



Background Paper

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Roundtable 2: Migrant integration, reintegration and circulation for development

Session 2.2: Reintegration and circular migration – effective for development?

Co-Chairs of the session: Governments of Brazil and Portugal

Team members preparing the session: Governments of Albania, Colombia, Ethiopia, France, Germany, Greece, Guatemala, Mauritius, Mexico, Moldova, Netherlands, Philippines, Switzerland, European Commission, ILO, IOM, OSCE, UNDESA, World Bank.

Roundtable 2 Coordinator: Dr Irena Omelaniuk

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Executive Summary:

This paper focuses on the situation of returning migrants and the contexts in which their reintegration can contribute to development in their home countries or regions. Migrant reintegration will be examined in the context of emerging forms of circular migration, either as a singular or repeat occurrence between origin and host country. The paper will explore the assumptions that well managed, incentive-based circular mobility between countries can enhance the positive contributions of migrants to their home and host communities; and how effective reintegration is an integral part of this. It will identify “good practices” such as job matching, business start-up funds, education and vocational training, databases of migrant skills, public-private partnerships for SMEs, etc. and the roles of both origin and host country in fostering these.

The paper supports the preparations and discussions of the Roundtable 2.2 Session in the Athens GFMD. It will build on the work and outcomes of previous GFMD discussions on temporary and circular migration, and examine progress on some emerging circular migration pilot programs. It will assess current and proposed programs and identify remaining and emerging issues and knowledge gaps about the reintegration-circular migration-development nexus. It poses some questions to guide the discussion towards effective policies on both reintegration and circular migration in the context of development.

1. BACKGROUND AND CONTEXT

1.1 Working definitions

1. *Reintegration* is the re-inclusion or re-incorporation of a migrant into his/her society and country of origin (IOM, 2004). It is often conceptualised as a process in which migrants return to their home country, (re) activate social networks and ties and engage in economic activity. When linked to circular migration, reintegration becomes a broader concept to include the maintenance of networks and links outside the country of origin that ensure meaningful re-incorporation into the community, both when they return home and if they return to the host country.

2. *Circular migration* is an evolving concept. It seeks to identify a category of migration movements for the purpose of work or study at all skill levels from one country to another, with voluntary return after a certain period. There may be one period abroad or successive periods of time abroad and in the country of origin. It may also involve such mobility of members of diasporas, moving to the country of origin or ancestry for limited periods of time. Circular migration occurs spontaneously, but may be most beneficial for the migrants and for development, when facilitated (or at least not hindered) by governments and implemented through partnerships among private, government and other agencies, and linked to labour market planning in both host and origin country.¹

¹ See also the Background Papers and respective summary reports on the RT 1.4 and RT 2.1 discussions of GFMD Brussels and Manila respectively. Compare the EU’s definition: “Well managed, incentive-based movements between countries of origin and destination can foster the positive effects of the contribution to development provided by migrants and members of settled diaspora when they visit or return to their country of origin, on a temporary basis.”

3. *Development* here connotes human, economic and social growth. The UNDP Human Development Report's concept of human development as "a process of enlarging people's choices... by expanding human capabilities and functionings" may be a useful starting point when examining the relevance of reintegration policies for development.² The contribution of circular migration to development may be through the transfer of new skills (human capital), economic transfers such as remittances and investments, or the transfer of social capital and innovations.

1.2. Rationale

4. The return and reintegration of migrants can play a big part in linking migration-generated benefits to development, particularly in the context of circular mobility. Yet the conditions and policies in many countries are often not conducive to returnees utilizing their enhanced skills, ideas, capital and other assets for developmental benefits. Where reintegration policies exist, they are usually not tailored to development. Earlier GFMD debates on circular migration noted the relevance of reintegration for circularity, and of circular migration for development, but did not look closely at the policies to promote reintegration for development in the context of circular migration.

5. There is an increasing tendency by some host and origin countries to actively link return and reintegration of migrants more to the development needs and planning of the origin country. There is a growing debate in the EU about the potential of circular migration for development (EU Communication of 2007). In countries of origin, an enabling environment for successful return and reintegration is grounded in broader macro-economic growth and specific reintegration incentives. In host countries, an enabling environment includes the legal basis for facilitating temporary return and brain circulation. Recent measures have also focused on reintegration as a means of combating the effects of the economic crisis.

