Global Forum on Migration and Development, Athens, November 4-5, 2009

Report of the study on

“Preparing Contract Workers for Return and Reintegration – Relevant for Development?”

A project in support of

GFMD Roundtable 2: Migrant integration, reintegration and circulation for development

Submitted by

John Willoughby
Professor Department of Economics
American University

Heath Henderson
Ph.D. Candidate
Department of Economics
American University

24 September, 2009
Executive Summary

This paper explores the policies and practices that promote the successful reintegration of workers when they return to their countries of origin. The emphasis that Roundtable session 2.2 of the Athens Global Forum on Migration and Development (GFMD), 2009, will give to return and reintegration, recognizes the fact that migrants do not just send remittances home to support households. They often plan to use their skills, accumulated funds, and networks for their own future economic activity in their home country. It is also important to recognize that intensified circular migration, both spontaneously and in planned programs, is taking place in the context of the increasing use of temporary contractual workers. This is a global trend. Countries of destination in East Asia, the GCC, Europe and North America have all implemented policies that encourage the use of desired workers for limited time.

As 2015 approaches, the positive role of return migration in promoting development has led to the recognition that the successful reintegration of returning migrant workers can promote the fulfillment of the Millennium Development Goals. Returning migrants have the ability to contribute human and social capital to the development of their country of origin. Policies that encourage migrant workers to return voluntarily can also make it easier to limit irregular migration and work in host countries.

Supporting migrants through all phases of the circular migration process makes it easier to sustain decent employment conditions and thus limit the exploitation of migrant workers, but it is important to recognize that different categories of workers will require different services. While it would not be feasible to provide different services to each worker, it would be useful to develop sector-based “worker profiles” or “worker typologies” that take account of gender, skill level, age, and relations within the workers’ households. This could allow policy makers to develop programs more useful for the different types of circular migrants.

Policies that promote the voluntary return and reintegration of workers can be divided into three categories: information-based policies, economic incentive-based policies, and institution-based policies. Information-based policies focus on providing returning workers with information that can allow them to reintegrate more successfully into their communities. Knowledge of economic opportunities and programs available to help workers can create a better informed and more self-confident returning migrant workforce.

Economic incentive-based policies provide workers with additional material benefits to encourage workers to return to their home country. These programs do not necessarily burden states with increased fiscal obligations. With appropriate changes in regulations, workers could be able to gain access to their contributions to social insurance funds when they return to their home country. Programs that require government expenditures could include a variety of subsidies to returning migrants or contributions to development projects initiated by diaspora national or migrant workers. Institution-based policies refer to changing laws and practices that directly promote the reintegration of workers.
The goal is to promote entrepreneurial activity and employment of returning workers. This can require legal changes that permit greater worker mobility as well as measures that promote more robust social networks among migrant workers and diaspora nationals.

Many governments have already implemented the policies discussed in this section. The Philippines, in particular, have established an impressive set of institutions both in-country and abroad, that promote migration, return and reintegration. Some host countries have also promoted the voluntary return of migrants and provided some financial support. International organizations and civil society organizations play a critical role in implementing many of these programs. But most of the programs affect only a limited number of returning migrants, and only a few explicitly target circular migrants, or link the return and reintegration to development planning back home. Moreover, it is difficult to determine which policies would be most effective in supporting worker reintegration.

Few evaluations have been made of the policies this paper has outlined. This is important, because all the policies we have discussed can have significant costs associated with them.

To determine whether or not they are cost effective requires systematic research, so that we can better understand the potential effectiveness of any new policies. While longitudinal studies that follow circular migrants would be very useful, more qualitative assessments through the use of focus groups can also provide us with important insights. Governments may be better able to devise the appropriate reintegration strategies if they developed profiles or typologies of different categories of workers who participate in the circular migration process. The key is to develop appropriate research methodologies (with relevant cost-effect and impact indicators, where possible) when new policy interventions are implemented, so that we can develop a data set of best practices to guide countries and groups of countries in managing and facilitating the successful reintegration of workers more effectively.

**Introduction: Circular Migration, Development and the Reintegration of Migrant Workers**

Students of migration patterns and development are increasingly paying attention to the connections between outgoing and incoming flows of labor between traditional worker sending and receiving countries. With respect to the decision to leave or return to a country of origin, concepts such as circular migration emphasize that the migration decision often should be placed in the context of a life cycle in which individuals and households plan periods of earning abroad interspersed with economic activity at home.

The GFMD’s emphasis on return migration gives recognition to the fact that migrants do not just send remittances home to support households, but often plan to use their funds for their own future economic activity in the home country. One of the first sessions of
the Brussels GFMD meetings in July 2007 took note of this reality by proposing the following definition of circular migration: “Circular Migration is the fluid movement of people between countries, including temporary or more permanent movement which, when it occurs voluntarily and is linked to the labor needs of countries of origin and destination, can be beneficial to all involved” (Background Paper for RT 1.4, Brussels GFMD 2007).

This perspective on the complex global movements of peoples attempting to raise the economic standing of themselves and their households supplements and enriches the older migration paradigm, which stresses the movement of immigrant workers from poor territories to rich territories. Rather than conceiving of the movement of labor as a one-step process or even a two-step process of migration and return, we should view the ebb and flow of labor as a multi-faceted and even multi-generational process that is associated with multiple shifts of location of various members of households in countries of origin. While it is undeniably true that the numbers of workers originally from poorer countries residing in richer countries has risen, focusing on changes in the stocks of workers can prevent the analyst from seeing the more complex story of worker flows back and forth between countries of origin and other host countries.

This process is not unique to the early twentieth century. Students of nineteenth century migration behavior of poor Italians, for example, used the phrase “birds of passage” to describe the sometimes seasonal movements of agricultural workers from Italy to South America or even California (Piore 1979: 149-154). However, the scale and multi-polar complexity of labor flows is unprecedented, and despite some possible slowdown in the flows of labor as a result of the current economic crisis, a significant reversal of the globalization of labor flows in the medium and long-term is unlikely.

This connection with past processes of labor movements should also not obscure the importance of the changing legal/institutional environment of the early twenty-first century. In particular, we have witnessed in the past few decades an increasing use of temporary contractual workers which allow some countries to fill labor shortages by importing workers on short-term and strictly limited contracts (Castles 2006: 12). The basic rationale is that many host countries wish to limit the settlement of non-national workers in order to minimize the economic, social and cultural disruptions that may occur if non-national workers settle in large numbers. It is in this context that governments representing host countries have implemented programs which allow the importation of expatriate labor to meet seasonal employment needs in sectors such as tourism and agriculture, or which allow qualified non-national workers to temporarily fill jobs for which there is a scarcity of labor within the countries of destinations.

Countries in the European Union and North America, for example, have developed specific visa programs that encourage certain types of workers to enter their country for a limited amount of time. The usefulness of this approach and its link to circular migration has been noted by the Organization for Security and Co-operation in Europe (OSCE) in a document submitted in preparation for the Athens conference that, “OSCE member states see CM [circular migration] as a channel for temporary legal migration that allows for more
flexibility and a better fit between labour market demand and supply for foreign workers.” Circular migration and migrant return and reintegration have been discussed among the OSCE 56 participating States in the context of the 17th OSCE Economic and Environmental Forum process under the theme “Migration management and its linkages with economic, social and environmental policies to the benefit of stability and security in the OSCE region.” The process comprised two Preparatory Conferences (Prague, 16-17 October 2008 and Tirana, 16-17 March 2009) and Part 1 and Part 2 of the Economic and Environmental Forum (Vienna, 19-20 January and Athens 18-20 May 2009).

In Asia, countries of destination such as the GCC countries and affluent East Asian countries have even more extensively used temporary contracts to encourage very large relative flows of expatriate workers. Given the demographic imbalances emerging in richer countries, as a result of rising life expectancy and declining birth rates, and given the persistence of economic imbalances, it is likely that the use of temporary contracts to recruit labor from poorer regions of the world economy will intensify. Origin and host countries have recognized this phenomenon (Castles 2006: 8-11). In January 2008, for example, labor ministers from key Asian countries met in Abu Dhabi to pass the Abu Dhabi declaration, which called for greater cooperation to create a more humane and sustainable use of temporary contractual labor.

While the impetus for the increased use of temporary labor contracts has mostly come from host countries, some development theorists have noted that the “temporariness” of labor migration built into labor contracts facilitating the international movement of labor might have positive development implications for countries of origin. If workers expect to return to their home country either permanently or periodically, then there will be a greater interest in ensuring that incomes earned in countries of destination are used to ensure more secure livelihoods at home (Ammassari & Black 2001: 17).

This paper explores the policies and practices that can help facilitate the reintegration of workers back in their communities and countries of origin. The discussion will highlight the importance of information, economic incentives and institutional reform. The next section will analyze more fully the links that exist between return migration and development. It will place this discussion in the context of previous considerations of these issues in the Brussels and Manila Global Forums before developing a typology of policies that can be deployed to promote the reintegration of returning migrants. The paper uses this typology to survey the many policies and practices currently being implemented by governments, international organizations, and civil society. We then consider ways to more effectively evaluate the effectiveness of policies that promote reintegration and development before ending with a brief conclusion.

