt litet och mindre utvecklat land kan vara till det rika landets fördel medan det mindre underutvecklade landet kan påverkas negativt.

En rörelsefrämjande migrationspolitik för enskilda EU-länder såsom Sverige bör då helst ske i samarbete med en större region av ursprungsländer. Härigenom ökar sannolikheten för att de positiva effekterna av utvandringen av högutbildad personal från ursprungsländerna kommer att överväga de negativa effekterna. Det kan emellertid visa sig vara fördelaktigt att Sverige vidareutvecklar det system för en liberalare arbetskraftsinvandring från tredje land som infördes i december 2008. Om Sverige har att välja mellan att fortsätta på den inslagna vägen eller att gå över till ett detaljreglerat system enligt de diskussioner som förts kring ”cirkulär migration” är den förstnämnda med stor sannolikhet att föredra.

Beaktas även de finansiella effekterna i form av remitteringar, ökad handel och ökade investeringar till följd av en längre vistelse utomlands, kan det naturligtvis visa sig att även de mindre och fattiga länderna kan komma att tjäna på utvandring av högutbildade även om humankapitalet minskar. Men även dessa effekter kan visa sig vara större om ursprungslandet är en del av en större region. Sannolikheten är större för att en återvändande migrant kan hitta ett arbete där han kan dra nytta av de nya erfarenheter och kunskaper han eller hon erhållit under vistelsen i det rikare landet om regionen att återvända till är större. Matchningen mellan vakanser och

arbetssökande förbättras om de arbetssökande har ett större geografiskt område att söka inom. För återvändare som vill etablera affärskontakter ökar också sannolikheten för goda investeringar om det område inom vilket man kan söka kontakter är stort.

Ett enskilt EU-land skulle då inte ingå ett samarbete med ett enskilt fattigt land utan med ett antal länder, till exempel söder om Sahara, och där företagen i de enskilda länderna har förbättrade möjligheter att rekrytera arbetskraft från andra fattiga länder. Skulle de enskilda EU-länderna idag etablera ett system för rörelsefrämjande migrationspolitik med enskilda små länder skulle detta kunna göra större skada än nytta för utvandringsländerna. Huruvida de enskilda länderna till exempel söder om Sahara idag är tillräckligt stora för att en rörelsefrämjande migrationspolitik skulle ha positiva effekter är en fråga som behöver belysas mer.

En strategi kan därför vara att först se till att skapa väl fungerande arbetsmarknadsinstitutioner där de enskilda länderna kan ta emot invandrad arbetskraft. Om möjligheter skapas för migration till EU-länderna från större regioner med mer integrerade ekonomier skulle detta göra det möjligt för den enskilde återvändande migranten att finna ett arbete där denne kan utnyttja de erfarenheter som erhållits under tiden i de mer utvecklade länderna. Det skulle också öka sannolikheten att etablera goda affärsförbindelser och att väl investera ett eventuellt sparad överskott. Detta skulle gynna handelsförbindelserna mellan länderna i den fattiga regionen och mellan de enskilda länderna och EU-landet. Om många enskilda EU-länder skapar ett system där personer från ett område med fri arbetsmarknad söder om Sahara kan utvandra skulle detta också med stor sannolikhet generera positiva handelseffekter såväl för den fattiga regionen som för de utvecklade EU-länderna. Det är också sannolikt att om man vill uppnå stora volymer på arbetskraftsinvandringen av högutbildade kan man knappast enbart vända sig till något litet land i till exempel Afrika.

Den rörelsefrämjande migrationspolitik som diskuterats under benämningen cirkulär migration kan dock leda till regleringar som kan ha större negativa effekter än positiva. För att migrationspolitiken ska kunna användas för att uppnå utvecklingsekonomiska mål skulle krävas mycket detaljerad kunskap om hur ursprungsländerna påverkas av att deras högutbildade emigrerar. En framgångsrik detaljreglerad invandringspolitik

för cirkulär migration i syfte att gynna utvecklingen i ett utvandringsland förutsätter att man för varje enskilt land vet, eller åtminstone har en god uppfattning om, utvandringens effekter på humankapitalbildningen, vet vilken migrationstid som gynnar företagsetablerandet, vet omfattningen av remitteringar och deras effekter, med mera. Då denna kunskap saknas, och kommer att saknas under en lång tid framöver, kan det visa sig vara bättre att låta marknadskrafterna styra, det vill säga låta migrationen från tredje land bestämmas av efterfrågan på arbetskraft i de utvecklade länderna.

I jämförelse med andra EU-länder ligger Sverige långt framme när det gäller öppenheten för arbetskraftsinvandring från tredje land. De diskussioner som hittills förts om EU:s framtida invandringspolitik förefaller innebära mindre öppenhet än dagens svenska system. Det vore beklagligt om vi övergick till ett system som innebär lägre grad av arbetskraftsrörlighet över våra gränser.

En strategi kan vara att hålla fast vid den inslagna vägen och vidareutveckla det system som skapades 2008. En stor fördel är enkelheten och det minimum av reglering som systemet kräver. Fortfarande gäller dock att invandringslandet gynnas och utvandringslandet kan ha svårt att locka tillbaka sin utvandrade högutbildade arbetskraft även om det råder en hög efterfrågan på deras tjänster. Om vi har anledning befara att utvandringsländerna påverkas negativt av att högutbildade emigrerar kan vi bidra till uppbyggnad av institutioner för arbetskraftsinvandring i utvandringsländerna.

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