6. Circular migration agreements can offer useful frameworks for creating a favourable interface between return, reintegration and development. They help countries fill vacant jobs, enable migrants to increase their earnings and skills abroad, reintegrate upon return, and move more freely between countries. Policies to foster reintegration within these frames, however, need to account for differences between returning migrants, e.g. according to gender, age, temporary or permanent settlement in the host (and the origin country), skill levels, family, networks etc. Even without agreements, government policies can at least remove any obstacles to the migrants' own reintegration efforts and contributions to development (giving regard to the fact that most returns happen without government assistance).

7. This paper identifies some emerging good practices in reintegration within circular migration arrangements, that could be tried and tested for their relevance to development.

1.3. Assumptions:

² Also the UNGA Agenda for Development defines development as a multidimensional undertaking to achieve a higher quality of life for all people.

- a) Effective reintegration of returning migrants can support development efforts, especially at community level.
- b) Circular migration can be beneficial for development, both in origin and host countries.
- c) The policies and conditions that foster reintegration are likely also to be the ones that encourage people to migrate voluntarily in the first place and/or to circulate themselves, their skills and capital between countries.

1.4. Objectives:

- a) To understand the relevance of migrant reintegration for development, particularly within emerging global mobility patterns, such as circular migration.
- b) To identify incentive-based and development-oriented programs that encourage voluntary return and reintegration; and enhance the effect of reintegration for development.
- c) To identify policies/legal frameworks/practices that increase the development effects of circular migration.

1.5 Key findings on the theme to date.

8. A key finding of the debates to date is that the experiences of governments and migrants drawn from both circular migration and reintegration programs still need to be assessed.

9. There are some key limitations to circular migration programs. Useful lessons have been drawn from previous experiences with temporary labour migration schemes such as the European post-war guest worker programs (mainly to Germany and France) and the US-Mexico ‘Bracero’ programs. While these are part of a legacy of failure in terms of adequately matching labour supply and demand, and assuring temporariness, they have helped tie today’s temporary schemes more to the real needs and expectations of employers, addressing temporary rather than permanent needs, and ensuring greater public awareness of the purpose and modalities of such schemes.

10. European thinking about labour migration has shifted in recent years to link the labour needs of host countries more closely to those of origin countries. Skilled migration is no longer strictly bound by expectations of permanent return, and governments are fostering a greater “circulation of brains” through temporary, circular and virtual migration. Germany reports that its "Returning Experts Programme" can have a positive structural impact on developing countries of origin, while creating productive transnational networks for German companies, institutions, NGOs and universities. The Netherlands also sees its assisted returnees to Bosnia and Herzegovina, Sierra Leone, Georgia and other countries under the Temporary Return of Qualified Nationals Programme as “change agents” and bridge builders.

11. A few circular migration models have emerged since the first GFMD discussions on this in 2007 – such as the Mauritian-France and Ukraine-Portugal programs, but they have not yet been tried and tested. To date, migrant reintegration has mostly been studied in the context of limited, specific categories of voluntary returns, such as for irregular migrants or others unable/unwilling to remain in the host country. These have not been linked to labour market considerations, a key determinant for return/reintegration in the context of circular migration. Nor has there been much connection between reintegration assistance offered to returning migrants by host countries and development planning in their home country. Gender has been identified as a crucial issue in circular migration, given the positive role of women migrants in contributing to development.³

³ Ellis M., Conway D. and Bailey A., 1996, “The Circular Migration of Puerto Rican Women: Towards a Gendered Explanabation, *International Migration Quarterly Review*, XXXIV (1), pp 31-62.

12. To assure the essential voluntariness of circular mobility, migrants need to be informed about the advantages and disadvantages of existing schemes to be suitably motivated to enter them. This requires more consolidated information on how to benefit from such programs, and the best policies to foster their benefits. This information can be derived from the conclusions of ongoing or completed projects. The policies that make organized and well-managed temporary labour migration programs work are often similar to those required by circular migration schemes. Better monitoring of both is thus required.