**Return Migration and Development**

As 2015 approaches, the Millennium Development Goals (MDGs) are the subject of increasing attention and pressure is mounting on lagging nations. At the same time, the positive role of return migration in development has gained prominence, leading to recognition of its place in the fulfillment of the MDGs (Usher 2005). While emigration has been seen to alleviate pressures on origin country labor markets, and remittances
and/or diaspora engagement have been largely accepted for their positive role in development, the benefits of return migration and reintegration remain to be adequately explored. As the eradication of poverty through productive employment and sufficient income (Goal 1) is the first logical application of the benefits of reintegration and development, highly skilled returning migrants have the potential to significantly impact education (Goal 2) and health-related goals (Goals 4-6). Lastly, the benefits of return migration do not only apply to lesser-developed countries, but can also further growth in more developed countries.

As evident from previous GFMD discussions, to fully harness the development potential of return migration, sustainable reintegration is necessary. Moreover, to fully facilitate reintegration, the context of return, identity of the migrant, and the migrant’s experience abroad must be accounted for. Only after taking these aspects into account can the potential benefits of return migration for development be explored. Given successful reintegration, the returning migrant possesses the ability to transfer newly acquired labor skills and knowledge back to country of origin (human capital transfers), to use financial capital transfers (primarily savings) for improving living conditions or business development, and to use newly acquired or maintained social/professional networks (social capital transfers) for further financial and human capital development.

Human Capital Transfers

Mobility of highly skilled professionals has been on the rise since the early 1990s due to the rising global demand for skilled labor. Skilled migrants have largely flocked to developed countries as a result of their aging populations, demand for manpower in the computer and ICT industries, and shortages of lower to mid-level skilled labor (e.g. technicians, electricians, nurses, and teachers) (Manning 2007: 3). However, these predominant movements of skilled migrants have seemingly witnessed a reversal recently, as recession in developed countries has led to declining job opportunities for immigrants (Moira 2009). How this trend will play out in the longer term is uncertain, as developed nations continually undergo demographic changes. One thing is certain: return migration of skilled professionals is increasingly viewed as beneficial for human capital accumulation in origin countries due to the increasingly temporary nature of migration.

Professionals migrate for various reasons, including higher wages, access to better facilities, and the possibility of advancement in host countries. These incentives for emigration can have detrimental effects on developing economies, e.g. through “brain drain.” Firstly, there are direct welfare implications due to the emigration of skilled professionals in the healthcare and education sectors. For example, the emigration of African healthcare professionals has led to a marked decline in healthcare services in Africa, especially in rural areas where staff is sparse. Second, there are domestic economic implications as the emigration of skilled labor reduces immediate returns to capital, which can also diminish capacity for long-term growth.

Moreover, the possibility of emigration of the highly skilled can lead firms to decrease investment in training workers, as they find it hard to recoup those investments. Third,
emigration of skilled professionals may spill over into the international realm, as foreign direct investment takes into account the skills and personnel available in the economies receiving investment. Without a sufficient skill base to utilize, the interest of FDI may diminish (ILO 2004: 22). Lastly, tax revenue in origin countries may suffer due to the emigration of high-income individuals.

Emigration, however, is seen as less and less permanent, which has led to a reevaluation of the “brain drain” phenomenon. Over the last decade or so numerous studies have pointed to the temporary, or even circular, nature of migration and have found that not only do substantial numbers of migrants return to their home countries, but often cohorts returning to less-developed and middle-income countries possess significant concentrations of highly skilled professionals (Mayr & Peri 2008: 5). The increasingly temporary nature of migration has led to the recognition that there is another side to the “brain drain” phenomenon: “brain gain.”

The effects of migration of highly skilled professionals have only recently been assessed on the basis of the net impact: “brain gain” versus “brain drain.” In addition to the argument that “brain drain” may increase incentives to human capital accumulation in the origin country by raising the expected returns to education (Domingues Dos Santos & Postel-Vinay 2001), recent research has suggested that as highly skilled professionals accumulate knowledge and skills abroad and upon return they can stimulate growth and innovation in a variety of ways. The positive effects of “brain gain” are essentially the mirror image of “brain drain” effects except that the returning migrants acquire skills abroad that they may not have acquired at home, which leads to an incremental increase in human capital. First, the return of highly skilled migrants possesses immediate welfare benefits in terms of healthcare and education. While the presence of more doctors, nurses, and teachers can greatly benefit education and healthcare, especially in rural areas, the professionals bring back augmented skill sets that have the potential to improve existing work practices. Second, the return of skilled workers can bring greater returns to capital, increasing long-term growth. Moreover, firms can utilize the newly acquired skills of the returning migrants for training programs and introducing efficiencies. Third, return migration of skilled professionals can attract foreign direct investment as investors seek to utilize relatively cheaper, yet highly skilled, labor in origin countries. Lastly, there are taxation benefits to be realized by origin country governments given the incomes of returning highly skilled migrants.

It is important to understand, however, that the return of skilled professionals is not automatically beneficial for development. The benefits depend on whether the returnees are used in productive capacities. This is more than merely finding job placements that align with the qualifications of the returnee, but is a matter of assessing the institutional capacity for change and willingness to implement the innovations and suggestions the returnee brings. How well prepared are the business environments in origin countries?

Financial Capital Transfers
The role of remittances in development has received much attention, but remittances should not be confused with the returning migrants’ transfer of savings accumulated while abroad. Remittances are periodic payments that migrants send home to their families while still abroad, but the primary concern here is the role of lump-sum financial transfers and their use upon return. The role of savings in development is controversial. Like remittances, some argue that savings have significant potential to boost consumption, investment in housing, education, or healthcare, as well as provide the impetus for business development and job creation. Additionally, these investments may have a significant multiplier effect, leading to increased growth (Ammassari & Black 2001: 26-27). However, opposition to this view has ranged from arguments of the insignificant volume of savings to the possibility of savings leading to “Dutch disease” (ILO 2004: 25. See also World Bank 2006 and Maimbo and Ratha, 2005.)

While some studies have suggested that the volume of savings is substantial given the higher wages and reduced consumption of migrants while abroad, another controversy arises regarding the use or productivity of those transfers. Are savings invested in new businesses, new technologies, or developmental projects? Or, do savings lead to increased consumerism and the satisfaction of immediate needs? Earlier arguments contend that the majority of savings go toward enhanced consumption and the consequent raising of the living standards or social status of the returnee. The most common form of investment, this view contends, is the purchase of housing or land (Gmelch 1980). However, more recent research has led to the belief that a significant amount (up to 50%) of migrants become entrepreneurially active after return and that the impetus for those activities stems from savings accumulated abroad (Dustmann & Kirchkamp 2002) A third argument has been put forward that the productive use of savings is not necessarily a black and white issue. Savings used for more immediate consumption like housing, healthcare, education, or consumer goods have the potential to create jobs and initiate multiplier effects (Russell 1992). Further, these expenditures may reduce the burden on the government to provide these goods in their absence (Ammassari & Black 2001: 27).

While the role of savings in development has been clearly controversial, it is clear that savings can play a positive role in development. As distinct from remittances where periodic payments lend themselves to marginal increases in consumption and the mitigation of economic downturns, savings lend themselves to larger-scale, one-time investments, which, as evident from above, include anything from housing, education, or healthcare to investment in new technologies or businesses. This is not to mention the multiplier effects that investment of savings could represent. However, lacking adequate avenues or incentives to invest savings, returning workers may simply choose to live off accumulated savings until future employment becomes a necessity (Dustmann & Kirchkamp 2002). Thus, like remittances, savings deserve adequate attention from policymakers to realize their full potential.

**Social Capital Transfers**

Human and financial capital transfers are often viewed as the primary contributions of returnees to development. But, it is the migrants’ social capital transfers that facilitate the
use of human and financial capital as well as create new avenues for the application of present and future resources. Transnational families, hometown associations, knowledge networks of experts and scientists, and business networks continually link returning migrants to their home and host country (Faist 2008: 2007). These social networks not only facilitate immediate reintegration and investment of capital transferred home, but offer lasting connections to host countries that could prove invaluable to development through facilitating trade and investment relations as well as reducing transaction costs. Social networks, however, are not entirely beneficial to development. There are negative implications of social capital as well, such as the possibility of networks leading to exclusivity, privilege, or the manipulation of social or political power (Ionescu 2006: 48).

Migrants create and utilize social networks both at home and abroad. In the host country, migrants generate relationships with other individuals or groups from their home country. In many cases, migrants choose host countries on the basis of the location of family and friends, which often leads to ready-made networks. Hometown associations are an excellent example of this phenomenon. Further, migrants generate ties through employment. Not only does the migrant establish relationships with employers, which can lead to future opportunities for family, friends, and the migrant him/herself, but networks are also created between employees. In the case of highly skilled migrants, these contacts can lead to involvement in epistemic and business networks that substantially increase knowledge and investment flows between host and origin countries. Lastly, students abroad can also develop invaluable contacts through social and academic involvement in host country universities in addition to employment or internships held while abroad.

