

## **WHAT HAVE BEEN THE EFFECTS OF VOLUNTARY RETURN PROGRAMS ON MIGRATION FLOWS IN THE CONTEXT OF 1973/4 AND 2008/09 ECONOMIC CRISES?**

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In his foreword to the 2008 edition of Migration Outlook, the OECD Secretary General – Angel Gurría – drew on impressions from his early September, 2008 visit to Spain.

*I have just returned from Spain where the complexities of migration policy are clearly illustrated. Over the past decade, Spain has seen the most significant increase in immigration in the OECD. Based on a consensus with the social partners, there was a large regularization of immigrants and only few restrictions were applied to recruitment from abroad. Immigrants helped expand sectors such as construction, agriculture and tourism and filled the coffers of the treasury and social security system with their contributions. Spain is now going through a serious economic slowdown and immigrants were among the first to lose their jobs; having sent their savings back home, they lack money and family support networks and have turned into one of the most vulnerable groups of society. Both return migration and the integration of migrants have now moved to the top of the Spanish policy agenda while plans to severely restrict hiring abroad are being discussed” (Gurría, 2008).*

On 11 November 2008 Spain authorized the redundant migrant workers to collect their unemployment benefits in a lump sum and obtain free transportation home, allegedly to shield them from recession. However, Spain had attempted to rotate migrants since as early as 2001, in response to the growth of irregular migration and the

expansion of precarious jobs. While the economic crisis opened a window of opportunity to curb labour subsidy to the labour-intensive sectors of Spanish economy, such policy resuscitation would have occurred anyway due to the unsustainability of precarious jobs-based growth. In other words, had the Spanish government granted employers in labour intensive sectors a financial subsidy to rationalize, mechanize or “offshore” the jobs which were becoming unpopular among local workers, both Spanish and foreign workers would have been less vulnerable to the economic recession: Spanish workers would have enjoyed the amelioration of working conditions (e.g. as a result of mechanization) and foreign workers would have enjoyed wider employment opportunities at home (e.g. as a result of off shoring of most labour-intensive production and freer trade).

The study does not aim to discuss how labour intensive jobs expanded nor how migrants were channeled to them, because these processes have been documented in the literature on labour migration to Spain and in the annual OECD-SOPEMI reports. Instead, the objective is to assess under which conditions could Spain’s voluntary return policies (VRPs) reverse the process of unsustainable precarious jobs-based growth while balancing the interests of Spain with those of the countries of origin.

The study consists of three parts. The first part briefly overviews various categories of return incentives instituted in France, Germany, the Netherlands and Belgium in the 1970s and 1980s. It argues that these policies were most successful

when they involved cooperation with the countries of origin, development aid and integration of those migrants who decided to stay on.

The second part refocuses on the current Spanish voluntary return programs, particularly APRE- the program created specifically to assist migrants in the context of the financial crisis. This part discusses the main assumption underlying the current Spanish VRPs, namely, that foreign workers and their homelands would acquiesce to voluntary return. It argues that the countries characterized by improving economic, political and social conditions (e.g. Romania) have been more inclined to receive back their migrants, while countries in more precarious economic, political and social straits (e.g. Morocco) preferred that Spain improved migrants' working and living conditions and encouraged diaspora to send remittances and invest at home without renouncing residence abroad. While assessing the current Spanish program, the study also reviews the lessons from other VRPs implemented in the past, notably by France and Germany.

The third part assesses the strengths and weaknesses of the Spanish VRP and recommend four long-term policies, since VRP cannot substitute for more comprehensive solutions, namely: (1) full labour and social integration of migrants already present in Spain; (2) a reliable system ensuring migrants decent working and living conditions (expressed in pre-admission rules and post admission verification); (3) financial and administrative support for rationalization, mechanization, and offshoring of

production of the most labour intensive sectors; and (4) sustainable development of the countries of origin.

The study is mostly based on the analysis of annual OECD migration reports, the Spanish legislation concerning voluntary return programs, and interviews with program facilitators at the Ministry of Labor and at the International Organization for Migration in Madrid.

### **WESTERN EUROPEAN VOLUNTARY RETURN PROGRAMS IN THE AFTERMATH OF THE 1973/74 CRISIS**

The Western European governments took four broad types of approaches to stimulating voluntary return of foreign nationals in the post 1973/4 crisis period: (1) policies aimed to stimulate the development of migrants' countries of origin; (2) individual returnees training (e.g. the Dutch unemployment benefits and pension transfer program of 1985); (3) regulations concerning social security and pensions benefits; (4) return premiums (e.g. the French 1977 program) (Penninx, 1986: 965-966). The effectiveness of these measures varied greatly according to the degree of settlement of a given migrant group in the receiving countries, the specific policies taken by the country of origin to facilitate sustainable return of its nationals, as well as the availability of alternative emigration opportunities.

France was the first country to authorize VRPs and by 2010 has developed the most complex set of such policies in Europe. The French VRP debuted with the 1977 scheme offering 10 000 French Francs to any non-EC foreigner who would renounce

the claims to French social security and leave the country. The program did not attract much interest among the citizens of the most impoverished countries of origin, because their governments were not prepared to provide returners with work and housing. Thus since 1980 the French authorities have attempted to support the homelands' capability to reintegrate returning migrants. By 2009 both documented and undocumented migrants were entitled to some form of VRP consisting of a free return ticket, departure bonuses of up to €2000 per adult and €1000 per each child, €7000 in labor market reinsertion grant and consultative services.

The German *Ländern* attempted to administer a VRP since in 1975, but it was not until 1983 when the Federal Government authorized immediate repayments of social security and return aid for the non-EC migrants willing to depart from Germany. The amounts paid to the beneficiaries of the social security reimbursement program varied according to the contributions made by each migrant. Additionally, migrants were able to withdraw their government-subsidized savings before maturation and without penalty, as well as receive severance pay. They had to leave Germany and could not return there in subsequent years to take up work. The program did not stipulate that family members had to accompany departing migrants. The return aid was limited to those migrants who had become unemployed or forced to work short hours. Migrants were eligible to DM 10 500 per adult and DM 1 500 per child and consultative services (OECD, 1983: 16; OECD, 1984: 35). Unlike the beneficiaries of the social security repayment program, the beneficiaries of the return aid had to leave Germany with their

spouses and dependent children and were not permitted to return to work. The Federal Government did not renew the two programs claiming that it was the job creation in the countries of origin that should form the base of a return policy (OECD, 1985: 36).

Around 306 000 foreigners were reported to have left Germany during the Repatriation Assistance Act period from November 1983 to September 1984 (OECD, 1988: 7), mostly to Turkey. Eighty-five percent of applicants for the return aid (14 459 out of 16 833) and for the social security refund (120 000 out of 140 000) were Turks (OECD, 1985: 36). While the relieved unemployment pressures in Germany, it intensified them in Turkey. Some 250 000 Turks returned from Germany and elsewhere in 1984, notably Libya where Turkish companies were experiencing a 50 percent decrease in employment due to falling oil prices (OECD, 1986: 22). In 1984 unemployment in Turkey was 16.5 percent. The Turkish government took a number of steps to facilitate reinsertion of returners, including customs exemptions, business start-up and housing loans, “catch-up courses” for migrants’ children (OECD, 1986: 22).

The Dutch considered paying migrants up to 5000 guilders for return as early as in 1974, but the investigators concluded that the Dutch Ministry of Development should promote development in the countries of origin regardless of whether their migrants would return or not. Only 10 percent of funds originally destined for the voluntary return were allotted for the purpose of voluntary repatriation. Since 1976, based on REMPLOD and later NCB-IMOS program, migrants willing to benefit from these funds

could make a proposal for a job project at home and demonstrate financial and logistical capability to launch the project if granted only symbolic support from the Dutch government. Even though most of the returnees the program supported were successful, the Dutch government terminated the program in 1984. It was argued that the program results did not justify its high costs and, furthermore, that the emphasis on return contradicted the spirit of the Netherlands' new "minorities policy" (Rogers, 1997: 160).

