

MANAGING RETURN MIGRATION FOR DEVELOPMENT

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Governments and other homeland institutions need to recognize the value of returnees' enhanced human capital and remove barriers to their employment in positions that allow them to contribute their talents to homeland development.

As the debate over the relationship between migration and development evolves, more attention is being given to the potential contributions of the diaspora. This policy brief focuses on only one aspect of the diaspora, their human capital and the development benefits that it can produce through return migration and reintegration. Development is defined to be the enhanced capacity of a society to generate and distribute wealth, and some of its fundamental enabling conditions are emphasized.

Human capital is at the root of development and is responsible for such basics as innovation; organizational development and management; the rule of law; and overall competency in the affairs of government, business, and civil society. In general, development takes place more when the investment environment is favorable and less when it is not. Human capital and productivity are in a positive relationship since more of the former can bring about more of the latter.

Acquiring a foreign education or work experience can result in major human capital enhancements for the migrant that can improve the development potential of a homeland. Especially valuable is experience in innovative industries and competent administrations. Key are organizational skills, management skills, team skills, and values and attitudes associated with the rule of law and a drive for excellence that are acquired most potently from experience in institutions. Accompanying these are enlargements of the diaspora's social capital including from international experience and education, which can contribute to trade, business, and investment links between the homeland and abroad.

Human capital, social capital, and development policy

Enhancements of human and social capital resulting from migration are receiving greater attention in the contemporary migration-development discussion. To be maximally sustainable, development must be built upon a solid foundation of human capital. Imports of financial capital may be intermittent, short term, and precarious. Overreliance on remittances or other injections of foreign financial capital can be risky. There is merit, then, in homelands' investing in measures to bring back the human capital of their diaspora and working to reintegrate them into homeland institutions. In managing international enhancements to the domestic supply of human capital there are two main imperatives:

- Facilitating the return of internationally acquired human and social capital to the homeland through active recruiting and the offering of effective incentives
- Ensuring the incorporation of this human and social capital into the domestic economy and its governmental and social framework through active reintegration.

Recognizing the development potential in the diaspora's human capital is a necessary first step in policy formation. Homeland governments are starting to recognize the potential of their diasporas to contribute to economic development, and many have established ministries responsible for maintaining relations with the diaspora; encouraging their return, whether temporary or permanent, and assisting with their resettlement. It is important that homeland governments acknowledge that policy can make a difference and that homelands are not powerless in attracting back those who left.

Motivating members of the diaspora to return requires attention to incentive structures. Research indicates that many of the salient incentives are the same as those that motivate foreign investors: an environment characterized by the rule of law; transparency and predictability in the application of regulations, employment practices, and so on; sound financial institutions and practices; and social and political environments supportive of a good life. Although not negligible, feelings of attachment to the homeland are insufficient to motivate a return.

Research also indicates that the challenges of reintegration into the homeland are often similar to those of integrating into a host society. Foreign education and experience can meet with resistance in the labor market; culture and values acquired in the host society can impede reintegration both socially and economically; gaining access to housing, health, and social services and other basics of life, such as acquiring driving licenses, can be difficult. And with regard to establishing businesses, returnees can experience extremely lengthy administrative processing times, uncertain application of regulations, less-than-transparent arrangements with financial institutions, and overt corruption. Each of these will deter return and investment in the homeland, and thus development. Each of these will deter return and investment in the homeland, and thus development.

Success therefore requires interventions beyond the usual purview of diaspora ministries. Required is a "whole-of-government" approach that builds into a development strategy

a strengthening of the fundamental conditions that make a destination attractive to investors and migrants. But in addition to these fundamentals, policy can make a direct difference to return flows, and homeland governments should consider entering this policy arena to take advantage of the potential development benefits of the enhanced human and social capital of their diasporas. As GDP growth rates are increasing in more developing countries, they become more attractive in the global competition for talent and more able to attract back their émigrés and benefit from their participation in the economy and the administrative frameworks within which economic activity takes place. Many migrants are attracted by potential long-term growth as opposed to immediate gains, an attitude that makes them preferred investors and employees.

More specifically, in enlarging a society's human capital through return migration, governments should look at long-term émigrés, shorter-term emigrants including students, as well as émigrés' foreign-born children. Public investments in education, then, should support or at least permit citizens to acquire high-quality education abroad. More aggressive measures include offering financial supports to citizens to study abroad but on the condition that they return to the homeland and seek employment. Other policy measures that homelands can consider include the following:

- Bilateral agreements, for example, between domestic and foreign universities that facilitate the exchange of students and faculty as well as agreements to support intracompany transfers
- Bilateral agreements on the provision of long-term multiple entry visas to encourage the circulation of the highly skilled; often, temporary migration is a more realistic expectation than permanent returns
- The offer of dual citizenship to facilitate both return and the circulation of talent
- Identifying and promoting the competitive advantages that the homeland offers to its émigrés; many homeland governments have yet to maintain systematic contact with the members of their diaspora, which means that many of them are unaware of the investment, employment, or other opportunities of returning. Active recruiting, however, is not solely a responsibility of government. Equally important are the business community and the education sector.

Governments also need to consider policies to support the reintegration of returnees and their family members. Some policy intervention target to consider are the following:

- Mechanisms to assess credentials acquired from outside the homeland should be established. Employers can be

encouraged to take foreign education and experience seriously, considering the benefits that they offer to their organizations.

- Many returning members of the diaspora report social resistance to their return that can be manifested in multiple forms of discrimination. Government antidiscrimination programs and equal application of regulation can help their reintegration and thereby the use of their enhanced human and social capital.
- Research often finds resistance to ideas brought back to the homeland from the migrants' host countries, which can be particularly important with regard to governance, business transactions, management practices, and the rule of law. As has been seen in developed countries that receive skilled immigrants, welcoming a diversity of viewpoints in an organization can stimulate innovation and enhance productivity. Governments can encourage a more open attitude to ideas and practices from the outside, particularly where incorporating these ideas can yield higher profit margins for businesses and more cost-effective programming for public bodies. Governments can also benefit from these ideas in smoother negotiations with other countries on matters of business, trade, and investment as well as foreign policy.

Conclusion

Migrants' human capital is enhanced when they are integrated into their host societies through both education and employment. Homeland governments, businesses, and other institutions ought to recognize this general attribute of their returning diaspora and actively support its incorporation by facilitating more effective reintegration. This could involve facilitating the recognition of foreign credentials and experience by homeland institutions and programs that raise awareness of the benefits that returning migrants can bring to an organization.

In general, homeland governments ought to begin regarding migration as more than the emigration of their citizens that causes "brain drain". A new perspective on migration would see the homeland as a viable competitor for the talent that is embodied in the diaspora and act on this potential. Managing reintegration is an essential part of managing return migration. Reintegration does not take care of itself. Governments and the other institutions need to recognize the value of returnees' enhanced human capital and remove barriers to the employment of returnees in positions that allow them to contribute their talents to homeland development.

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