Migrants also maintain social networks at home during the migration cycle. This is done through visits, email or telephone correspondence, remittances, or membership in organizations that link the destination and origin country (Ammassari & Black 2001: 30). These relationships clearly facilitate economic transactions between nations while the migrant is abroad, but are also of great value upon return. The returnee depends on maintaining ties to the home country as many times housing, employment, or even educational decisions are facilitated or guided by information or contacts provided by social networks at home. As economic, psychological, and social reintegration harnesses the development potential of returnees (i.e. the utilization of financial and human capital), social networks prove invaluable in this respect. Moreover, the sum total of networks at home and abroad opens channels for future trade, investment, and migration opportunities that can lead even the poorest to migrate for work abroad. (See Iredale 2003.)

Another important aspect of social networks is the formal and informal learning that takes place through social interaction. Migrants acquire language skills, develop professional or business communication expertise, enhance their ability to interact with individuals from different cultures and backgrounds, and familiarize themselves with the norms, customs, and values of other nations (Ammassari & Black 2001: 29-30). Thus, it is clear that creating and maintaining relationships provide social networks that are valuable assets and, in the absence of exclusivity or the manipulation of social or political
power, possess the ability to facilitate and generate financial and human capital accumulation.

Reintegration and Non-Professional Returning Migrants

From the previous discussion it is apparent that transfers of returnees’ financial, human, and social capital can be powerful forces for development, but this presupposes successful reintegration. It is necessary for workers to find sustainable employment or establish profitable businesses in their home communities. Not only does failure to reintegrate lead to loss of potential development benefits, but also unsuccessful reintegration can significantly hinder development. Returnees that fail to find employment, or are employed in positions that pay insufficiently, often require assistance from family, friends, or even the government. It is not uncommon that transitioning returning migrants are housed with family or friends until employment is found and, if that process is unnecessarily prolonged, the returnees can significantly strain household resources. Further, without adequate funds for healthcare or education the returnee often looks to the government for the provision of those services. These are similar policy concerns to those of integration in host countries.

An additional issue emerges from this consideration of the link between return migration and development: not all returning workers are coming home with a high level of skills. The remittances of construction laborers, gardeners, taxi drivers, domestic workers, entertainment workers, and modestly paid clerks and retail workers help sustain millions of households around the world. On the other hand, it is less clear that these returning workers bring with them the human capital, financial capital, and social capital that can accelerate the economic development of their country of origin.

The Different Characteristics of Returning Workers and the Meaning of Reintegration

Before continuing with this discussion, it is useful to consider more precisely what we mean by worker reintegration. It is commonly recognized that the decision to migrate, while economically motivated, can take place for a complex series of reasons. Workers searching for economic opportunities elsewhere are also often seeking to leave environments that are not socially fulfilling as well. Thus, it is not always the case that departing workers look forward to a return to their community or country of origin.

Successful reintegration can also be the workers embedding themselves in their community in ways that are fulfilling and therefore sustainable. This process has three general dimensions: economic, psychological, and social (Davids & van Houte 2008). Promoting economic embeddedness is the focus of this paper. It entails engaging in work and entrepreneurial activity that can provide a satisfactory sustainable income over time. It also means that the returning worker can find adequate housing and health care so that he or she can withstand the frequent economic shocks accompanying return to a new or relatively unfamiliar environment.
Psychological embeddedness refers to developing an identity and a sense of belonging in one’s new community. The stresses associated with moving and relocating should not be underestimated and can often frustrate a returning worker’s best intentions to find satisfactory employment or develop a small business. In some ways, it might even be more difficult for workers returning to their home communities to adapt, since they might be expecting that a return to a familiar environment will not cause many difficulties. Many are unprepared for the “reverse culture shock” that often occurs when one returns home.

Successful psychological embeddedness is often closely linked to social embeddedness, which refers to an individual’s ability to harness relationships with other people and gain access to information and resources that allow the returning worker to attain his/her goals more easily. In addition, successful social embeddedness means that individuals can obtain friendship and satisfaction from the new relationships to better navigate the stresses of the new life.

Whether or not a worker is able to embed him or herself will also be determined by the characteristics of the worker and the circumstances associated with his or her return. One can divide the key characteristics into five categories:

- Gender
- Age, Duration Abroad and Experience with Return Migration
- Nature of Family Relations in Country of Origin
- Nature of Experience in Host Country
- Match of Employment Opportunities and Skill Level

Gender is an important category to consider because male and female expatriate workers are likely both to have significantly different experiences in the host country and to face different expectations upon return. Even if some women’s employment and living arrangements are more constraining than those experienced by men, they also work autonomously from their family, and may not be used to or accept attempts by family members to limit their economic and social freedom when they return. This is particularly true for women with professional and academic credentials who have experienced and expect to obtain fulfilling employment that grants them much autonomy. This desire for more autonomy has an analogue with returning men who often discover that they must respond to demands by family members and friends who have become used to making decisions without them (Gulati 1993).

A returning worker’s age and experience with return migration are also important categories to consider. A young worker returning home for the first time is likely to experience more severe economic and social adjustment problems than an older worker who is returning to a household that has become accustomed to his or her comings and goings. One household has adapted to the rigors and stresses of circular migration, while another is still learning how to adjust to changing household circumstances and structure. Nevertheless, this does not mean that workers who have been away from their home community for some time do not face difficulties. On the one hand, members of the
immediate family have to adjust to the new circumstances thrust upon them by the migrant’s return. On the other hand, the worker him or herself might find it difficult to adapt him or herself to new demands. Furthermore, a worker who is unfamiliar with his or her own community is both likely to require more time to adapt to the labor market and business environment and find it more difficult to call on those who might be able to provide assistance.

This issue is closely related to the family relations into which a returning worker is entering. For example, a young mother who has been employed as a domestic worker and is returning to young children who have been cared for by in-laws or by one’s own family will likely face significant adjustment difficulties. Not only must she attempt to get to know her children and husband again, but she must also negotiate with family members over her access and control over her children. Young men returning to a similar situation will also face problems as practices of authority and affection are reestablished. Nevertheless, male returning workers undoubtedly have a somewhat easier time, since they are more likely to be granted more autonomy upon their return. Another important factor to consider is whether or not the returning worker is coming back to a separate nuclear household or to a home as part of an extended family. Finally, the marital status and the stability of the marriage itself will also have important effects on the prospects for successful reintegration.

It is also important to consider whether or not the worker is returning to his or country of origin as a successful expatriate worker or as a failed one. A successful experience would include working in a legally recognized position, being able to pay off debts that might have been acquired as a result of the migration process, and sending expected remittances home regularly. Failure might mean irregular and inadequate employment as well as difficulty in finding a secure and non-exploitative living environment. These circumstances will make it much less likely that workers will be able to maintain successful economic and social ties to their community when they return. It is likely that the “failed” workers’ social networks will have become weakened as a result of being unable to provide a regular stream of remittances. Problems of drug and alcohol abuse which are often associated with the difficult conditions associated with employment instability and irregular legal status. A successful experience as an expatriate worker can lead to a virtuous cycle of circular migration and development, while a failed experience can lead to a vicious cycle of deepening social and economic despair.

Finally, the economic challenges of reintegration are dependent on the skills with which the workers return and the employment opportunities awaiting them. Workers with professional experiences face significantly different problems than those without. A nurse, an academic or an accountant might find it difficult to obtain employment in the medical or business sectors that can replicate the work conditions and the wages to which he or she is accustomed. A worker who is returning as a construction laborer or domestic worker might have left her community because of a lack of employment opportunities. It is unlikely that work experience in a country of destination will enhance his or her ability to find similar employment upon return. Skill and wage mismatch are important factors
to consider for skilled and unskilled workers when attempting to develop specific policies that can assist a variety of returning workers.

This discussion suggests that policies designed to assist returning workers must be flexible. One policy is unlikely to work for all returning workers. The types of assistance provided to migrants who attempt to reintegrate need to be tailored to the specific requirements of the individual worker. The challenge facing policymakers is to develop programs that meet the needs of returning workers while being cost effective. It is unrealistic to expect that individual counseling can be provided to every returning worker. On the other hand, it might be possible to construct sociological profiles that are associated with different types of returnees and then apply programs relevant for larger groupings of migrants. For example, governments could consider developing programs facilitating the reintegration of returning domestic workers, which would no doubt address different issues and confront different challenges than a program for construction laborers or nurses.