With the introduction of its "minorities policy" in the early 1980s, the Dutch government favored settlement of labor migrants. The Scientific Council for Government Policy proposed to structure the policy based on assumption that most migrants would stay in the Netherlands, and the efforts should be directed at their integration rather than return. Nevertheless, in 1985 the Dutch government authorized two new return programs. These involved no deadlines but prohibited remigration to the Netherlands, which was not well received by migrants and their countries of origin (Rogers, 1997: 157).

The first program provided migrants with free return tickets and subsistence costs for the first three months in the home country. The second program enabled migrants over 55 (since October 1987 lowered to 50) to return home without losing their unemployment benefits. Returnees under this program received unemployment benefits corresponding to the costs of living in their homelands until they turned 65 and thus

became eligible to receive pensions (Rogers, 1997: 158). According to the OECD SOPEMI reports, neither of the two Dutch programs influenced the return migration figures greatly, particularly among migrants who had reunified with their families in the Netherlands. The settlement was to a large extent facilitated by the citizenship Act of December 19, 1984 which granted Dutch nationality to 34 600 persons (OECD, 1987: 35), as well as by the poor employment perspectives at home (Muus, 1988: 7).

In 1984 Belgium authorized a modest return assistance program for humanitarian reasons. Participating migrants were offered a small amount of cash and moving and travel costs. However, out of approximately 200 persons who participated in it, most were asylum seekers. Thus on August 1, 1985, the authorities created a new program. The program was available to those non-EC nationals who had been unemployed for at least a year. It paid a bonus equal to 312 times the daily unemployment compensation, plus 50 000 and 15 000 Belgian francs to spouses and children respectively. In exchange for return assistance, migrants had to return with their families, renounce their social and economic rights and privileges in Belgium, and not return to work in Belgium in the future (OECD, 1985: 7). In Belgium, like in the Netherlands, the settled migrants were able to benefit from reformed naturalization legislation. The new law was a major reason for the 5.7 percent drop in the migrant population in Belgium in 1985 and probably why only 594 persons, mostly Turks, decided to benefit from the program until it was terminated in July 1989 (OECD, 1987: 21; OECD, 1990: 16).

Thirty-three years following the authorization of first VRP in Europe, there is no evidence to what extent VRPs stimulate returns and to what extent they subsidize the returns of those who were going to return anyway. The numbers of migrants who benefitted from these schemes have been often smaller than expected by the receiving countries, and larger than considered sustainable by the sending countries. As migration flows linked receiving countries to increasingly more economically, politically and culturally distant countries of origin, providing migrants with the opportunities for sustainable return became more difficult.

## **SPAIN'S 2009-2010 VOLUNTARY RETURN PROGRAMS**

### **Principles of Spain's VRPs**

Spain had been grappling with rising immigration flows since the 1990s, but until 2001 it was largely able to absorb the migrants through expanding economy and frequent regularizations. In 2001 Spain attempted to discontinue regularizations as it was expected that such operations could have a magnet effect (Plewa and Miller, 2005). If regularizations were to be discontinued up to 100 000 migrants a year, as attested by 2005 legalization could, get stuck in a socio-economically vulnerable condition. Thus, in 2003, the Spanish government decided to follow the French post 1992 *aide au retour humanitaire* example and authorized socio-economic deprivation-based VRP. The IOM which had a long experience of facilitating VRPs helped the Spanish government to administer the scheme from the very beginning.

The socio-economic deprivation-based VRP started with the PREVIE program in 2003. In 2006, Madrid and Cataluña, and in 2007 Valencia regional governments financed their own programs: PREVICAM and PREVICAT and PREVIVAL respectively. Due to financial difficulties, in 2008 PREVICAM and PREVIVAL were suspended after two years, but PREVIE and PREVIVAL persisted. The onset of the economic crisis created a need for such a VRP that would allow the unemployed migrants leave home to ease the job competition in Spain. Thus in November, 2008 the Spanish government authorized an unemployment-based program - APRE. However, a number of migrants feared returning home unless they could realistically count on employment there. Thus In 2010, the Spanish government authorized an investment-based program.

As of December 2010 migrants in Spain could apply to one of the three categories of voluntary return programs: (1) socio-economic deprivation-based program; (2) unemployment-based program (APRE) and; (3) an investment-based program (table 1). While designed and financed by the Spanish Ministry of Labor, the programs were administered by the IOM, Spanish Red Cross, and ten approved humanitarian or migrant organizations.

**Table 1**

**Spanish Government subsidized VRPs**

SOCIO-ECONOMIC DEPRIVATION-	INVESTMENT-BASED VRPs	UNEMPLOYMENT- BASED VRP
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**BASED VRPs**

<b>Program's Name</b>	<i>Atencion social</i>	<i>Atención social cofinanciado</i>	<i>Productivo</i>	<i>Productivo cofinanciado</i>	<i>APRE</i>
<b>Objective</b>	Subsidize return of migrants who cannot sustain themselves in Spain	Subsidize return of migrants who cannot sustain themselves in Spain	Subsidize return of migrants who wish to become small entrepreneurs following their return home but lack the means to do so	Subsidize return of migrants who wish to become small entrepreneurs following their return home but lack the means to do so	Facilitate return of officially unemployed migrants willing to collect the accumulated unemployment benefits
<b>Status</b>	Legal, having resided in Spain for at least six months	Irregular or unprocessed asylum seeker	Legal	Illegal or unprocessed asylum seeker	Legal, entitled to receive unemployment benefits
<b>Country of origin</b>	Any	Non-EU	Any	Non-EU	Non-EU signatory and of bilateral social agreement

The socio-economic deprivation-based VRP was opened to both legal and illegal migrants as well as to unprocessed asylum seekers. In order to qualify they had to prove that they found it difficult to sustain themselves in Spain.<sup>1</sup> The investment-based VRP was also opened to both legal and illegal migrants as well as to unprocessed

<sup>1</sup> Additionally, legally-residing migrants must demonstrate that they have resided in Spain for at least six months. The Spanish authorities did not make it clear whether migrants who have not resided in Spain for this period, but having been recognized as socio-economically disadvantaged would be rejected or not.

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asylum seekers, but it was limited to those who wished to become small entrepreneurs following their arrival home but lacked the means to do it. The socio-economic and investment VRPs were opened to both EU and non-EU citizens. The unemployment-based VRP was opened to those legal migrants who became unemployed and wished to collect the lump sum of their benefits immediately. It was opened to the citizens of those non-EU countries which were signatory of social security agreements with Spain.

**Table 2**

**VRP entitlements and obligations by program**

<b>SOCIO-ECONOMIC DEPRIVATION-BASED VRPs</b>	<b>INVESTMENT-BASED VRPs</b>	<b>UNEMPLOYMENT-BASED VRP (APRE)</b>
Free transportation home for the principal returnee and family members	Free transportation home for the main returnee	Free transportation home for the main returnee and the family members
Pocket money of €50, up to €400 per family.	Pocket money of €50, up to € 400 per group of entrepreneurs.	Pocket money of €50, up to €400 per family.
Return grant of € 400 per person, up to €1600 per family	Return grant of €400, up to €1600 for joint projects	Cash advance of accumulated unemployment benefits
	€1500 project support, up to €5000 in case of joint projects.	
	Project assessment orientation and training	
Participants of all programs must surrender health card, work and residence permits and not return to Spain for employment purposes within three years		

The recipients of all programs were entitled to free transportation home (table 2). The families of the recipients of socio-economic deprivation-based and the unemployment –based programs had their travel costs covered as well. Each program provided returners with a €50 pocket money (per returner, for up to €400). The socio-economic deprivation- and investment-based VRPs offered €400 return grants per person, up to €1600 per family or a group of investors. The APRE returners were in principle excluded from this nominal departure incentive as it was assumed that their unemployment benefits would be greater. The investment-based program additionally granted a specific-project development grant of €1500, up to €5000 for projects implemented by a few entrepreneurs.