13. The EC reports that, following increased efforts to promote circular migration as a potential development tool for some partner countries to the EU, some European Governments have adopted, or are in the process of adopting, new legislation that facilitates circular migration (e.g. Spain, Italy, Portugal, France, Sweden and the Netherlands).⁴ New pilot circular migration programs, such as between Mauritius and France, Ukraine and Portugal, and Costa Rica and Nicaragua are now testing the concept.

⁴ The EU Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (the EU Blue Card), adopted in May 2009 by the Council of the European Union, makes provisions to foster and sustain circular migration of highly qualified third-country workers between the Community and their countries of origin.

2. POLICIES AND PRACTICES

2.1 Examples of current practices

i) Bilateral labour migration agreements

14. Some states, like Portugal, Ukraine, France and Mauritius have elected to frame their circular migration programs within bilateral labour agreements.⁵ These allow parties to agree on mechanisms that can maximise the individual's contribution to the labour market in both the origin and host country; starting with coordination between national employment services of both countries on posting and filling vacancies (Ukraine-Portugal). Others, like Spain and Colombia, have expanded their temporary labour migration agreements to include elements that encourage circularity and higher development impacts back home, such as pre- and post-return orientation and training for business start-ups.

Some EU-supported programs ensure that gender is mainstreamed in programs to facilitate circular migration and promote bilateral agreements, through appropriate laws, information and training, as well as consultations between origin and host countries. OSCE confirms the importance of gender mainstreaming for circular migration policy-making; and provides a guide on how to integrate gender issues in legislation, budgeting and state institutions and programs (*OSCE Guide on Gender Sensitive Labour Migration Policies*).

15. To maximise the reintegration of skilled returnees, their professional and academic competences need to be recognised or assessed, and opportunities for re-skilling or skills upgrading made available. The Philippine Government already offers special re-skilling courses to low skilled female migrants while abroad, to prepare them for different work options and/or their reintegration back home. Social security agreements can allow for the accumulation of periods of contribution to social security systems and the portability of benefits to countries where migrant workers return (ILO). These are built into the bilateral labour arrangements between India and Belgium, Greece and Egypt, Spain and Bulgaria. The Philippines has negotiated Bilateral Social Security Agreements with several partner countries.

16. To take such bilateral agreements beyond the traditional expectations of permanent return after completion of a contract or study, there need to be flexible entry and re-entry conditions for migrants in the host country, such as multi-entry visas,⁶ preferential re-entry provisions, portability of pensions and other benefits, and longer periods of absence for regular migrants and diaspora, so that they can be mobile without losing their residence rights.⁷ The following general practices in temporary labour migration agreements, which foster their contribution to development, are equally applicable to circular migration:

- Services to migrants both prior to departure from origin and from host country (orientation; professional and vocational training; financial literacy and small business creation; savings

⁵ IOM, ILO and OSCE, 2008a. "Compendium of Good Practice Policy Elements in Bilateral Temporary Labour Arrangements", prepared for the Global Forum on Migration and Development 2008, Manila, Philippines, as a follow-up on GFMD 2007, http://government.gfmd2008.org/component/option.com_docman/Itemid,45/task_cat_view/gid,43/; and IOM, ILO and OSCE, 2008b. "Analytical Paper", based on the Expert Seminar on Bilateral Temporary Labour Arrangements: Good Practices and Lessons Learnt, Madrid, Spain, 10 October 2008,

⁶ For example under Canada's Seasonal Agricultural Workers Scheme (SAWP) with Mexico and Caribbean nations, preferential re-entry provisions as in the labour agreements between Spain and Colombia, the Dominican Republic and Morocco,

⁷ The EU Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (the EU Blue Card) provides for extension of the period of absence from the territory of the Community without interrupting the period of legal and continuous residence necessary to be eligible for EC long-term resident status.