**Previous Discussions of the Global Forum**

It is in this changing empirical and institutional context associated with more complex and intensifying “backward” and “forward” movement of workers that the GFMD has paid increasing attention to issues related to circular migration and the increasing use of temporary contractual workers. The background paper of Session 1.4 at the Brussels Global Forum (July 2007) (GFMD2007 website address), for example, focused the discussion on how circular migration and sustainable return could promote development. The authors placed significant emphasis on migrants who have established permanent residency in their country of destination while developing business and other contacts with citizens residing in their country of origin and on workers who have received a series of temporary contracts and move back and forth between their countries of origin and country of destination.

Another theme developed at the Brussels forum was that promoting the circular flow of labor can “offer a credible alternative to illegal immigration” (RT 1.4 Background Paper). Thus countries of destination could have a strong interest in permitting the more flexible movement of expatriate labor in order to reduce social tensions associated with migration “by bridging the gap, via circularity, between the desire for labor and the lack of desire for permanent migrants” (ibid). A more secure legal environment would also benefit temporary workers by giving access to structured savings, skill enhancement, and business development programs that could facilitate the reintegration of workers back in their countries of destination. If such programs encouraging migration and reintegration can be implemented, then the majority of stakeholders in the countries of origin and the countries of destination can benefit.

These themes were further developed at the Manila GFMD in October 2008. Roundtable 2.1 on *Fostering more Opportunities for Regular Migration* took stock of the tools and models available to governments for creating more flexible regular labour migration programs in order to promote development. Roundtable Session 1.2 on *Empowering*
Migrants and Diasporas to Contribute to Development, discussed how to develop policies in both countries of origin and countries of destination that would promote the participation of diaspora communities in the development of their home countries.

Two important features of the potential contribution of diaspora communities to development are the use of finance to develop commercial activities through the promotion of trade and direct foreign investment and the transfer of ideas, skills and attitudes that can both develop the country of origin and intensify its linkages with the diaspora communities in countries of destination. Remittances can be an important source of finance, since recent estimates indicate that the scale of these transfers is twice as large as official aid and almost as large as direct foreign investment (ILO 2004: 23).

Roundtable 1.2 of the Manila GFMD also noted that efforts by governments to harness the development potential of diaspora communities are facilitated by creating an enabling environment that:

- permits the movement of populations back and forth between countries of origin and destination in order to permit the launching of training programs and business development
- promotes the development of home associations that can undertake development projects in their home region
- develops training programs that facilitate the transfer of skills and knowledge by members of the diaspora community

In addition to these changes, the roundtable emphasized the importance of permitting the efficient and transparent flow of remittances between countries of origin and countries of destination as well as financial training for workers so that they can better determine how to make decisions about the funds that they are acquiring. This promotion of voluntary remittances can then be linked to development projects with creative state intervention that leverages remittances that are used for development projects for communities in their countries of origin. Such programs require the linkage of diaspora community organizations with national and local governments as well as financial institutions.

Roundtable Session 2.1, co-chaired by the governments of Bangladesh and Canada, at the Manila Conference placed its focus on the temporary foreign workers themselves and examined how to create a “win-win-win” situation so that migrant workers, employers, and the economies of origin and destination countries all benefit (see the RT 2.1 Background Paper, Manila 2008). By focusing only on workers who have accepted temporary contracts, the background paper is able to discuss the different guest worker programs, seasonal worker programs, temporary foreign worker programs, and circular migration schemes that will have an impact on how workers will reintegrate back into their home society when they return. The authors also stress that such programs need to be administratively transparent and have clear goals (such as meeting employment needs in a country of destination or improving the skill and financial profiles of workers from the country of origin) if the temporary labor programs are to provide clear benefits to all stakeholders.
Policies that Promote the Reintegration of Workers

Previous discussions of circular migration in the Global Forum sessions have provided compelling analytical frameworks to establish linkages between worker reintegration and economic development. What has been lacking is a thorough survey of the various policies and reforms that could be implemented to promote this process. There is no single menu of policies that could be implemented in all regions of the world to create the “win-win-win” results envisaged in previous Global Forum discussions. On the other hand, it is useful to examine all the policy options so that governments can consider how best to structure their interventions in the most productive way.

This paper argues that policies which promote voluntary return and reintegration of temporary contractual workers, or of those on more open-ended contracts, can be divided into three categories: information-based policies, economic incentive-base policies, and institution-based policies. Information-based policies concern themselves with providing clear information for workers about the economic opportunities to be exploited on their return. Economic incentive-based policies provide workers returning to their countries with enhanced financial support. Finally, institution-based policies refer to legal, organizational, and programmatic innovations that can make the return of workers to their communities more economically productive and attractive. In this section, we outline in more details the specific policy interventions that can fall under these three categories.

Information-Based Policies for Returning Workers

Information-based policies focus on providing returning workers with information that can allow them to more successfully reintegrate into their community. Such information includes job and business opportunities, policies that could be used by workers to enhance their likelihood of success, organizations which workers can consult if they face problems or wish to explore new opportunities, and legal and regulatory issues that commonly face workers upon return to their home country. Even though information-based schemes do not by themselves initiate new policies, they can serve to create a better informed and more self-confident and assertive returning workforce.

Providing information on return can begin before workers even leave their country for work abroad. This can be linked to pre-departure information programs about their rights and responsibilities, their work situation, and the institutions and regulations to support them in the host country, which can all help them plan their economic future more effectively. The information can be received through presentations at labor processing centers, pamphlets available to the workers as they leave the country, or one-on-one consultations with officers that process their papers. Not all countries provide services to facilitate more regular movement of workers abroad, but where such orientation programs exist, and countries are considering expanding their orientation capabilities, then it makes sense to inform the workers about how to facilitate their return.
Well before the expiration of workers’ contracts abroad, there is also a need to provide them with information on conditions and opportunities awaiting them on their return home. It is important to catch them at a time when they are considering their prospects – whether to attempt to stay in the host country, pursue work opportunities in a new country, or return to their country of origin. At this point, information sessions can provide workers with timely data on labor market conditions, regulations and opportunities for training, business development and credit programs.

Such programs can take a variety of forms. Embassies and consulates can provide written documents and more complete and specific data sets on-line; and make themselves available for individual consultations with workers planning to return home. The success of such programs is closely linked to the ability of country of origin officials to maintain contact with their citizens while they are working.

Information programs that rely on the initiative of workers can also be supplemented by more aggressive measures to provide potential returning workers with essential resources. Countries with well developed policies to manage the migration process cooperatively are in a good position to identify those workers whose contracts are expiring. The migrants can be invited to meetings initiated by the governments of the host country and country of origin. Such a process can have the added benefit of making the worker’s decision more transparent, so that the irregular employment of those who overstay their contract and visa is more effectively limited. Information sessions sponsored by labor attachés can encourage workers to participate in community development, business development and employment training schemes in their home country.

Such sessions can also assist workers in preparing the documents and fulfilling the requirements necessary for them to both depart from the host country and return to their home country. It is clear that in all cases, success of such programs requires close cooperation between the relevant officials of the host country governments and embassy officials from the country of origin. To the extent that memoranda of understanding, experimental pilot projects, and multilateral agreements build trust amongst governments involved in managing the migration process, it is more likely that information programs for workers intending to return to their home country will be successful.

Finally, providing information to workers need not end with their departure from the labor receiving country. Country of origin governments can provide information via assistance desks at key airports through which the workers re-enter their home country. Reintegration centers can also direct workers to programs and assistance to facilitate their social and economic re-insertion back home. To the extent these programs are utilized by workers in the throes of a circular migration process, the institutional structures can be developed to allow governments to provide such information and assistance to larger numbers of workers returning to their home countries.

Economic Incentive Based Policies for Returning Workers
The information scenario above is based on the premise that a more informed worker is more likely to make decisions which promote his or her economic self-interest, and that this in turn can boost general economic life in regions that heavily contribute to international labor migration. But governments can also complement this with economic incentives to strengthen the material benefits to workers when they return to their home country.

We will divide economic incentive programs into two categories. The first is more fiscally neutral in the sense that neither the government of the country of origin nor the government of the host country contributes extra budgetary resources to the economic incentive program. For example, the country of destination could allow expatriate workers who contribute to state-sponsored benefit programs (such as pension systems or unemployment insurance) to use these funds or a portion thereof when they return to their country of origin. Even a program of this sort, which is not specifically linked to the migrants’ return, might encourage their reintegration if the benefit program could be tapped regardless of where the worker resided.

Another source of funds is the savings of workers. Policies could be developed to facilitate the low-cost transfer of funds deposited in financial institutions in the host country back to accounts in the country of origin. (This could involve either a transfer between two distinct banking institutions or the movement of funds between bank branches, if government policies permit the cross-national establishment of an enterprise’s branches.) A variant of this policy is to encourage workers to deposit a portion of their salary automatically in home country institutions that have operations close to the native residence of the worker. This would mean that a returning worker could immediately tap these funds upon return to their country. Clearly, such a policy would require that the appropriate banking and foreign investment regulations have been established.