**APRE: the special VRP to boost returns in the context of the 2008/2010 crisis**

The APRE program was advertised in all of Spain's employment services offices, where the applications had to be filed. The candidates had to be the citizens of a country which: (1) had a social security agreement with Spain and (2) was not a member of EU, European Economic Area or Switzerland. The first condition aimed to ensure that workers would be able to collect the departure bonuses once they returned home. The second condition aimed to prevent the workers from returning to Spain after

having collected the bonus.<sup>2</sup> The Ministry of Labour gave itself leeway to approve citizens of a country with which Spain did not have bilateral social security agreements, as long as these countries could guarantee the payment upon return. According to these two principles, the VRP applied to citizens of Argentina, Andorra, Australia, Brazil, Canada, Chile, Colombia, Dominican Republic, Ecuador, United States, Philippines, Morocco, Mexico, Paraguay, Peru, Russia, Tunisia, Ukraine, Uruguay, and Venezuela (MTAS, 2010).

Migrants who wished to participate in the APRE program had to be eligible for unemployment benefits. Unless they had met this criterion already, they had to register with local Employment Services (ES) within 15 days after being laid off. If they did not report within this time frame, they lost the right to unemployment benefits, and therefore to this particular voluntary return program. Since it was the worker's (and not employer's) responsibility to keep abreast of the unemployment benefits eligibility regulations, many unemployed, both foreign and Spanish were not aware of the 15 day rule and could not avail themselves of the cash for return until they became involuntarily unemployed again and reapplied within 15 days.

It was expected that migrants who committed themselves to the program as soon as they became unemployed would be able to claim between €7000 and €8000 in benefits. Between program's inception and June 2009, the medium bonus paid to an

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<sup>2</sup> the citizens of EU, EEA and Switzerland could not be prohibited from re-entry to Spain, therefore they were not eligible to participate in the program.

APRE returner amounted to € 9035, 81. Migrants could commit themselves to the program at any point of time while they were receiving unemployment benefits, but the longer they waited, the smaller the voluntary return benefits they were going to obtain. This did not make much of a difference for migrants, because they were going to receive the benefits anyway. But it made a big difference for in program effectiveness, because the value of departure incentive decreased overtime. When unemployed migrants use up their unemployment benefits, they become illegible for the program. Thus, while the APRE VRP was budget-friendly, it limited itself to assisting the migrants who from the very outset had decided to depart Spain. With the amount of benefits decreasing over time, the program was ill-prepared to attract undecided migrants, not to mention those who regarded repatriation from Spain as the last resort.

Even those migrants who are a priori open to the idea of return may find it difficult to depart right away, because of the time involved in paying off loans; selling property and equipment; being released from house rent contracts; as well as finding new housing, jobs and schools for children in the country of origin. The single workers with families back home are least constrained by those preparatory chores, but entire families require both time and assistance to make return decisions, particularly if one spouse continues to work, children are attending school and family members back in the countries of origin cannot help finding job and housing.

The Spanish VRPs provided relatively weak return incentives for family members. Apart from the free transportation, the French paid €3500 to a married couple and €1000 per child (up to three children and 500 for any additional children). The Czechs paid €500 to spouse and €250 per child. The Spanish program provided € 400 per spouse. The Spanish returners also received €50 in pocket money each (up to €400 for family) (MTAS, 2010). Since 1983 the French have counseled departing migrants and their families to help them make return decision. Depending on the country, the French have also provided post-return follow up, particularly to ease the reinsertion of children in the home society's educational system. Neither the Spanish nor the Czech government provided counseling. However, the Spanish program was more customer-friendly as it provided multilingual assistance.

Even the countries which paid bonuses to returning family members found it challenging to convince migrants to leave. Among the many pros and cons of departure considered migrants wondered to what extent would their return affect their children's ability to succeed in future. Thus some migrants stayed just so that their children could start their life from a better position than their parents did. Unlike some German *Ländern* in the 1970s and 1980s, Spain did not prepare children of migrant workers for return home. Educating migrant children with Spanish children was expected to foster their integration, which was considered more important than preparing them for eventual return. In order to provide migrant children with educational opportunities in the countries of origin equivalent to those which were afforded to them in Spain, returning

migrants would need to send their children to costly private schools. In rural areas of most of the countries of origin, this was not an option.

Once migrants committed themselves to voluntary return, they received one way tickets, €50 per person for travel to the port of departure as well as 40 per cent of the unclaimed unemployment benefits available to them. In exchange, they had to depart Spain within 30 days after receiving the 40 per cent payment. They could change their mind before receiving the 40 per cent payment but not after. Once in the country of origin, the returnees must personally report to the Spanish embassy or consulate to surrender any documents linking them to Spain (work and residence permits, national identity number card, social security card, health care card etc.) to Spanish diplomatic mission abroad. The mission authorised Spanish Employment Service (ES) to release the remaining 60 per cent of migrants' unemployment benefits through a check or a wire transfer within 30 to 90 days following migrant return. The 40 per cent was exempt from taxes in Spain, but not all bilateral social security agreements guaranteed that taxes would not be levied in the countries of origin.

Moving migrants home requires considerable psychological, administrative and financial assistance. Since the 1980s, the French government provided returning migrants with pre-departure counseling, professional training, and property selling assistance. The French encouraged the countries of origin to reduce duties on imported goods and even provided migrants with funds to purchase professional tools as well as

subsidized their transportation. As of November, 2010, the Spanish authorities did not provide migrants with satisfactory counseling or administrative or financial assistance, thereby making it more difficult for migrants to leave and for the countries of origin to receive them. According to the Ecuadorian Migration Office, it may cost over €5000 in shipping costs for a family moving back to Ecuador with some tools and a vehicle, the equivalent of an accumulated average UI. The money spent on transportation of belongings decreased the ability of returned migrants to invest at home.

The unemployed migrant workers were eligible for the same retraining packages as the unemployed Spanish workers. However, no specific retraining services were offered to them to facilitate labour market reinsertion in the country of origin. France conducted labour market reinsertion projects since 1984. At first the projects aimed to lure migrant workers to depart rather than to prepare them for the transition (many projects were accepted without much scrutiny for feasibility), but with time, and perhaps in response to illegal returns to France of those who failed to establish a sustainable business in the countries of origin, the French government began to pay more attention to migrant training for professional reinsertion. Since 1983, the French government complemented the controversial departure bonus (*aide au retour*) with labour market reinsertion bonus (*aide a la reinsertion*). In 2009 France's migrants were eligible for up to €7000 in seed money to become self-employed upon return to their home countries, project planning and project follow up assistance.

It was surprising that Spanish Labour Ministry expected the countries of origin to willingly accept their migrants given that in the 1980s Spain herself was reluctant to do so. A magazine for Spaniards abroad published by the Spanish government emphasized, “Many (emigrants), even if they wish it, cannot return to Spain right now, given the economic and social crisis situation experienced by the Spanish economy” (Struckow y Gonzalez, 1986: 27 in Rogers, 1997: 158).

The Spanish VRPs were co-funded by the EU Voluntary Return Fund. On 23 May 2007, the European Parliament passed the 575/2007/CE measure to promote voluntary return in the 2008-2013 period as an alternative to forced returns. Thus, there were funds available to make voluntary return more attractive to migrants. But to what extent could voluntary return programs achieve their objectives as long as the socio-economic conditions at home offered little enticement to return? In this respect, the Spanish epilogue to foreign worker admissions following the 2008/09 financial crisis faced the same challenge the (earlier) French VRP faced following the 1973/74 oil crisis. By placing greater emphasis on the cooperation with the countries of origin by 2006 the French somewhat improved the attractiveness of their VRP, but those who left France were replaced by the newcomers because the economic, political and social conditions in the countries of origin remained unchanged.