- mechanisms to help with start-up of small businesses; information on national and regional demand for labour as well as on labour market policy measures available to them (ILO), etc).
- Sector specificity (e.g. around 90% of the participants in the Guatemala-Canada) project work in the agricultural sector. However, the program has been extended to other areas including poultry, construction, dairy, landscaping and laundry services.
- Coordination between national employment services, agencies to recognize skills and qualifications, development cooperation agencies, migrant and employer associations and federations etc. In some cases, international organizations facilitate the programs.⁸
- Evaluation mechanisms to assess the effectiveness of measures and activities to ensure that return and reintegration of migrants can provide benefits for all parties involved.

17. As highly skilled migration flows and programs tend to become more temporary and circular (OECD data from 2006), initiatives like the Blue Card Directive of the EU allow for both temporary and permanent migration of the highly skilled. Greater choice and flexibility of movement is seen by the EU as a means to counteract the risk of brain drain from developing countries of origin.

ii) Job-matching mechanisms to address labour demand/supply in origin and host countries

18. Circular migration can contribute to development in both host and source countries if closely linked to the labour market needs in both places, regardless of skill levels. Mechanisms for *labour/job matching* are therefore key to facilitating a match between the needs of employers and the individual migrants at both ends of the migration route. Effective labour market intermediation relies on access to correct and timely information about job opportunities and requirements, and on recognition of skills/qualifications acquired or enhanced abroad to enable skills transfers.

19. One mechanism to facilitate job-matching of migrants abroad, and upon their return home, are migrant service (or resource) centres in both origin and host countries. These are growing in number,⁹ and offer pre-departure orientation/information on employment opportunities in origin and host countries, legal conditions in the host country and opportunities to develop small businesses back in the origin country.¹⁰ To date, no systematic evaluations have been undertaken of the impact of such centres on development in either origin or host countries. Any such assessments should be cautiously undertaken, as they do not all have the same set of tasks. For instance, some mostly provide information on legal channels and warn of the dangers of irregular migration.

20. One innovative practice in Tajikistan is the increased focus on attracting returning migrants, and referring them to services provided by Resource and Training Centres for Small and Agro-business. There

⁸ Since 2003, with the support of IOM, the Guatemala-Canada circular migration program has involved over 8,000 workers and exceeded 10,000 workers by mid 2009.

⁹ See IOM's study "Examining Global Best Practice in the Provision of Services to Protect and Empower Temporary Contractual Workers through Migrant Resource Centres (MRCs)" commissioned and funded for the Athens GFMD by the UAE.

¹⁰ See, e.g. the centres co-funded by the EC and run by IOM and OSCE in the Western Balkans; OSCE's Labour Migrants Assistance Centres in Kyrgyzstan; Portugal/Spain- Cape Verde centres; EC-Mali, EC co-funded, IOM-run centres in India, Bangladesh, and Sri Lanka).

has been little focus so far on the impacts of that referral mechanism, including whether returnees have been able to start up agro-businesses.

21. The services provided by Migrant Resource Centres in origin countries are frequently not linked to similar centres or structures in host countries, and do not easily facilitate the access of migrants to concrete job offers. One exception is the Centre for Migrant Support in the Origin Country (CAMPO) in Cape Verde, established as part of a Mobility Partnership between the EU and Cape Verde (with EC, Portuguese and Spanish co-funding). It provides information, orientation and referral to training or funding opportunities for labour migrants leaving Cape Verde, those returning to Cape Verde, and aspiring Cape Verdean migrant entrepreneurs. The Philippine Government's Filipino Resource Centers in Asia, Middle East and the Americas also help connect its émigrés abroad to development projects back home, particularly women (see also RT 2.1 Background Paper).

22. Few structures exist to provide information on individual employment opportunities available to foreign nationals. A number of emerging projects supported by the EC, IOM, diaspora-based private sector et al show how ICT and internet websites can be a useful tool for international job matching.¹¹

23. These require coordination among various ministries and agencies in charge of migration policy, development planning, labour markets, education, housing, health and social affairs in origin and host countries. A key challenge for circularity, addressed in the **Ukraine-Portugal** pilot scheme, is to establish channels to effectively communicate and coordinate job offers between origin and host countries; and ensure that available job vacancies appeal to migrants. Likewise, these vacancies should derive from joint planning and agreement between institutions in host and origin countries.¹² This ensures that they meet specific labour market needs and demands, but also bring added value to origin countries' economies and labour markets.