A more coercive policy would directly link a worker’s return to material rewards. For example, changes in regulations for entering a country could require the establishment of a forced savings program which obligated host country employers to deposit a percentage of the employee’s salary in financial accounts based in the country of origin. These accounts would belong to the worker, not the government, but the worker would not be allowed to access this pool of savings until he or she returned. The policy could be even more restrictive by requiring the worker to prove that he or she has established permanent residence in the country of origin before the funds could be utilized. Despite the coercive nature of such a program, it uses economic incentives to influence the behavior of the migrant worker. He or she could choose not to utilize the savings fund and stay in the host country by signing a new contract, which could possibly continue the mandatory deposits of savings in the workers’ home country. It might also be the case that a less restricted savings mandate could still facilitate worker integration. Even in such programs that allowed workers to tap into their savings accounts before returning to their home country, the mere existence of a savings account in the migrant’s country of origin could encourage the worker to return to his or her country of origin.
Whether completely voluntary or partially coercive, the programs we have outlined require no budgetary contributions from governments. On the other hand, it is also possible for governments to use such programs to boost the savings of returning workers with a fiscal contribution. For example, a country of origin government could decide to add to the savings or benefit funds of returning workers in order to promote successful reintegration. On the other hand, a host country government might wish to use such subsidies to encourage workers to return after the expiration of their contracts. As we shall see later in this paper, these policies can be applied to individual workers or the collective funds of a group of workers. In either case, workers’ savings are leveraged both to promote return, reintegration and development.

Economic incentives need not be linked to workers’ private savings or social insurance contributions. Governments can also devote fiscal resources in more direct ways to encourage the reintegration of workers. We can divide these types of economic incentive programs into two categories: one which supports the individual worker as he/she returns to the home country, and the other which links support of the worker to specific development projects of the country of origin.

The first category of program could involve direct subsidies through grants or subsidized loans to returning workers, to facilitate the reintegration process in their home communities. The programs could be structured to support workers who have demonstrated a commitment to remain in their countries of origin for a period of time, and the grants or loans could either be general “welcome home” subsidies or be tied to particular business plans, training programs or other human development programs that the worker chooses to pursue. A variant of such direct support could include a tax relief to returning workers through the suspension of certain obligatory payments or by providing extra funds in a specified ratio to the savings or benefits workers bring back with them. In this way, such support could be linked to the fiscally neutral programs discussed in the previous paragraphs.

This approach to reintegration can be linked to more specific development priorities. For example, if a government has identified a need for training for specific jobs, agencies could provide bonuses to returning workers who agree to participate in such training programs. This could be especially valuable if returning workers could serve as trainers so that future workers could develop skills attractive to the businesses in destination economies. This assumes that one development priority for countries exporting workers is to maximize the revenues that such workers receive when working outside the country. Training programs, however, need not just facilitate out-migration. Development programs could also be targeted to enhance the skills of workers wishing to work in their home country. This suggests that governments might also choose to support returning workers to develop specific business plans. Subsidized credit or even grants could influence returning workers to engage in projects, including public sector development projects, identified by the government as a priority.

This latter point allows us to consider budgetary support for groups of returning workers rather than individual workers. As shown in the next sections of this paper, some
development initiatives attempt to encourage groups of workers from the same community in the country of origin to use their savings to develop either a business which can be used upon return or to establish a community development project that, for example, rebuilds local schools or improves the provision of clear water and sewage systems. Governments can both encourage such grassroots planning and participation in development and provide important supplemental funds to ensure successful execution of the development plans.

Whether or not economic incentive policies require budgetary support, the purpose of such programs is to signal that governments wish to support workers’ efforts to return to their home country. Economic incentives are a useful tool both to promote the development of areas that intensively participate in the circular migration process and to encourage workers to return to their countries of origin rather than “disappear” into the markets for irregular labor.

Institution-Based Policies for Returning Workers

There is no sharp line between some of the economic incentive programs outlined in the previous section and institution-based policies. Programs that attempt to link returning workers to development priorities inherently involve new policies and new regulations. Nevertheless, it is useful to focus attention on how institutions might change in order to maximize the development contributions that returning workers can make to themselves, their community, and their larger society.

One category of programs that can be considered is interventions to facilitate migrants’ reintegration in the home country labor market. The most straightforward approach would be to ensure that both private and public labor market exchanges provide specific services to returning workers. This can be accomplished by encouraging country of origin agencies to use the overseas training experiences of workers to certify their skills to home-based employers. In addition, knowledge of the skills and aspirations of returning workers can be used to match workers with appropriate employment opportunities. Such proactive assistance to returning workers could be linked to the gathering of information during orientation programs in host countries prior to return. This may require institutional innovation, so that labor attachés in host countries can provide labor exchange officials with appropriate data.

The facilitated placement of workers in appropriate jobs could also be associated with enhanced training programs for returning workers. One should not assume that all workers who leave their countries of origin return with enhanced skills that can immediately contribute to the development of their country. Indeed, the large-scale employment of workers as laborers or domestic workers does not suggest that labor migration always improves the productivity of the workers involved. In these cases, it might be necessary to offer skill enhancement programs that improve the ability of workers to participate in home labor markets, since these returnees will normally be reluctant to accept low-wage employment in their home countries.
The problems and opportunities facing professionals are different. In this case, a return home might involve accepting skilled employment at much lower wages. Given this reality, it might be more feasible to tap these workers’ skills as trainers. They can contribute to the education of a workforce which will be able to find employment with higher remuneration. Programs which envisage skilled workers returning as instructors could link the signing of temporary contracts with the voluntary commitment to return to the country of origin in order to transfer skills to the domestic workforce. Such initiatives could partially confront the brain drain facing many countries, whose most skilled workers (such as health professionals) receive training at home, often at government expense, and then take up temporary or sometimes permanent jobs in richer countries.

Efforts to develop policies and programs which link individual workers to employment and training opportunities can be broadened to promote the development of social networks to support worker reintegration. While expatriate workers often spontaneously develop support networks with fellow workers from the same region, or the same family, there could be a role for governments and development agencies to use existing networks, or create new ones, to foster community development and more commercial projects. Any program that provides funding for such initiatives would require the agencies involved to enhance their organizational capabilities. Development workers will need to focus their attention on groups of returning workers both in the country of origin or in the host country.

Such projects can also be linked to initiatives which tap the contributions of diaspora to development. Some diaspora nationals may wish to return to their homeland; others may prefer to use their connections to develop business opportunities. Diaspora can also play a crucial role in finding job opportunities for outgoing migrant workers, thus improving the circular migration experience for individual workers. Some of these processes happen without government intervention, but some governments have promoted the creation of diaspora networks. As a result, new government agencies and new economic and cultural initiatives have been developed to improve the interconnections between diaspora nationals and countries of origin.

Beyond these policy and organizational initiatives, institution-based policies also include legal reforms. Most of these programs propose to make it easier and more desirable for workers to return to their country of origin. But this does not imply that the circular migration process thereby ceases. Workers who have successfully completed a migration cycle and improved their household’s material circumstances often envisage returning to the same host country to pursue more economic opportunities. It would be difficult to develop policies to encourage temporary migrant workers to return on the expiration of their contracts without realistic prospects of new or continued job opportunities, if they so

---

1 This term refers to people who trace their identity to a particular country, but have established temporary or permanent residency rights or even citizenship rights in another country. As Georgiou puts it, diasporization refers to “the relocation of people in space and their ability, desire and persistence to sustain connection and commonality across the globe.” (Georgiou: 2)

2 For example, the Ministry of Overseas Indian Affairs has created a Diaspora Services division which is headed by a joint secretary. See [http://moia.gov.in/showinfo1.asp?linkid=133](http://moia.gov.in/showinfo1.asp?linkid=133).
desire. To facilitate this, host countries may need to change their policy to enable workers who have fulfilled their contracts to return to their previous employer or to other job opportunities. Governments in the country of origin can also consider modifying immigration policies to ease the requirements associated with entering and leaving the country.

Diaspora nationals who are citizens or long term residents in the host country face different issues. If they wish to return to the country of origin for a period of time, they might need assurances that they can re-establish their residency at a later time. In addition, they will want to know that the government of their country of origin will grant them the ability to pursue business and development opportunities without inordinate restrictions. Countries could consider permitting dual citizenship or the ability of one individual to establish long-term residency rights in two countries. A related regulatory change would be to improve the ability of diaspora nationals to move back and forth with members of their own household.

To summarize the many policies we have briefly discussed in this section, we conclude with a table that more schematically lists the possibilities we have considered.

### Information-Based Policies

**Goal:** To improve the ways that returning workers or potential returning workers are informed about available policies and services that can facilitate their successful reintegration back into the home country. To provide returning workers with up-to-date information on the economic opportunities and potential pitfalls that await them.