### **The non-unanimous position of the countries of origin**

The governments of economically, politically and socially stable countries favored permanent return of their migrant workers. By contrast, the governments of the countries which were yet to achieve such stability generally preferred migrants to maintain strong links with the homelands, so as to support the homeland through remittances and investment, while maintaining residence in Spain. However from the Spanish perspective, it was not the citizens of the former but the latter countries which needed to depart first. On the one extreme of sending countries' responses to the Spanish VRP, Romania demonstrated high interest in expanding the program to its citizens because it viewed the EU investment funds as much more valuable than remittances. On the other extreme, Morocco maintained skepticism about return migration because of the importance of remittances, the paucity of investment and severe unemployment pressures.

The returnees (participating in the Ministry of Labour VRP) were prohibited from reentry to Spain for three years following departure. Migrants suspected that the three year ban aimed to make them settle in the countries of origin, because of the high costs of moving back and forth. The lessons from the French 1977 program revealed that Portuguese and Spaniards who had departed home on voluntary return bonus had returned to France illegally prior to the 1982 legalization (Weil, 1991: 327). Many migrants wished they had a trial period to return to Spain if the conditions at home were not propitious for resettlement.

The ban on return to Spain was one reason why the Labour program did not apply to the EU citizens. With no internal controls and the EU right to reside anywhere in the EU, it would be impossible to extend the program to e.g. Romanians. The Romanian government was nonetheless interested in extending the voluntary return to its citizens because emigration had debilitated its ability to attract foreign investment and use post-accession EU funds. The Romanian government lacked funds to motivate its citizens to come back so the Spanish voluntary return program would have been very helpful, particularly following the 1 January 2009 lifting of transitional labour market mobility periods for the citizens of Romania (and Bulgaria) on the Spanish labour market. Some Romanians who had lost their jobs in Spain returned home spontaneously but soon re-entered Spain after realizing that the employment prospects in Romania were illusory.

Given the Spanish government's reluctance to include Romanians in the program, the Romanian government continued to curtail Spanish employer demand for seasonal workers. While the Romanian government viewed the economic crisis in Spain as an opportunity for national development, Morocco and Ecuador knew the limits of their capacity to integrate returnees. They faced a dilemma between accepting the returnees or acquiescing to their downward labour mobility from year-long or full time jobs to seasonal jobs and part-time jobs. Since the Spanish VRP did not include any training or job creation provisions, the non-EU countries expected the program to increase unemployment pressures and interrupt remittances flows. While they

supported spontaneous return of their citizens, and even supported it with customs exemptions and other minor post-return assistance measures, they considered a sudden wave of return migration a major obstacle to development, particularly in the context of the crisis.

The non-EU countries of origin were interested in the social and economic well-being of their citizens. But their reception resources were limited, particularly if migrants were to come home *en masse* and all at the same time. The onset of the economic crisis further debilitated their reception capacities, not only because they were affected by the crisis too, but also because Spain was not the only country which attempted to expatriate their nationals. From the Spanish perspective, if all of the UB-eligible Moroccan, Ecuadorian and Colombian workers were to depart, their countries of origin would need to receive around 36 000, 21 000 and 11 000 returnees respectively. However, from the Moroccan, Ecuadorian and Colombian perspective, the numbers of returnees were significantly larger given the simultaneous voluntary return program in France as well as spontaneous and forced returns of their diasporas from other countries. The cautious stand on return migration among the countries of origin preceded the crisis. Had Spanish officials taken it into consideration, they would have been able to build policy based on more realistic assumptions. But they had not. Hence a perception of uncooperativeness of the countries of origin arose when the program started.

The differences in the interpretation of VRP by Spain and the countries of origin were perhaps most clearly expressed in the Ecuadorian Office of Migration conceptualization of VRP (*Plan Retorno Voluntario: Digno y Sostenible*). The Ecuadorian VRP clearly stated that voluntary return (1) must not infringe on migrants' dignity and will; (2) does not have to be physical; (3) does not have to be permanent; and (4) must be sustainable (SENAMI, 2009b). In other words, according to Ecuadorian understanding of VRP, migrants should not be subject to any pressure (e.g. program deadline); could maintain their residence in Spain while strengthening the links with Ecuador through remittance transfers, investment; should be able to circulate back and forth between Spain and Ecuador; and if they decide to settle back in Ecuador, they should be offered enough time, financial and professional support to ensure that they would be financially and socially stable enough not to want to re-emigrate to Spain again.

Despite divergent conceptualizations of VRP, Ecuador developed the most Spanish VRP- friendly set of reception policies, as compared to the two other countries with the largest number of migrants eligible to return (Morocco and Colombia). The Ecuadorian *Welcome Home* plan (*Bienvenidos a Casa*) consisted of: (1) duty exemptions on household and professional equipment brought from abroad; (2) a housing loan; and (3) business start-up funds.

Ecuadorian migrants who lived abroad for at least one full year could be exempt from duty on home appliances, tools and machinery valued up to \$4000. Additionally,

they could import one car worth up to \$15 000 (SENAMI, 2009a). Migrants who were going to return anyway welcomed the duty exemption, but those undecided considered it too modest given the high shipping costs and other fees involved.

Ecuadorian returnees who did not own a house in Ecuador could also apply for a housing loan of up to \$50 000. Some migrants preferred for the loan not to tie them to the government-approved construction companies, as some regarded these companies to be slow and sell houses at inflated costs (Migrante Ecuatoriano, 2009). Migrants could apply for a housing loan prior to arrival in Ecuador. But given the time necessary to construct a house, some migrants did not want to depart until the houses are almost complete, and if the crisis was over by the time a house was built, they would rather continue to reside in Spain while using the house in Ecuador as an additional source of income. Housing subsidies are crucial in encouraging migrants return, but they can work well only with gradual returns over extended periods of time.

Since January 2007, returning migrants who resided abroad for at least one year could also compete for “Cucayo” occupational project development grants. This initiative inspired the most optimism among Ecuadorian migrants abroad and as long as the budget remains generous it is likely to help returning migrants start a business upon return home. Time will show whether it would also encourage more undecided migrants to return. The grant aimed to help Ecuadorians develop a new or support an already existing occupational project. Ideally, the project should create jobs for others, concern

agriculture, tourism, transportation, services and be innovative. The funds were expected to be complementary to those invested by migrant. In 2008 the total of \$733 000 supported 52 projects, e.g. around \$15 000 was donated to each project. The upper limit per project was \$15 000 or \$50 000 depending on whether the project had an individual/family or community character (SENAMI, 2009c). Many projects were used to support farms and grocery stores.

Even though no “overcrowding” of the same business initiatives was reported within the first two years since “Cucayo” grants were conceded, the grant selection committee planned to emphasize “original” projects in the years to come. Migrants who developed successful projects using the grants regarded project development counseling as important as financial support since no counseling was given to them in Spain and they feared they could make wrong investments upon return to Ecuador.

Similar to housing, business start-up funds also can work well as long as return migration occurs steadily, when most applicants can receive counseling and financial support, and when it is easy to prevent simultaneous mushrooming of similar projects. If all 30 000 UB-eligible Ecuadorians were to depart from Spain right away, as Spain officials wished, most likely many would have reentered irregularly. The results of the 1982 regularization in France demonstrated that many of those who had left France benefitting from *aide au retour* returned unable to integrate themselves in their home

societies and labour markets in the context of heightened return migration (Weil, 1991: 327).

To assist migrants in making a return decision, the Ecuadorian government dotted its cultural institutes in Spain—*Casas Ecuatorianas* - with a financial and administrative capacity to keep the diaspora informed about what could they expect in Ecuador following return. The *Casas* facilitated contact between migrants and potential employers in Ecuador, provided information on educational reinsertion of migrant children, and assisted migrant families with some administrative tasks associated with departure. The *Casas* staff attempted to give migrants the most realistic information necessary to make a decision. They did not aim to convince migrants to come back if migrants would be worse off in Ecuador than in Spain. Migrants who decided not to come back could use *Casas* to maintain links not only with Ecuadorian culture but also with families left behind, e.g. through on-line video conferences. The *Casas* offered a number of other social and professional services thus helping migrants to remain in Spain while maintaining links with Ecuador. The citizens of other countries could also benefit from advisement necessary to make an objective decision whether to return or stay. Usually these consultation services were provided by migrant organizations, NGOs, churches, mosques and the IOM. Consequently, despite the Spanish government is denial of consultation services, migrants had channels necessary to verify economic and social conditions in the countries of origin prior to departure.