- The success of the Guatemala-Canada seasonal agricultural worker program (SAW) rests largely on a good cooperation with employers' associations in the host province, which are best able to identify vacancies and select candidates to participate in the circular migration arrangements.¹³

iii) Information, orientation and vocational training to ensure reintegration works for development

24. Reintegration strategies and initiatives as part of managed schemes should be present in all phases of the migration cycle, and integrated into development planning in both origin and host countries. Reintegration awareness and preparation begin before migrants even leave their home countries.

25. Pre-departure orientation and vocational training to migrants before emigrating is a means of preparing them for their reinsertion into the labour market or for setting up small businesses upon return, and can easily be incorporated into the framework of labour agreements. The EC-funded program between Colombia and Spain, e.g., has provided basic technical training in leadership and local development (see text box 1) prior to departure. Training programs can also improve migrants' work capacity and knowledge of the host country.

¹¹ See the EC co-funded Brain Networking project for medium to highly skilled circular migrants, offering international trainee programs, "labour windows" and job matching for temporary circular migrants between Italy and Moldova, Ukraine and Russia (<http://www.brain-networking.org/>). See also the activities of the African diaspora-based agency Africa Recruit (info@africarecruit.com; www.findajobinafrica.com).

¹² See also the Integrated Migration Information System (IMIS) between Egypt and Italy, with its integrated database on Egyptians abroad, emigration markets and migration legislation in the host country.

¹³ More than 94% of all Guatemalan migrants under the SAW are assisted by IOM to travel to the Province of Quebec, where IOM partners with FERME – *Fondation des Entreprises en Recrutement de Main-d'oeuvre agricole Etrangere* –, a farm owners' association in Quebec, and coordinates the hiring of seasonal agricultural workers.

26. However, with the exception of the Colombia-Spain model below, little has been done to date to assess the developmental impacts that training, orientation and referral services have in the reintegration context. The TCLM model provides the most concrete example of where such research has been undertaken.

Text box 1 – Temporary and Circular Labour Migration (TCLM) – Colombia/Spain

In **Colombia**, under the TCLM model several activities have been carried out to develop the skills of migrants in entrepreneurship, community development, cooperatives and project development. Technical and vocational training courses are provided by the Servicio Nacional de Aprendizaje (*National Learning Service*) SENA in areas such as services, tourism, manufacturing, wholesale and nursing. From 2001 to May 2009, 8,955 job offers were offered through SENA, and 8,115 Colombians have benefited from the programs under TCLM. Other programs in agriculture have been implemented by the *Fundación Agricultores Solidarios* (FAS) in the Valle del Cauca and Nariño regions, benefitting 175 individuals in 2007 and extending into 2008. Through these initiatives, migrants received training in the use of remittances and the elaboration of business plans. Also in 2007, IOM and FAS offered a total of 44 introductory courses on development project plans benefitting 663 workers. The trainees took courses in the identification of income-generating initiatives and priorities, the co-development concept and management of project cycles. Under this model, in 2007 the FAS approached international development cooperation agencies to help mobilize and allocate resources for income-generating activities in the country of origin. One outcome was the acquisition of EUR 508,890, with the support of institutions in Spain and, particularly in the region of Catalonia, to co-finance 13 development projects in Colombia¹⁴.

27. In Mauritius, during pre-departure orientation Mauritian migrants are exposed to various opportunities for investment in SMEs in Mauritius and invited to submit project ideas, which could be transformed into business plans upon return. However, Mauritian migrants have not returned yet within the framework of organised schemes of circular migration.

28. While overseas, migrants also need information and support to prepare them for utilization of their acquired skills and capital once they return. Filipino Resource Centres in Asia, Middle East, Europe and the Americas¹⁵ offer a variety of services benefitting potential migrant entrepreneurs, including re-skilling and business management skills. Both Brazil and the Philippines have sponsored or established their own schools abroad, so that children of migrants can reintegrate themselves into the education system at home. Brazilian workers can also take tele-courses to prepare for the National Examination for Certification of Competences of Young Men and Adults.