<table>
<thead>
<tr>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation Sessions for Departing Workers</td>
</tr>
<tr>
<td>Providing Information for Returning Workers at Embassies and Consulates in Countries of Destination</td>
</tr>
<tr>
<td>Designing Information Sessions for Workers Whose Work Contracts in Destination Countries Are Expiring</td>
</tr>
<tr>
<td>Providing Information Centers for Returning Workers at Arrival Points in Country of Origin</td>
</tr>
<tr>
<td>Providing Information at Reintegration Centers in Areas Where Circular Migration Is Intense</td>
</tr>
</tbody>
</table>

### Economic Incentive Based Policies
Goal: To provide returning workers or workers who potentially might return with material support that can both encourage workers to return to the country of origin and improve the chances of a successful reintegration.

<table>
<thead>
<tr>
<th>Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow workers who make contributions to benefit programs to withdraw funds for use in country of origin.</td>
</tr>
<tr>
<td>Permit low cost transfer of savings accumulated in country of destination to country of origin.</td>
</tr>
<tr>
<td>Mandate automatic deposits of portion of salary in country of origin, but permit workers to opt out.</td>
</tr>
<tr>
<td>Mandate automatic deposits of portion of salary in country of origin without opt out provision.</td>
</tr>
<tr>
<td>Provide government backed additions to savings and benefit funds accumulated by workers.</td>
</tr>
<tr>
<td>Provide targeted grants or low-cost loans to returning workers for business development or training programs.</td>
</tr>
<tr>
<td>Provide targeted assistance or low-cost loans for housing assistance.</td>
</tr>
<tr>
<td>Provide targeted assistance for community development projects to which workers initiate and/or contribute.</td>
</tr>
</tbody>
</table>

Institution-Based Policies

Goal: To initiate new policies that make it more likely that returning workers will reintegrate into their communities and contribute to economic development.

<table>
<thead>
<tr>
<th>Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of Private and Public Labor Market Exchanges for Returning Workers</td>
</tr>
<tr>
<td>Skills Assessment of Returning Workers</td>
</tr>
<tr>
<td>Enhanced Training Programs for Returning Workers Who May Have Experienced Deskilling</td>
</tr>
<tr>
<td>Encouraging Returning Workers With</td>
</tr>
</tbody>
</table>
Professional Skill-Level to Participate in Training Programs

Linkage of Temporary Contracts of Professional Workers to Training Commitments in Country of Origin upon Expiration of Contract

Developing Social Networks of Expatriate Workers to Promote Successful Worker Reintegration and Development in Country of Origin

Developing Social Networks of Diaspora National to Contribute to Business Development, Human Development and Community Development

Creating Visa Policies that Make It Easier for Departing Workers to Return to Country of Destination at a Later Date to Pursue Economic Opportunities

Enhancing the Ability of Diaspora National to Maintain Dual Residency Rights

Contemporary Policies Promoting Reintegration of Migrant Workers

This section of the paper uses the categorization schemes developed in preceding sections to present and analyze what governments and international organizations have developed to facilitate the successful return migration of expatriate workers. There are a large number of programs to consider and we make no claim to be exhaustive.

Information-Based Policies

Pre-Deployment Orientation

The Philippine government offers country-specific, pre-deployment orientation programs to workers leaving the country. These are mandatory for those planning to emigrate permanently. The purpose of these sessions is to inform workers of the legal, economic and cultural environment that awaits them in the host country. The migrants also learn of the possible difficulties abroad and how they can obtain assistance from governmental and non-governmental organizations. The departing workers are given information on the location of the embassy and regional consulates, the migrant worker support and welfare organizations that exist in their host country, and a list of Filipino overseas associations. This information can strengthen social support institutions for workers and possibly facilitate their successful return (“The Official Government Portal of the Republic of the Philippines” 2009).
The Philippine government also engages in aggressive community outreach programs within the Philippines to inform potential workers, their families and communities of the promises and pitfalls of migration. One purpose of these programs is to provide social support for international worker mobility so that workers will be able to work successfully in country of destinations, settle as émigrés in those countries where that is possible, and return to their communities of origin with as much information as possible about the costs and benefits of each decision they can make. For example, the Commission on Filipinos Overseas (CFO) runs an annual campaign on the migration decision. Academics, non-governmental organizations and government agencies prepare meetings that involve community members in the migration decision. The Department of Foreign Affairs provides similar assistance to Filipinos planning to become spouses of non-nationals and move to their spouse’s country. By anticipating difficulties, the goal of these programs is to provide information which gives Filipino spouses more autonomy. This program has the added benefit of tying the emigrants more closely to the Filipino diaspora and their home communities (“Republic of the Philippines” 2009).

Smaller programs which attempt to provide similar services have been sponsored by the OSCE with the help of IOM in Central Asia. In Kyrgyzstan and Tajikistan, the OSCE has formed a series of Labour Migration Assistance Centers. These centers provide logistical assistance, orientation manuals, and individualized counseling and assistance for departing and returning workers. Special emphasis has been placed on assisting women workers, in particular the relatively large number of under-employed women with academic and professional credentials. Recently, OSCE created a Guide on Gender-Sensitive Labor Migration Policies (OSCE 2009). It is too soon to evaluate the success of this initiative, but the goal is to encourage the assistance centers to be aware of the unique contributions and problems that women migrants face in Central Asia.

Post-Arrival Information

The Philippine Commission on Filipinos Overseas in particular encourages and supports the establishment of civil society organizations that represent and support the interests of Filipino workers. These organizations are encouraged to provide information that includes orientation programs, language courses, welfare support services, and employment counseling. While the emphasis is on facilitating the integration of Filipino workers in their country of destination, these initiatives also provide a framework for assisting Filipino workers on their return (“Republic of the Philippines” 2009).

Pre-return Orientation in Country of Destination, Training for Business Development, and Employment Counseling

One of the few examples of a public-private partnership related to reintegration of returning migrant workers is “Project Tulay”, launched jointly by the Overseas Workers and Welfare Association of the Philippines and Microsoft Corporation in 2003. The goal was to address two paradoxes in the migration experience of many workers. First, workers come home and their work experience does not help them find jobs in their home country. This is because the work they have done as domestic workers or construction
laborers is not in high demand or the skills they had prior to leaving the Philippines had atrophied overseas. The second paradox concerns the social and psychological dimension of migration. While it is clear that the overseas worker provides important financial assistance to households, the prolonged separation can also strain relations between spouses and between parents and children. Thus, reintegrating back into the community is problematic for many workers because of the economic and social-psychological circumstances that they face (“Republic of the Philippines” 2009).

“Project Tulay”, offered by Microsoft in cooperation with the Philippines Government, provides skills training in information technology, to improve communication between the migrant worker and his/her household, and to help the workers find employment with their new skills upon return to their community. The training programs that Microsoft has offered in Malaysia and Singapore, while small in scale, have proved to be very popular, particularly for Filipino women workers. These clerical skills allow returning workers to be more employable (“Republic of the Philippines” 2009).

Post-Return Information or Assistance

The most comprehensive program available to workers returning to their home country is offered by the Philippines. The OWWA (Overseas Worker Welfare Association) provides airport assistance services and reintegration services that returning workers can access after they have returned to their home community. This includes the provision of general information on labor market conditions, the availability of transportation services, as well as more ambitious programs such as psycho-social counseling and conciliation services for returning workers experiencing difficulties reconnecting with household members and other friends and kin (“Republic of the Philippines” 2009).

Some European countries offer less ambitious programs for asylum seekers and workers who wish to return voluntarily if their application for residence has been refused, or their work visa is not extended. While some of these workers do not fit the classic circular migration pattern, such assistance can nevertheless provide guidance for the development of new programs. For example, Germany since 1979 has used the Return and Emigration of Asylum Seekers Program (REAG), implemented by IOM, to provide information and counseling, and return and reintegration assistance to the affected worker and his/her family. Since 1989, this program has been linked to Germany’s Government Assistance Repatriation Program (GARP), which provides modest financial assistance for returning workers to thirty-six designated countries. The two programs were merged into one program (REAG/GARP) administered by the Ministry of the Interior. The success of these initiatives has been particularly notable for asylum seekers returning to the countries of the former Yugoslavia (particularly Kosovo).

While these initiatives are not directly related to returning workers gainfully employed in legal jobs, Germany’s increasing interest in forging temporary contracts for skilled workers from non-EU countries might lead to programs similar to REAG/GARP for such workers in the not too distant future. Indeed, Germany has legislation entitled “The Act
to Promote the Preparedness of Foreign Workers to Return.” Workers from countries with which Germany has labor migration agreements (Turkey, Morocco, and Tunisia, for example) are supposed to receive information and advice upon return and possibly some assistance to promote occupational reintegration and business development (IOM 2004: 137).

Other European countries that have programs similar to Germany’s are the United Kingdom and the Netherlands. The UK’s program, Voluntary Assisted Returns Program (VARP) offers return assistance funded by the Home Office, and is implemented by IOM. Recipients receive pre-travel assistance, transportation assistance, and post-arrival assistance, including reception, transportation services, information on employment opportunities, modest financial assistance, and some follow-up counseling. In return, those returning must sign a disclaimer form relinquishing any claim to asylum in the United Kingdom (IOM 2004: 381).