Colombia had attempted to readmit its workers in the past and scrutinized similar efforts made by other Latin American countries. In an attempt to allow its citizens to continue their business activity upon return, by the 1970s Colombia had already experimented with duty exemptions incentives similar to those implemented by Ecuador since 2008. The duty incentives did not play a significant role in fostering return migration to Colombia in the past because the country did not demonstrate sufficient economic and political stability. The success of return migration to Chile after 1973 demonstrated that political stability by itself can spur return migration (Rogers, 1981: 350). Given the lessons from the past, and the awareness of its inability to boost up migrants confidence in economic and political stability, Colombia both facilitated return as well as tried to improve migrants' living and working conditions in Spain.

By 2008, the Moroccan diaspora abroad was estimated at 3 million. In most cases, Moroccan abroad maintained close social, cultural and economic ties with their country of origin.<sup>3</sup> Reliant on remittances, and aware of the high costs associated with effective voluntary return programs, the Moroccan government prioritized amelioration of migrants' working and living conditions over permanent returns. Rabat held that Moroccans should have the right to work and live abroad if it is to help their families in Morocco and, if their families joined them abroad, they should have the right to invest in Morocco without compromising their legal status in the countries of origin. The preference for gradual and not necessarily permanent, return stemmed not only from

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<sup>3</sup> <http://www.iom.int/jahia/Jahia/pid/406>

Morocco's own experience, but also from the lessons drawn from Franco- Algerian return experience.

Many Algerians who returned home in the aftermath of the 1973/74 oil crisis did so because they had planned to return anyway. In most cases, the undecided Algerians returned only when they were guaranteed jobs and housing (Adler, 1976: 42 in Rogers, 1981:350). Similarly to Algeria, Morocco could only provide jobs and housing over extended period of time and to a limited number of returnees.

Remittances to Morocco grew from DHS 20 billion in 1998 to DHS 57 billion in 2007. Since 2005 they represented around 8 per cent of GDP, 290 per cent of foreign direct investment, 700 per cent of development aid and the most important source of foreign currency. They accounted for Morocco's positive balance of payments (MAEC, 2009). Until roughly 2005, most Moroccans invested in real estate. However, since then Moroccan real estate market became saturated, migrants started to purchase real estate in the host countries, particularly in those cases where spouses had arrived and children were born abroad (Hamdouch, 2005:71).

According to Youssef Amrani, the director of bilateral relations at the Moroccan Ministry of Foreign Affairs, migrants should be able to freely circulate back and forth between Morocco and the host country, so as to allow them and Morocco seamless re-adaptation in the labour market and society (Marrakech 2008). In this respect,

Moroccan authorities, just like migrants, opposed the three year prohibition to return to Spain.

Apart from free transportation and a departure bonus, Moroccan migrants returning from Spain could only count on the *Moukawalati Project* start up loan provided by the Moroccan employment office (ANAPEC). The loan was available to educated Moroccans who could cover 90 per cent of the project costs themselves. It was far less attractive than project start up grants available to Moroccan returnees from France because those returning from France could obtain up to €7000 in project start-up grants distributed by the French ANAEM office. Given that the French voluntary return program did not condition eligibility on legal status, and the paucity of Spanish-French border controls, Spanish Moroccans with families in France may increase their return benefits, if they would move temporarily to France, so as to return with the assistance of the French rather than Spanish, VRP.

Having grappled with the same challenge since 1977, by the early 2000s France began to redefine its voluntary return policy to closer reflect the interests of the countries of origin. The current French VRP encourages legal migrants to invest in their countries of origin while maintaining legal status in France, with the so-called “circulatory visa” (*visa de circulation*), so that they could come back to France whenever they wished, or, if they found it more beneficial, run a business in the country of origin from France (France, 2005: 57). Regardless of legal status, French migrants were

allotted up to €7000 in investment startup funds and the holders of permanent residence permits could apply for an additional €1067 to €1220 to research the feasibility of aid (*aide au montage d'un projet de création d'activité économique-étude de faisabilité*). It may be too early to judge to what extent would the French VRP translate into increased departures. However, having attempted to make the program more bilateral, the French program seems to have been more popular among migrants, their countries of origin and French society than the unilateral Spanish program.

Studies of Turkish returnees to Germany in the 1980s showed that at most 50 per cent of the respondents in a given sample had created or found employment following their return, some studies found considerably lower proportions (Hönekopp, 1987b and Akcayli and Sen, 1987 in Rogers, 1997: 162). The spokespeople for home country governments warned migrants not to make return decisions hastily. Migrants were implored to plan their return carefully, to weigh carefully what they were giving up in terms of social benefits and entitlements by leaving the host country, and to know precisely whether they could buy into pension schemes in the home countries (Rogers, 1997: 162).

A 1987 report on the second generation in Germany and Turkey advised migrants not to return: "Return incentive policies are against Turkey's interests. Return is also against the interests of the returnees. In Turkey there are no institutions for reintegration that could assist returns. The bilateral agreements between Turkey and

the Federal Republic of Germany do not work well. So far no reintegration assistance project has come to fruition. Therefore the future of the second generation of Turkish migrants...remains in the Federal Republic (Akçayli 1987: 21 in Rogers, 1997: 158).

### **Migrants and Employers: Skepticism about permanent return**

Ecuadorian (*Rumiñahui*) and Moroccan (*ATIME*) organizations were skeptical whether the Spanish VRP would be able to attract many Ecuadorians and Moroccans given what it offered and what it expected migrants to give up. They held that the bonus should be larger and there should not be a prohibition upon re-entering Spain. They emphasized that the countries of origin were not prepared to offer returning migrants sustainable sources of income and housing.

According to Dora Aguirre, the president of *Rumiñahui*, even those migrants who collected up to €7000 in unemployment benefits would still find it difficult to depart Spain (El Mundo, 2008b). While most Ecuadorians had originally planned to return home, their attitudes have changed the longer they stayed in Spain. In this respect, the post-Cold War migrants to Spain did not differ much from the postwar migrants to France or Germany: they underwent what W.R. Böhning (1984: 79-86) described as maturing of migration streams, and required a more complex policy built on the assumption that some would leave while others would not; facilitating their reintegration in the homelands *as well* as their full integration in the host society.

In a survey conducted by Colectivo IOE prior to the financial crisis, Ecuadorian migrants said that they prolonged their stay in Spain because of: better living and working conditions (26 per cent), relocation of family to Spain (23 per cent), initial steps made towards settlement (16 per cent), hopes for social and labour mobility (10 per cent), perception of better future for children (9 per cent), overall satisfaction with life in Spain (8 per cent), economic stability (6 per cent), social benefits (2 per cent). By contrast, those who planned to return to Ecuador were motivated by: the separation from family (41.4 per cent), nostalgia and loneliness (26 per cent), dissatisfaction with life in Spain (14.7 per cent), perception of ameliorated working and living conditions at home (7.9 per cent), dissatisfaction with the migration project (5.6 per cent), and the difficulty of legalizing status (3.8 per cent) (Colectivo IOE, 2007: 156-157).

Despite the Ecuadorian government efforts to facilitate return migration, Ecuadorian migrants doubted that employment opportunities at home would improve in the near future. Even if Ecuador could attract foreign investment the way Mexico did, it would first occur in areas with decent infrastructure and only then in rural and geographically isolated areas from which many migrants came. Even if *maquiladoras* sprung up in Ecuador, the work on an assembly line would mean downward labour mobility for many Ecuadorians who had worked in Spanish services. The *Cucayo* business-start up fund constituted an important incentive to return, but those Ecuadorians who were not sure whether they wanted to return or not, preferred to first receive funding, before making a haphazard decision to leave Spain.