29. Germany's "Returning Experts Programme (REP)"¹⁶ provides advisory and placement services to foster "well-informed choices", supports professional networking, and offers financial support for persons returning to positions important for development. Based on this model, Germany is currently designing a Mobility Partnership with Moldova and Georgia.

30. Promoting the utilization of competences, skills and resources acquired throughout the migration cycle is central to ensuring that circular migration, and particularly reintegration measures, can tie in with

¹⁴ The FAS approached the Catalan Fund for Development, the Lleida Municipality, the Catalan Agency for Development Cooperation (ACCD), and the Spanish Agency for International Cooperation and Development (AECID).

¹⁵ **Filipino Resource Centres** are located in countries and areas with large concentrations of Overseas Filipino Workers (6 in Asia, 12 in the Middle East and 2 in Europe and the Americas). They offer counseling and legal services, skills upgrading and re-training and assistance in preparing plans for the economic activities to be carried out upon return to the Philippines.

¹⁶ The REP aims to build capacities in more than 20 partner developing and emerging countries by matching the experts with employers in those countries, who need persons with special qualifications.

the development efforts of origin countries. In the pilot circular migration program between Ukraine and Portugal, the 50 participants will benefit from vocational training to facilitate business start-ups and social enterprises and assistance in business/strategy planning; improved access to credit and increased financial literacy, awareness of savings, bank account ownership and investment opportunities. The Colombia-Spain bilateral agreement includes projects that facilitate the voluntary return and entrepreneurial activity of migrants through training and, importantly, the recognition of experiences acquired in Spain.

31. In Mauritius, returning migrants will be assisted through the Government's multi-agency National Empowerment Foundation (NEF) with job reinsertion, SME development and other business/investment ventures. In the Philippines, the National Reintegration Centre¹⁷ - through its decentralized network of regional, local and family/association-level offices and circles - refers return and circular migrants to skills training, upgrading and retooling as well as employment facilitation.

iv) Promoting and guiding post-return migrant entrepreneurship within circular migration

32. A central aspect in the linkage between return and reintegration and the promotion of migrant entrepreneurship in the country of origin is the creation of opportunities for migrants to apply their human, social and financial capital accumulated during the migratory experience in setting up small-scale, yet sustainable businesses.

33. Governments can support these in different ways,¹⁸ for example through fiscally neutral incentives to allow expatriate workers who contribute to state-sponsored benefit programs (e.g. pension systems or unemployment insurance) to use these funds or a portion thereof when they return to their country of origin. Portability of pensions can help to make capital available for when migrants return, and these can be offered by the country of origin, as in the case of Brazil's portable pension system, or through social security agreements, as the Philippines has with countries around the world, and Argentina has with regional and other countries on a reciprocal basis, as both an origin and host country (see also RT 2.1).

34. Governments can also directly fund grants, subsidized loans, or tax relief to returning workers, first to facilitate the reintegration process in their home communities, and second to tie the returns to public development projects through subsidized credits and grants (Willoughby 2009). Low cost housing loans are provided by Brazil, Guatemala and the Philippines for the émigrés and their families; but housing loans or micro enterprise loans schemes are also sponsored by multilateral entities such as the Multilateral Investment Fund of the Inter-American Development Bank (IDB). Lastly, migrants can be encouraged through low cost mechanisms to transfer their own savings deposited in financial institutions in the host country back to accounts in the country of origin, or even to deposit a portion of their salary automatically in institutions operating close to their homes. Forced savings programs, however, may be susceptible to fraud or non-compliance by employers, but could work if closely monitored (see also RT 2.1).

35. Several origin countries seek to draw upon their migrants' expertise and help them invest, rather than just bank, their savings, by enabling them to develop viable and feasible business plans for the start-up of SMEs.

¹⁷ The National Reintegration Center and its regional and local networks provide services such as referral to skills upgrading, assistance in the preparation of plans for development of economic activities upon return to the Philippines, etc.

