

## Extended abstract

During the last four decades the “brain drain” debate played an important role in the study of international migration. The origins of this debate go back to the emigration of highly-skilled individuals from developing to developed countries during the second half of the 20<sup>th</sup> century (cf. Grubel et al. 1966, Bhagwati et al. 1974). Whereas in earlier times immigration from Southern to Northern countries has been the epicentre of this debate, the last years have seen an increasing interest towards migration flows between industrialized countries. It is now the most developed countries which also fear that their high potentials could leave the country resulting in economic competitive disadvantages. Until recently, the German political and public debate was largely untroubled by these concerns: Large scale immigration during the 1990s – composed to a large degree of ethnic Germans – resulted in positive net-migration rates of foreign immigrants and ethnic Germans alike. However, since the beginning of this millennium the growing number of German citizens leaving Germany and the emerging lack of high-skilled labour in certain industries triggered those fears in Germany as well.

Recent theoretical and empirical studies emphasize the impact of life course events on migration decisions. Migration and return migration decisions are often made in the context of biographical developments across life domains (such as education, work and family) as well as cultural frames and institutional and structural conditions (Kohli 2007, Mayer 2009). Evidence shows that that more and more people are moving internationally due to realize higher educational and labour market returns. Many of those migrants return to their home country after having spent a number of years abroad. Those who return might have accumulated human capital in the country of destination, so that their return might have positive effects on the society and economy of their home country. Whether migration is resulting in a loss (“brain drain”) or benefit (“brain gain”) for the source country depends on the interaction of two aspects: First, the scale of out- and return migration and second the characteristics of those remaining in the country of destination.

Although return migration has long been subject to various interpretations, our knowledge of out- and return migration is still fragmentary. Not so much because it has been neglected by migration scholars, but rather because most studies are focusing on the return migration of migrants from lower developed countries. Furthermore in-depth analysis of this group of migrants is scarcely undertaken, owing to the lack of reliable large-scale quantitative data. Generally the measurement of return migration flows is made by the host country by counting immigrants’ departure from national territory. In Germany, most of the available literature on the scale and the characteristics of German return migration is based on return migration intentions only (Backhaus et al. 2002, Diehl et al. 2005, Deutscher Akademischer Austausch Dienst 2006, Diehl et al. 2008, Erlinghagen et al. 2009).

The coverage of return migration in the home countries is an approach which has only scarcely been applied. Possible data sets which can be used to quantify return migration of German emigrants are the migration statistics of the German Federal Statistical Office and the data of the research data centre of the German pension insurance. In Germany, spatial mobility is recorded in the population registers by registration and deregistration forms of the local resident registration offices. Therefore these statistics can offer an initial overview on the in- and outflows of German citizens and hence the scale of return migration and some of its characteristics. But measuring migration on the basis of this administrative source implies at least two problems: The first problem concerns the fact that this information is based on an administrative source, with the consequence that spatial mobility is only recorded in cases where individuals register and deregister at the local residents’ registration offices. Temporary and seasonal migration in particular is often not registered. Second, population registers in most countries are based on events with no reference to individual persons. In consequence, every change of address which is registered at the residents’ registration office is counted as a

separate event of spatial mobility. If a person moves several times a year, this individual is counted several times. The first aspect is resulting in an underestimation and the second is resulting in proportionally higher rates of migration flows. Additionally there is no possibility of linking individuals, so that comparisons can only be made by determining inflows and outflows of German citizens on an aggregate level. It therefore cannot predict how many Germans are leaving and how many of those return to their home country. This information can be offered through the data of the research data centre of the German insurance pension.

Participation in the statutory pension insurance scheme is mandatory in Germany for all persons employed in the private or public sector. Additionally, contributions are paid out of unemployment insurance in the case of the unemployed, out of health insurance in the event of long-term illness, and from the state for people in military or civilian national service. The majority of the population thus comes into contact with the pension insurance system at some point or another in life, and the pension insurance system has data on about roughly the entire population. This data includes details about the employment career and other life-course events as far as they are considered in the pensions' calculation. The life-course information is very broad, because of the far reaching evaluation of social situations and activities in past and current pension law. These employment biographies not only contain information on jobs abroad (persons are eligible for state pension benefits in a foreign country with which Germany has a social security agreement), but also on the place of pension insurance payment.

By using comparative data on actual migration measured in the home country instead of information on intentions only the paper contributes to the debate of return migration to highly developed source countries by referring to the German experience. By making innovative use of the combination of data of the research data centre of the German pension insurance and the German migration statistics it offers an initial empirical analysis of return migration of German citizens. For the quantification of return migration the paper makes use of the information on jobs abroad and the place of payment of pension insurance contributions. Based on this information the analysis concentrates in a first step on the description of how many Germans migrated to work abroad and how many are getting their insurance contributions payed out abroad. By this means the number of German out-migrants and returnees can be measured. It can be demonstrated that about 3 % of the German male population has been living and working outside Germany at some point during their life course. About 75 % of those have returned. As studies from Scandinavian countries show that those who return will mainly undertake this movement in the first five years after out-migration (Klinthäll 1999, Edin 2000, Poutvaara 2009) we use the German migration statistics to compare the number of outflows in the year  $t_0$  with the number of inflows in the years  $t_1 - t_5$ . The analyses show that in the 1970s about 90 % and in the 2000s about 80 % of the outflows of German citizens have been compensated by inflows in the following five years. Furthermore the analyses of both data sources show that migrant outflow/return ratios also vary by country of destination. Whereas in the 2000s migration outflows from German citizens from the Netherlands or Spain were compensated by nearly 100 % of inflows, this proportion accounts for about 60 % for Canada, Switzerland or Norway. The paper therefore secondly reveals the experience of return migration from different countries of destination.

Based on this research design, the paper addresses certain issues in the current debate on out- and return migration of German citizens. It contributes to our empirical knowledge and theoretical understanding of return migration flows as well as provides necessary information to assist policy-making in Europe.

## References

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