According to a preliminary survey conducted by ATIME among 360 Moroccans residing in Spain in November 2008, only 10 per cent regarded the program attractive while 83 per cent did not; 78 per cent of respondents said that they would not want to give up the right to enter Spain within three years for what was being offered, while only 8 per cent would; 11 per cent considered the voluntary return bonus as a last resort, if their situation in Spain deteriorated; 44 per cent thought Spain should provide additional economic incentives to voluntary return; 43 per cent did not think it was necessary. However only 13 per cent of those who thought an additional bonus would be necessary thought it should be less than €20 000 (ATIME, 2008), thereby reflecting migrants' doubts about the ability to quickly find decent work in Morocco following return.

Even when unemployed, some migrants could be better off in Spain than in their countries of origin. Spanish law provided migrants with services such as free health care, free education for children, re-qualification programs, regardless of legal and employment status. Furthermore, the crisis had a milder effect on demand for workers in unstable jobs and the informal economy. Thus, as long as foreign migrants were willing to accept difficult work for low pay, they had an alternative to return. The longer migrants stayed in Spain, the more rights they were afforded. The voluntary return program promised that after a three year long stay at home, migrants would be able to claim the period of legal residence in Spain to adjust their status. However, to return migrants would have to apply for new visas and these were not guaranteed. There was

a lot of confusion about what the Minister of Labour's "zero migration policy" would mean.

The Minister of Labour considered the program to be consistent with Spanish policy on labour migration, as it enforced the principle that migrant workers be admitted in view of the ability of the Spanish labour market and society to integrate them. According to the Minister, just as it was legitimate to expand foreign worker admissions when the economic situation was favorable, it was legitimate to limit them, when the economic situation worsened. The Minister explained that the new economic scenario, characterized by a significant growth of unemployment, required that national labour reserve, be it Spanish or legally-resident foreign nationals, be given priority in employment. Only when these sources are exhausted, should employers be permitted to bring workers from outside of Spain: "It does not make sense to bring foreign workers from abroad if there are some 2.5 million unemployed available in Spain" said the Minister indicating further that he would propose to reduce admissions of foreign workers in 2009 to almost zero (MTAS 2008b).

In December 2008, the Spanish government prepared a new draft of the Foreigner's Law. Among other aspects, the draft aimed to strengthen the nexus between foreign worker admissions and the ability of the Spanish labour market and society to integrate them. This meant that a number of exceptions to this rule stemming from non-labour market reasons, such as family reunification or application for asylum,

were going to be curtailed severely. Whatever the final draft of the law was going to be, migrants feared it was going to make re-entry more difficult, even for those who would strategically leave behind a family member in Spain. Even migrants who lost their jobs believed that they should stay to make it easier for their children (whether already residing in Spain or still abroad) to obtain jobs in Spain.

Before the economic crisis, migrants had been able to reunite with their families after one year. Family reunification was considered the most important factor in migration to Spain in recent years. In 2007, 128 161 persons came to Spain through family reunification (España, 2009: 4). The new family reunification provisions would require that only permanent residence permit holders be entitled to bring their families in, so as to ensure that those who receive them in Spain would have sufficient funds to support them. The draft of the new law also aimed to lower migrants working age from 18 to 16 years old and to facilitate reunion with the family members holding long-term residence work permit elsewhere in the EU (España, 2009: 10). While most migrants did not find voluntary return attractive, the policy could potentially appeal to those approaching retirement age, as such individuals often have the largest accumulated unemployment benefits and are the least likely to find a new job in Spain.

Similar to migrant organizations, labour unions also feared that immigrants had not earned enough in unemployment benefits and that the three year prohibition to reenter Spain would discourage even those with highest savings from participating in

the VRP. According to labour unions' estimates, most migrants could claim nine months of unemployment benefits, so in the best scenario an unemployed who is eligible to €900 a month would receive an approximately €8100 voluntary return benefit. On the other hand, those who saved more substantial amounts should not be encouraged to leave, because they probably had integrated themselves well in Spanish economy and society (Del Barrio, 2008).

Both labour unions and migrant organizations also agreed that the Spanish government should encourage investment in migrants' homelands to provide migrants with durable employment opportunities following return. Alternatively – labour unions claimed –the Spanish government should facilitate migrants' settlement given how much they had contributed to the Spanish economic boom.

Employers who depended on foreign workers preferred that the government did not incentivize migrants to leave or curb new admissions. They claimed that any unexpected decrease in labour supply would penalize Spanish businesses without necessarily helping the Spanish unemployed. Farmers and growers argued that despite the economic crisis, they continued to find it difficult to attract Spanish workers.

Soon after migration curbs were announced in September, the president of Spain's largest agricultural organization – COAG - met with the Minister of Labour to request that the agricultural sector be exempted from the recruitment curb. According to the president of Huelva's COAG branch, in the 2008/2009 season, Huelva strawberry employers needed 6 000 planters and 35 000 harvesters. In September 2008, Huelva

employers interviewed some 800 registered unemployed and only two per cent demonstrated interest in taking up job offers. In the COAG president's opinion, the potential for activating workers available in Spain or in the enlarged EU was very low, because these workers had already gotten used to work in less strenuous construction, industry and services (El Mundo, 2008 a).

The Minister of Labour agreed that the strawberry sector would need foreign workers. For this reason, he assured farmers that seasonal jobs would continue to be exempted from labour market test. Year round jobs were potentially more appealing to Spanish and legally resident foreign workers. The Ministry of Labour promised to develop a plan to help the unemployed re-train. COAG's pleas for continued admission of seasonal workers to Spanish strawberry agriculture were supported by the Moroccan Minister of Labour. At a meeting with his Moroccan counterpart, on 12 February 2009 the Spanish Minister announced that Moroccan strawberry pickers could count on 18 000 jobs during the 2009 harvest (MTAS, 2009).

### **Initial results: weak interest except among Latin Americans**

When the Ministry of Labour program (APRE) was launched on 12 November 2008, the Spanish authorities calculated that 136 781 foreigners would leave country, principally for Morocco, Ecuador, Colombia, Peru, Argentina and Ukraine. This calculation was based on the number of unemployed meeting VRP criteria. However, it has failed to take into consideration the attitudes of employers, migrants and the

countries of origin. Even if those attitudes had been taken into consideration it would have been difficult to predict the number of returnees as the attitudes of migrants, employers and the countries of origin have been changing. For instance, in December 2008 the Spanish government curtailed the quota for long-term (more than 12 months) work permits from 15 731 in 2008 to 901 in 2009. However, it has left the number of seasonal (more than 9 months) work permits uncapped, thereby giving migrants and employers in non-seasonal jobs greater incentives to extend their working relationship illegally.

When predicting that 136 781 persons would leave Spain through the APRE program, the Ministry of Labour did not specify how long will the program last. Until June 3rd, on average, 868 persons (migrants and family members left) left Spain every month. In order for APRE to meet its goals at a current departure rate, the program would have to operate for 15 years. In August 2009 the Spanish government declared that some form of VRP will be permanently incorporated in the Spanish migration policy.

According to the Ministry of Labor calculations between January and September 2010 2191 persons (including family members) were subsidized to leave through the socio-economic deprivation based VRPs, 2171 through the APRE and 99 through the investment-based VRPs. The pace of return in 2010 appeared to slow down as compared to 2009, when 4022 persons left Spain through the socio-economic deprivation based VRPs and 4365 through the APRE (table 3).

**Table 3****The numbers of returned, including family members**

2009-September 2010

	SOCIO-ECONOMIC DEPRIVATION-BASED VRPs	INVESTMENT-BASED VRPs	UNEMPLOYMENT- BASED VRP (APRE)
<b>2009</b>	4022	n.a.	4365
<b>2010</b>	2191	99	2171

Based on the 2009-2010 data, some 90 percent of all who repatriated through the socio-economic deprivation-based VRP returned to Latin America, primarily Bolivia (24%, 1520), Argentina (15%, 941), Brazil (12.6%, 788) (figures 1-3). Romanians constituted the largest non-American nationality (1.8%, 115) (MTAS, 2010). Latin Americans also predominated in the investment and unemployment-based VRPs. Bolivians accounted for a quarter of all returners for investment, but none in the APRE program, due to their inability to meet APRE's conditions (legal status and entitlement to unemployment benefits).