¹⁸ See the GFMD study commissioned by the UAE on "Preparing Contract Workers for Return and Reintegration – Relevant for Development?" by Professor John Willoughby. American University, Washington D.C.

36. Mauritius has taken the following comprehensive measures as part of its Economic Reform Programme initiated in 2006 to open up the economy and improve the ease of doing business:

- *Simplified procedures for setting up businesses: ex ante authorisation has given way to ex post verification to attract investors both at home and from overseas.*
- *Reduced corporate tax from 30% to 15%.*
- *Allowed SMEs to start new business activities within 3 working days.*
- *Relaxed labour laws.*
- *Created a conducive environment to promote business opportunities and development of SMEs through restructuring of the Small Enterprises and Handicrafts Development Agency (SEHDA), the Board of Investment (BOI) and the Enterprise Mauritius (EM).*
- *First steps towards establishing a Matched Savings Scheme (a la the Mexican “Tres por Uno”).*

37. The Guatemala-Canada circular migration program offers migrants low cost opportunities to bank and remit their earnings, and take out low cost housing loans back home, through the closely coordinated joint efforts of the government, banks, IOM and migrants.¹⁹ Recorded remittances of these seasonal workers have been relatively high when compared with other similar programs elsewhere.²⁰

38. The Colombia-Spain TCLM allows labour migrants to access financial services and to participate in the creation of at least 1 co-development project in each of the 50 participating communities in Colombia, thereby benefitting around 10.000 persons.²¹ 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 the professional qualifications, which would help them contribute to the private sector upon return.

39. The MIDA and TOKTEN programs, respectively managed by IOM and UNDP over many years, are also supporting SME creation back home for returning migrants. Evaluations of the MIDA Great Lakes program, which calls for proposals for multi-annual projects from beneficiary institutions in the home country found, alongside all the positive results in its initial 3 phases, that the beneficiary institutions were not always able to formulate their needs sufficiently, which resulted in a mismatch between returnees’ skills and their jobs or projects. In its fourth phase, MIDA is training beneficiary institutions to write their own proposals and directly involve diaspora in developing the projects with such institutions.

40. The DIAS de Cabo Verde MIDA project (DIASpora for DEvelopment of Cape Verde) promotes the active participation of Cape Verdean public agencies through counselling of diaspora members in the business creation and investment opportunities. During networking missions of 33 diaspora members living in Portugal, Italy and the Netherlands to their country of origin as well as nationals of those countries, the Agency for Entrepreneurial Development and Innovation in Cape Verde directs migrants and their business partners towards strategic investment sectors and offers advice in SME management (forthcoming IOM MIDA publication).

41. Under the MIDA Italy project, some 30 SMEs, promoted by migrants in their countries of origin in Western Africa, have been supported and co-funded and their local managers tutored and trained in enterprise creation and management at specialized institutions in Ghana and Senegal. A significant outcome of this project was the empowerment of migrant associations to mobilize support in host and

¹⁹ ‘Evaluación Programa Trabajadores(as) agrícolas temporales a Canada’, March 2008, IOM, Ministerio de Relaciones Exteriores Guatemala; Ministerio de Trabajo y Previsión Social

²⁰ See the discussion and reports of the RT 1.2 session in Brussels, 2007.

²¹ Monitoring Report on ‘Temporary and Circular Labour Migration (TCLM) between Colombia and Spain: A Model for Consolidation and Replication;

home communities and promote the productive investment of remittances with a view to local employment and income generation, and build partnerships and joint ventures.²²

42. There are relevant examples of EC-funded projects promoting entrepreneurship: for example two projects run by IntEnt²³ supporting enterprising migrants in their efforts to set up small businesses in Ghana, Suriname and Morocco or the project 'REMADE; Returning Enterprising Migrants Adding Development and Employment' that supports the establishment of small and medium enterprises by returning migrants to Ghana.