The Netherlands program, Reintegration or Emigration of Asylum Seekers (REAN), implemented in partnership with IOM and NGOs, offers modest financial assistance to eligible emigrants wishing to return. In some cases, special arrangements with the origin country include in-kind assistance. For example, the Bosnian Reintegration Assistance Program contains pre-departure and arrival assistance, including transportation. Similar programs or pilot projects have been implemented for Somalia, Angola, Iraq, the South Caucasus states and Russia (IOM 2004: 253).

Most of these programs offer what may best be described as “inducements” to return, rather than incentives to reintegrate in a way that could support development at home. But they can yield some useful lessons about what conditions make reintegration work, at least for the migrant and his/her family. It is telling that the key international partner on return and reintegration programs, IOM, has in recent years expanded these programs to be more development-oriented in their reintegration support (MIDA). The MIDA program, for example, uses state-of-the-art tools such as electronic skills databases, distance learning and website-based job matching, and flexible market-based incentives for return, even if only to return members of the diaspora for short periods to strengthen the medical, education and rural infrastructures critical for development. (IOM, MIDA, 2009.)

**Economic Incentive-Based Policies**

These last examples combine modest financial assistance with the supply of information that could facilitate worker reintegration. The next programs we will consider place more emphasis on encouraging workers to return to their home country through incentives. One set of programs encourages workers to save and utilize their savings in the country of origin, while another set often builds on these programs but supplements them with financial contributions by the state.

_Fiscally Neutral Policies_
The Philippine government provides overseas workers with health insurance when they return to the Philippines if they pay regularly into the PhilHealth system. Upon retirement age, these workers receive lifetime coverage as long as they have paid for 120 months. This clearly allows Filipino workers to plan for retirement and view their work outside the country as part of a career path. Other programs offered by the Philippine government includes housing loan programs which allow expatriate workers to save and then gain access to affordable mortgages or funds for housing construction. Such programs similarly reinforce the Philippine government’s commitment to its large expatriate workforce and even encourage the outward and circular migration of its citizens (“Republic of the Philippines” 2009).

Providing housing loans or loans to micro enterprises is also a feature of many programs sponsored by the Multilateral Investment Fund of the Inter-American Development Bank. Over the past decade, the IDB has sponsored twenty-five projects that attempt to link remittances to lending programs. For example, the Guatemalan government, the Banco del Café, and the IDB have created new financing facilities that use remittance flows to support mortgages and long-term credit windows for small businesses. The households that receive remittances can use the long-term flow of funds to establish credit and thus participate in formal financial markets. This widening and deepening of financial institutions helps link the migrant worker more closely to his or her community and can facilitate return migration (IDB 2009).

Another program that taps savings and remittances was established by the Peruvian government to encourage Peruvian workers of Japanese origin working in Japan to develop small businesses upon their return. A unique feature of this program is the attempt to create credit unions in Japan to service the needs of these Peruvian workers (IDB 2009). Mexico has developed similar relations with worker associations that have sprung up in the United States and attempted to use remittance flows to develop mortgages and business loan opportunities in the Mexican communities linked to these workers. For example, the “Mi Communidad” program in Guanajuato attempted to link worker investments to the establishment of garment factories. This program did not succeed in creating viable enterprises, but the general approach of linking remittances to investment projects remains an attractive option for many development policy makers (Iskander 2005).

Policies that Require Fiscal Expenditures

One of the best known, recorded and discussed policies that attempts to link migration and remittances to community development is the Tres Por Uno programs in Mexico. This program draws on the funds of local, state and federal governments, which match the contributions of Mexican migrant workers for specific community development projects. These can range from the construction of new schools to the paving of roads to the modernization of town plazas. A unique feature of this program is that it originally emerged out of the activities and desires of community association formed by Mexican workers in the United States. In this case, development policy followed the initiatives of expatriate citizens. While there are criticisms that the funds have not really contributed to
sustainable community development, there is no doubt that the “Tres Por Uno” program has solidified links between circular migrants and home communities, and thus has become an important part of a transnational development process that has contributed to higher living standards of those involved in the process. (Iskander 2005)

An alternative, less community development-oriented approach is to provide assistance to individual workers to facilitate reintegration. The Philippines’ OWWA, for example, provides scholarships for returning workers who wish to buttress their educational credentials or acquire specific skills that could either help them find employment in their home country or allow them to find more lucrative opportunities outside the Philippines (“Republic of the Philippines” 2009). Another example concerns European governments attempting to encourage irregular workers or asylum seekers to return voluntarily. We have already mentioned some of these projects, but one initiative by France is worth noting. Returning workers from Mauritania, Mali, and Senegal can apply for grants for business development as long as they had been residents of France for at least two years and as long as they have been back in their country of origin for at least six months. This initiative, entitled The Local Development/Migration Program, provides technical support for project development, training, and financial support of up to EUR 3600. (IOM 2004: 131)

A more ambitious project that the French government is involved in is the France-Mauritius Framework partnership, including a small-scale circular migration program. This represents a creative response to changes in the patterns of international trade that is challenging Mauritius’ quite successful integration into the world economy. With the anticipated decline in sugar and textile exports, the French and Mauritian governments are working together to expand the tourism and electronic services sectors. These projects take advantage of the Mauritius peoples’ migration and work experiences by drawing on the language skills that many of them have developed. The program anticipates training for professional and non-professional workers that will tighten economic and cultural links between Mauritius and France in particular and, more generally, Mauritius and the European Union (Framework Partnership Document France-Mauritius).

**Institution-Based Policies**

**Training Programs**

Countries that encourage out-migration often encourage the acquisition of skills that can allow workers to receive higher wages and experience better working conditions. It is particularly important for these programs to be sensitive to the different labor market conditions and needs of men and women. The Philippine’s Technical Education and Skills Development Authority (TESDA) has developed a variety of programs targeted to workers in the Philippines and outside the country. These include special training sessions for women, skills assessment, e-courses, and scholarships for programs inside and outside the country. As mentioned earlier, the “Project Tulay” initiative with Microsoft and the Philippine government is an innovative gender-sensitive training
program for Philippine domestic and hospitality workers in Southeast Asia ("Republic of the Philippines" 2009).

An issue closely related to training is skills certification to enable migrant workers to practice their occupations in host countries and countries of origin. While not designed explicitly for temporary and circular migration, the European Union’s efforts to establish uniform credentialing standards for a variety of vocations provide clear signals to those attempting to design training programs for aspiring workers. By creating a network of National Academic Recognition Information Centres (NARICs) and a related set of standards for vocational work, the basis could be laid for broader international cooperation and coordination. (Abella 2006: 47)

Brazil has also implemented programs that can facilitate the successful return of workers in Japan to their country of origin. The government has sponsored a series of Brazilian schools so that the children of migrants will be able to integrate themselves into its education system. Workers can take tele-courses to prepare for ENCCEJA (National Examination for Certification of Competences of Young Men and Adults). In addition to the portable pension system mentioned earlier, the Brazilian government has used SEBRAE (Brazilian Service to Support Micro and Small Companies) to encourage workers in Brazil to attain their professional qualification, which would help them contribute to the private sector upon return. Importantly, these initiatives have been developed in response to the difficulties many Brazilians have faced in starting small businesses of their own. As many as seventy percent of enterprises started by such workers have failed. (Government of Brazil 2009).

Linking Reintegration to Circular Migration

When the original temporary migration programs were developed in Germany (Gastarbeiter) and the United States (Bracero) it was envisaged that workers on temporary contracts would return to their country of origin with enhanced economic resources. The reality was that many workers stayed irregularly, and others were able to extend their contracts. Taking circular migration into account allows us to have different expectations. Workers on temporary contracts often anticipate leaving the host country and then returning to pursue new opportunities. The Berne Initiative’s “International Agenda for Migration Management” recognizes this by proposing that circular migration be encouraged by linking the right to return to host countries to the timely departure of workers once they have completed their contract. Some programs for seasonal workers already make this link. The Canadian government’s “Mexican Seasonal Agricultural Worker Program,” which recruits Mexican workers to be employed in greenhouses in Ontario, has succeeded because workers were assigned to specific employers who then had an interest in rehiring most of them when they returned for another season. Evidence suggests that the more personal the linkage and the more employer and labor groups are involved in developing the programs, the more likely that successful circular migration will take place. This suggests that governments need to encourage robust institutional frameworks linking workers and employers. Legal changes encouraging legal circular
migration will not be sufficient to prevent irregular employment without more direct involvement in monitoring labor flows (Basok 2000)

Creating Networks of Diaspora Workers to Plan Development Projects or Activities and

One of the most innovative series of programs in recent years has been the attempt to link the skills and finance of diaspora nationals to support the development of their original home country. TOKTEN or the Transfer of Knowledge through Expatriate Nationals, for example, is a program sponsored by UNDP to utilize the considerable number of Lebanese Diaspora nationals to return to Lebanon to make short-term contributions to that country. For example, TOKTEN has recruited professionals to help restructure services offered by Beirut’s municipal government and develop a dam project to extend potable water to populations in need (“TOKTEN Lebanon” 2006). A similar program entitled MIDA or Migration for Development in Africa, organized by the IOM, has attempted to utilize the business and professional skills of expatriates from Ghana, Ethiopia, the Great Lakes region (Burundi, The Democratic Republic of Congo, and Rwanda). MIDA has made a special effort to mobilize expatriate professionals residing in Italy with a particular emphasis on providing health services (“Welcome to MIDA” 2006). What distinguishes the MIDA program in the African Great Lakes countries from other similar initiatives is their encouragement of more coherent institutional planning and management by affected governments and non-governmental partners (See the evaluation of MIDA by the Belgian Government, one of the follow-up projects to the Brussels GFMD 2007).