Nineteen months into the program, by 27 May 2010, 7257 persons applied for APRE. Roughly three fourths were approved and returned home; 1737 (23 per cent) were rejected due to incomplete or erroneous applications or awaiting decision. Among rejected or awaiting decision there were some EU citizens, principally Romanians and the citizens of the countries with which Spain did not sign social security agreements.

As of 3 June, 2009, the medium voluntary return bonus amounted to € 9035, 81 per migrant, indicating that those migrants who used the program applied soon after becoming unemployed.

Since the program's inception, until 27 May 2010, no Moroccan or other African benefitted from the unemployment-based VRP-APRE (table 4). Over ninety nine per cent of returnees originated from Latin America, principally Ecuador, who accounted for forty five percent of returned. Among the factors explaining the divergent trend between returns to Morocco and Ecuador, there have been socio economic and political conditions in the country of origin and the degree of cooperation between the country of origin and Spain. Legal status did not seem to play significant role, because there were more unemployed Moroccan workers in Spain entitled to unemployment benefits than Ecuadorians and other Latin Americans.

According to the Ministry of Labor, the bulk of socio-economic deprivation VRP applications in 2009 and 2010 were filed through the Red Cross (63%), followed by the IOM (14%) and ACCEM (8%). Also the migrants who applied for APRE filed to a large extent through the Red Cross (52%), followed by ACCEM (24%) and CEPAIM (8%). However, the entity that migrants filed through does not reveal much, except the proximity of the organization to migrant's place of residence and its VRP budget. According to the IOM office in Madrid, the VRP budget the organization was entrusted

with was insufficient to assist all migrants willing to repatriate. Hence each year some applicants had to be turned down.

**Table 4**

Provisional results of the Ministry of Labour (APRE) Program

11 November 2008-27 May, 2010.

Country	Applications filed	Returns
<b>Ecuador</b>	3251	2509
<b>Colombia</b>	1315	982
<b>Argentina</b>	810	609
<b>Peru</b>	483	365
<b>Brazil</b>	440	325
<b>Uruguay</b>	311	251
<b>Chile</b>	358	268
<b>Venezuela</b>	31	20
<b>Dominican Rep.</b>	25	18
<b>Mexico</b>	23	19
<b>Ukraine</b>	23	20
<b>Philippines</b>	10	5
<b>Russia</b>	4	4
<b>US</b>	2	1
<b>Canada</b>	1	-

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Total	<b>7257</b>	<b>5520</b>
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Source: Personal communication with Adela Morales del Olmo, Ministry of Labor, May 27, 2010.

In 2008, the IOM did not receive any funding to organize voluntary returns from Madrid and Valencia regions, thereby forcing it to discontinue PREVICAM and PREVIVAL VRPs for the most socio-economically disadvantaged migrants (table 5)<sup>4</sup> The mismatch between VRP budget and the number of applicants continued in 2010. The problem had most severe implications for the migrants applying for repatriation on the socio-economic deprivation basis, as by definition these migrants were least prepared to reapply in the new budget year. The IOM tried to direct the migrants it could not assist to other entities in charge of voluntary returns, but since by the end of the budget year all were running out of funds, emergency means had to be pulled up so that the qualified but unassisted migrants would survive until the new year’s program could be opened.

**Table 5**

Voluntary Returns with the IOM assistance, by program, 2003-June 2010.

	2003	2004	2005	2006	2007	2008	2009	2010	TOTAL
<b>Employment-based VRP</b>									

<sup>4</sup> Phone interview with Paloma Sevillano from IOM Madrid, 18 November, 2010.

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APRE	-	-	-	-	-	110	199	142	451
<b>Socio-economic disadvantage-based program VRPs<sup>5</sup></b>									
PREVIE	199	393	392	397	531	1076	591	271	3850
PREVICAM	-	-	-	60	573	210	0	0	843
PREVICAT	-	-	-	85	142	179	361	169	936
PREVIVAL	-	-	-	-	22	17	0	0	39
<b>TOTAL</b>	<b>199</b>	<b>393</b>	<b>392</b>	<b>542</b>	<b>1268</b>	<b>1592</b>	<b>1151</b>	<b>582</b>	<b>6119</b>

Source: Personal communication with Paloma Sevillano, IOM Madrid, 18 November, 2010.

The number of migrants who have returned home with the assistance of the Spanish IOM grew over the years until 2008, after when they declined due to the aforementioned paucity of funds (table 6). All in all, 5537 persons benefitted from the IOM voluntary return assistance since the program inception in 2003, particularly Bolivians who accounted for over a quarter of all returnees. By contrast, no Moroccans returned home throughout the entire program duration. Unlike Ecuador, Bolivia did not implement any special incentives for the migrants to return home and the economic conditions in Bolivia remained difficult suggesting that those Bolivians who returned could have been in genuinely precarious conditions while in Spain.

**Table 6**

<sup>5</sup> The PREVIE, PREVICAT, PREVICAT and PREVIVAL VRPs were limited to the citizens of all other countries but the EU, Algeria, Morocco, Tunisia, Libya and Mauritania and to those migrants who could demonstrate legal residence in Spain for at least six months prior to application. The processing time took approximately six weeks (IOM, 2010a; IOM, 2010b).

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The principal ten nationalities of migrants who returned home with the IOM assistance 2003-2009

(APRE, PREVIE, PREVICAM, PREVICAT, PREVIVAL)

COUNTRY	2003	2004	2005	2006	2007	2008	2009	TOTAL
<b>Bolivia</b>	12	54	77	105	466	474	273	1461
<b>Argentina</b>	19	32	43	76	123	216	154	663
<b>Brasil</b>	3	15	26	61	164	193	117	579
<b>Ecuador</b>	103	153	39	40	37	106	93	571
<b>Chile</b>	7	14	36	51	64	76	116	364
<b>Uruguay</b>	9	20	50	46	40	90	107	362
<b>Colombia</b>	19	36	31	20	37	39	66	248
<b>Romania</b>	7	25	15	28	64	73	17	229
<b>Honduras</b>	0	4	16	25	88	50	43	226
<b>Paraguay</b>	0	10	13	9	37	54	51	174
<b>Others</b>	20	30	46	81	148	221	114	660
<b>Total</b>	<b>199</b>	<b>393</b>	<b>392</b>	<b>542</b>	<b>1268</b>	<b>1592</b>	<b>1151</b>	<b>5537</b>

Source: IOM, personal correspondence with Carmen Penalba, IOM Madrid, 26 October, 2010.

### SHORT VERSUS LONG TERM POLICY SOLUTIONS

#### VRP strengths and weaknesses –short term solution

The Spanish VRP has its strengths and weaknesses. While it offers temporary relief in the short term, it cannot substitute for a more comprehensive set of policies necessary in the long term. In the long term, Spanish policy should implement four policy measures. First, it should concede full labour mobility to those migrants who have settled. Second, it should clarify employer duties regarding working and living conditions and verify them, to prevent that settled migrants are granted contracts under

the condition that they accept substandard wages or flexible schedules, lack of housing etc. Third, it should subsidize rationalization, mechanization and offshoring of production in the labour intensive sectors so that employers will reduce demand for labour as migrants move to better jobs in two or three years. Fourth, it should launch genuine, bi-or multi-lateral development policy in the countries of origin to ensure sustainability of the newly created jobs.

The major strengths of the Spanish VRP have been immediacy, administrative simplicity, budget-friendliness and openness to modifications. Launched within three months since the major increase in unemployment, the program provided a delay-free return assistance to those migrants who were certain they wanted to leave Spain. If a majority of Spanish migrants would decide to depart shortly after being laid off, the program is likely to keep unemployment pressures and anti-immigrant sentiments down. The simple design consisting of verification of eligibility for unemployment benefits favors fast application processing. Since migrants have earned their departure bonuses through social security payments, the only major cost of the program concerns provision of free transportation, part of which could be reimbursed to Spain from the EU voluntary return fund.

The availability of the program to legal residents only has been program's strength and weakness. On the one hand, it minimized the chances of attracting irregular migrants counting on a free return ticket should they find no job in Spain. On

the other hand, it limited assistance to the most vulnerable population to the underfunded IOM program. The three year return ban has also been the program's strength and weakness. It is likely to prevent the return of those who have not been able to integrate themselves with Spanish society, but those few who would return will have to do it illegally, much like it happened in France between the 1977 VRP and 1982 regularization. In most cases though migrants would know before departure if they would likely succeed in their countries of origin or not, and should they feel that they would not succeed, they would not leave. Aware of the program weaknesses, the Spanish officials have planned to monitor it and modify if necessary.

Given that some of the weaknesses have appeared already, it may not be long before the Spanish VRP undergoes modification. Even though Spain implemented its very first VRP as early as 2001, the policy has never been analyzed despite the wealth of information revealed by the Western European VRPs of the 1970s and 1980s, Spanish experience of 2001 and the current French experience. Wishing for the VRP to provide an immediate response to the crisis, the Spanish officials have also neglected to consult about the program with the countries of origin and social actors. Most likely both domestic and international actors would have cooperated. However, they would have preferred that returns be spread out in time so as to permit all parties involved to make necessary adjustments: namely for employers to switch to less labour intensive production; for migrants to sell any property acquired in Spain and make post-return

employment and housing arrangements; for the countries of origin to prepare labour and housing markets for migrant repatriation.

The budget-friendliness of the Spanish VRP was also its weakness. Linked to the accumulated unemployment insurance benefits, the program did not appeal to employed spouses of unemployed migrant, migrant children, and those who have not accumulated large UI sums. Furthermore, it alienated the undecided candidates, as the longer they mused over the departure decision, the smaller the departure bonuses to which they were entitled. Most importantly, the budget-friendly character of the program did not appeal to the countries of origin. The homelands rightfully suspected that repatriation and housing costs will absorb a significant proportion of departure bonuses leaving migrants no funds to invest and become self-employed.

When designing the program, Spanish officials counted on the immediate departure of entire families, preferably the nationals of the most-impooverished countries so as to diminish the potential that they stay, but work for substandard wages. However, the current program design and the response of the countries of origin is likely to attract a slightly different profile of a returnee: a single (or married as long as the spouse does not have a stable job in Spain) citizen of Ecuador, with family still at home, who believes in a success of a post-return project and who has saved enough to invest following return.

### **The four pillars of long term migration policy**

This preliminary summary of Spanish VRP's weaknesses and strengths suggests that the program requires considerable financial and administrative support if it is to precipitate departures of any other workers besides those who would have left anyway. If Spain wishes to maintain VRP, it should at least emulate the current French program which has linked the VRP to co-development. Yet, while VRPs can complement other, more complex policy measures, it cannot substitute for them, because they do not have the capability to address the roots of migration flows to Spain: the paucity of economic, political and social stability in the countries of origin and the demand for flexible labour in Spain.

Since there will be always some migrants who will not want to return and humanitarian and democratic principles will make it difficult for Spain to send them home, they should be offered a channel through which they could earn their way to full integration in the Spanish labour market and society. One way of making VRP money work more productively, would be to give such migrants an option to invest and create jobs in Spain. Migrant businesses created in Spain would be easier to mentor than in the countries of origin, they could benefit from much better infrastructure and therefore would be more likely to survive. Furthermore, they are more likely to gain public support and improve migrants' integration in the Spanish society. The countries of origin would probably not oppose giving their nationals the option to invest in Spain because of their limited reception and employment-creation capacities and the need for

uninterrupted flow of remittances. One important challenge to the successful post-return development funds has been the lack of infrastructure to support investment and economic, political or social instability in the countries of origin. Investing in Spain would help to overcome these challenges even in the context of the economic crisis. However, special measures would have to be put in place so that migrant businesses do not pave the way for ethnicization of the labour market and further expansion of precarious jobs.

The less entrepreneurial foreign settlers may prefer to seek employer-dependent jobs. The economic crisis has not affected all sectors to the same extent and even in the midst of the crisis the unaffected sectors may find it difficult to attract Spanish workers. The Spanish government authorization of farmers to bring new foreign workers while repatriating those already in Spain on the grounds that the repatriated would not be able to find jobs is incoherent. If granted full labour mobility, many of Spain's foreign workers would most likely be willing to move to the jobs which Spanish workers are not willing to take, e.g. agriculture. Instead of exempting the least affected sectors from foreign worker recruitment curbs, the Spanish government should encourage the sector to contract with unemployed foreign workers present in Spain and monitor such employment so that they are not employed based on sub-standard conditions.

It would be unrealistic to expect that foreign workers, who in the context of the crisis take the most labour intensive jobs would want to perform these jobs forever. But as long as they keep them, they will protect themselves from the crisis and help

employers make a transformation to less-labour intensive production. The Spanish government should become actively involved in assisting its labour-intensive sectors in making this transformation by providing the money, legal and technical support necessary for employers to rationalize, mechanize and, where necessary, “offshore” production.

While production “offshoring” may seem like the most controversial process to support, it deserves consideration given that, it is more likely to engage the sending and receiving countries in comprehensive cooperation than it was the case with projects aimed to use migrants savings for job creation in their homelands in the 1970s and 1980s. For example, the Turkish returnees from Germany found that the sites for the new plants and the technologies to be used were often not optimal and the Turkish law did not accommodate their projects. The requirement that founding capital be deposited in Turkish rather than foreign currency made the entrepreneurs susceptible to inflation. Although 223 companies were functioning in the early 1980s, only 28 did so at more than 69 per cent capacity. With approximately 15 000 jobs created, most of the 345 000 shareholders could not expect to find employment. More importantly, the wages paid for those jobs were below what most returning migrants would have found acceptable. Only a handful of companies paid dividends. By the end of the 1980s many shares were being bought up by banks and large companies (Rogers, 1997: 161-162).

The EU Southern neighborhood policy plans to open job centers in the most emigration-prone areas within two regions of Africa. By the time the first center opened in Mali in 2007, it seemed that the job centers would recruit workers to Europe rather than create jobs in the countries of origin. However, as the financial crisis mitigated against expanded foreign worker admissions to Europe, these centers could help Africa attract investment. Given the controversies whether job centers recruiting to work in Europe would promote development in Africa or rather make Africa more dependent on jobs in Europe, one positive effect of the economic crisis may be that it will favor investment in Africa.

In his September address, the OECD Secretary General cast doubt over whether circular migration could substitute for development. He encouraged more comprehensive policies, so that neither the developing countries' workers already present in Spain nor those still present home would have to go anywhere to enjoy decent employment:

*Most of the returning migrants decide to go back home spontaneously, based on individual and family objectives, but also influenced by job opportunities back home. If the economic, political and social situation in the origin country is stable and attractive, workers may go back. But if economic and political prospects are bad, even assistance and financial aid from the host country are unlikely to convince immigrants to go back" (...) The use of temporary migration schemes for low-skilled migration raises two fundamental policy questions. First, are most labour shortages indeed temporary? The answer is no. Secondly, can temporary migration schemes be used to supply labour for long-term needs? This seems unlikely (...) This does not mean that all temporary migration schemes for low-skilled workers do not work (...) Some temporary schemes are*

*working well, when they involve planned returns, when arrangements are worked out with all stakeholders, and when they cover labour needs that are truly temporary, such as seasonal jobs in agriculture and tourism. But constructing a country's migration policy on the assumption that labour immigrants will only stay for a short time is not the way to go. It is neither efficient nor workable. Even if so-called circular migration schemes are offered, many migrants may be unwilling to leave on the promise that they can return later after a stay in their home country (...) The current climate of economic uncertainty shows just how important it is to take a broad view" (Gurría, 2008).*

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