Not surprisingly, the Philippine government is also deeply involved in mobilizing the energies of diaspora nationals. Its LINKAPIL program, begun in 1989, encourages diaspora nationals to provide in-kind or financial contributions to the Philippines’ development priorities. A more recent example of this approach is an initiative of President Arroyo. Entitled the CGMA or Classroom, Galing sa Mamamayang Pilipino Abroad attempts to mobilize diaspora nationals to support the building of ten thousand school buildings (“Republic of the Philippines” 2009).

Other governments, perhaps inspired by these examples, have decided to give greater priority to forming closer links with diaspora nationals. For example, the government of India has relatively recently formed the Ministry of Overseas Indian Affairs. This new cabinet-level institution attempts to support migrant workers, but also to form closer ties with those Indians who have settled in other countries. As the second largest diaspora nation in the world (after China), the Indian government clearly recognizes the long-term development potential of fostering closer ties. One hope is that this allows diaspora nationals to contribute to the reintegration of returning Indian workers by beginning new businesses and other economic and cultural links.

Assessing the Costs and Benefits of Policies

The preceding two sections provide us with a considerable array of possible policies that could facilitate successful migrant reintegration and development. Unfortunately, there
has been limited research on the relative success of these policy alternatives. This is important because all the policies can be costly. It is not always easy, for example, to provide information to migrant workers either in countries of origin or host countries. A government attempting to provide services to workers intending to migrate, for example, would have to be able to place qualified government officials who would be able to implement programs that would meet the varying needs of different cohorts of workers.

In host countries, it is also not straightforward to develop programs that will allow government officials to provide information and assistance to workers intending to return to their countries of origin when their contracts have expired. Not all governments find it easy, for example, to provide their embassies with labor attaches who can do more than help workers requiring immediate and urgent assistance. Moreover, it might also be difficult for officials from host governments to locate workers so that timely and effective information is provided to them.

Even deeper problems can arise when governments attempt to identify workers intending to return to their country of origin in order to provide them with appropriate training. Government-run labor exchanges and programs that promote entrepreneurial development might not do a better job than the private institutions that already exist, and programs that attempt to mobilize worker savings for development projects can also be expensive to run and subject to abuse.

The need for research on these questions is clear. Small, well-defined projects such as the pilot project being launched by the governments of India, the Philippines, and the United Arab Emirates to improve the migration cycle need to have a well-designed research agenda that will allow policy makers to evaluate the relative efficacy of policies.

A similar point could be made for the France-Mauritius project and many of the other programs we have outlined. One approach would be to develop longitudinal surveys that would allow the researcher to track workers through the circular migration process. The researchers could identify the different services that workers receive as well as take account of the other important variables that determine successful reintegration. Small, experimental programs could also permit researchers to follow workers who receive the resources provided by the project and compare the workers’ experiences with those who do not receive these resources. Finally, researchers should also be encouraged to interview stakeholders (government officials, employers, workers, diaspora nationals) individually and in focus groups to determine how they evaluate the services associated with the interventions we have explored in this paper.

Beyond examining government-initiated policies, we also need a better understanding of the role that networks play in structuring the circular migration experience. The importance of social and economic networks that link workers and business people in countries of origin and host countries is difficult to overestimate. Such relationships can reduce the costs of acquiring information and mobilize human and financial capital for development. On the other hand, networks can also promote irregular migration and poor development outcomes. We need to know whether or not it is possible for governments...
to influence the ways that networks form and thus promote a virtuous cycle of migration that allows governments in host countries to protect their labor markets while promoting development in countries of origin.

Once again, a variety of research methodologies should be considered since it is unlikely that one research design would be appropriate for all questions. One goal of making a firmer commitment to research should be to develop a data set of best practices that can guide countries and groups of countries can manage and facilitate the successful reintegration of workers more effectively.

**Conclusion**

The policies discussed here have illustrated a series of interventions in the circular migration process which, while rich in potential, affect a relatively small number of workers and employers. The one exception to this are Philippine programs that give their workers access to a variety of measures which provide information, financial support, and a network of institutions that circular migrants can utilize in the Philippines and the host country. Other countries with significant inward and/or outward labor flows are considering establishing similar measures to mitigate some of the problems associated with migration and return.

Our analysis of the links between circular migration, reintegration and development suggest that it could be useful for us to **consider developing profiles or typologies of different categories of workers who participate in the circular migration process**. Gender, the relationship between skill and employment opportunities, household relations, worker experience and age all affect the migration experience. When attempting to facilitate reintegration, it is important for officials to be aware of the different needs of returning workers. While it would not be feasible to provide individually tailored services, it should be possible to develop integrated services for broad categories of workers.

In designing such programs, it is also important to take into account the institutional context of migration. Workers in countries which allow those with temporary contracts to obtain residency and/or citizenship rights will face different challenges and temptations than workers who cannot change their status as temporary contractual workers.

The development possibilities associated with migration depend on much more than providing remittances. The decision to return is associated with the mobilization of savings for the development of businesses and employment opportunities. This depends on financial, human, and social capital transfers as well as the ability of the returning worker to embed him or herself in the economy and society of the community.

This is a complex process, and it is important to recognize that return and reintegration might not be permanent and that workers might envisage a process in which a prolonged stay in their country of origin is then followed by remigration back to a host country.
These insights can be used by those governments and groups of governments that are intensifying their discussions on how to manage international labor flows. For example, the Colombo Process nations of Asia, which represent Asian countries that export labor to other Asian countries, joined forces with labor importing countries to pass the Abu Dhabi Declaration in January 2008. This foresees the establishment of a more humane and effective framework for workers on temporary contracts. European countries have also recognized that the increasing use of circular migrants on temporary contracts could lead to the development of stronger multilateral, regional, and bilateral regulatory frameworks that would benefit all major stakeholders.

Despite significant regional and national differences, this paper’s analysis of reintegration in the circular migration context points to two key principles.

- **First**: Policies and practices that *promote the inclusion, and acceptance and protection of migrants in the host country are more likely to encourage successful reintegration* of workers when they return to their respective countries of origin.
- **Second**: Measures should be taken to *ensure that the migration experience does not significantly weaken participating workers’ links with their countries of origin*.

These principles apply to workers who foresee establishing permanent to semi-permanent working and living arrangements in host countries as well as to workers who have temporary contracts. We thus should not overstate the differences that exist amongst migrant workers.

Our discussion also implies that we should not view the creation of new bilateral and multilateral frameworks as simply involving enhanced government-to-government cooperation and improved government services to migrant workers. Creating a robust network of home country labor attaches that can provide enhanced services is one way for workers to maintain contact with their country of origin. Just as important, however, is the creation of worker and community networks of expatriates. These can permit the sharing of important information on policies and economic conditions in both host and origin country.

As we have seen, migrant and diaspora associations often become directly involved in promoting development in their home communities and encouraging work practices and labor practices in host countries that inhibit irregular employment. Evidence suggests that the emergence of such civil society organizations both facilitates and is facilitated by the work of international organizations (such as the ILO and IOM) as well as by the active involvement of appropriate government officials from countries of destination and countries of origin.

One advantage of this approach is that the better organized the migration and labor process is the easier it is for officials to communicate with workers as their contracts near expiration. With the exception of relatively tightly structured seasonal migration programs which permit agricultural and other workers to move back and forth over a
series of years, there are very few programs which easily identify whose contracts are expiring, so that migrant workers can be provided with assistance that encourages voluntary return. The European and IOM experience with rejected asylum seekers provides some guidance on how such programs might be constructed.

It is also important to recognize that these general conclusions need to be buttressed with rigorous research that attempts to determine how government policies and networks can best be developed to promote successful reintegration and development. The policies we have explored in this paper can be costly to implement. This means we need a better understanding of the benefits that are likely to be generated by government initiatives since it is not obvious that all such interventions will be cost effective. It is thus important that new programs promoting worker reintegration also include a research plan so that we can have a better understanding of the links between circular migration, worker return and reintegration, and development.

---

**Bibliography**


Maimbo, Samuel Munzele and Dilip Ratha (eds.), Remittances: Development Impact and
OSCE. “Contributions to the Background Paper(s) by the OSCE/Office of the Coordinator of OSCE Economic and Environmental Activities.” July 2009.