Increasingly, some of the above initiatives to foster skills circulation, also for entrepreneurial impacts back home, are being included in Poverty Reduction Strategies (e.g. in the Great Lakes countries).

v) Reducing the cost of remittance transactions

43. The importance of reducing costs of remittance transfers for leveraging their effects on development has been clearly established in earlier GFMD meetings. Some cutting edge work on wireless transfers, cooperative banking ventures between rural banks and facilitated access to financial services is occurring in Brazil, Mexico and the Philippines.²⁴ These initiatives rely heavily on public-private banking partnerships. As these have been the subject of previous GFMD meetings, they will not be elaborated on here.

vi) Institutional support structures

44. Coherent legal and institutional frameworks and partnerships are critical to better planning and managing reintegration and circular migration schemes. They can ensure that such migration planning is linked to labour market planning and employment and training strategies, e.g. through skills assessment and re-skilling initiatives for returnees. They can also help steer the integration of such strategies into national development plans. Since enabling legal frameworks are needed in both origin and host country, inter-country cooperation can ensure that this planning is also linked to broader economic, trade and other forms of international cooperation. The Mauritian-French circular migration agreement, for example, is part of the broader joint efforts at expanding the tourism and electronic services sectors of Mauritius.

45. State bodies such as the *National Reintegration Centre for Overseas Filipino Workers* in **the Philippines**, the *Agency for the Economic Development and Innovation* and *Cabo Verde Investimentos* (part of the Ministry of Economy) in **Cape Verde**, the *National Secretariat for Migrants* (SENAMI) in

²² See IOM's forthcoming publication on MIDA.

²³ IntEnt is a Dutch non-profit foundation supporting migrant entrepreneurs wishing to set up or develop a business in the country of origin, with business advice (during and after the start-up) and help with developing business plans and obtaining finance. IntEnt sets up businesses in Ghana, Surinam, Morocco, Turkey, Dutch Antilles and Afghanistan.

²⁴ The *Philippines National Bank* has teamed up with 7-Eleven and Citibank in Hong Kong, China, to allow remitters to transmit money by using their beneficiaries' mobile phones. This system has been employed by Smart Inc. and recently by Globe Telecoms. The Philippines' Overseas Workers Welfare Administration (OWWA) has also partnered with Microsoft for an electronic remittance system called "One Follow Me" that uses wireless and desktop-based internet platforms, to allow Overseas Filipino Workers to send money from virtually anywhere in the world. Also in the Philippines, RuralNet, a cooperative venture of rural banks, has been established to provide interconnectivity between rural banks and other players in the formal remittance market. **In Brazil**, *Banco do Brasil* (BB) allows remittance transfers to be made by Brazilians in Japan through the BB Japan Remittance Card, the BB Japan Telephone Banking and Mobile Banking International. Since 1972, 'Banco do Brasil' has seven agencies and more than 44 ATMs in Japan. This was possible after the Bank teamed up with the Japanese national mail service, the 'Sumitomo Mitsui Banking Corporation', 'Seven Bank' and 'Ito Yokado' supermarkets. Bank Banespa also facilitates transfer of remittances to Brazil through its Japan Desk. **In Mexico**, the Bank of Mexico and the US Federal Reserve have introduced a service ("Direct to Mexico") to promote low cost money transactions between US and Mexican accounts. The aim is to ensure better access to banking and other financial services at both ends of specific corridors between the USA and Mexico.

Ecuador, and the *National Authority for Placement and Protection of Indonesian Overseas Workers* (part of the Ministry of Manpower) in **Indonesia** all play an important part in facilitating reintegration and circular migration. In **Mauritius** the *Small Enterprises and Handicrafts Development Agency* and the *Mauritian Board of Investment* and *Enterprise Mauritius* work together to offer counselling and guidance on the economic and business environment at home, the feasibility of business and investment plans carried out by migrant entrepreneurs *vis-à-vis* national, sectoral or local investment priorities, and vocational training and funding opportunities.²⁵

46. In **Mauritius**, the set-up of these institutions was part of the national Economic Reform Programme, initiated in 2006, to open up the economy and improve the ease of doing business, which includes:

- Promulgation of a Business Facilitation Act (in 2007)
- Enactment of new labour laws: Employment Relations Act and Employment Rights Act (both promulgated in 2009).
- Creation of new SME legislation designed to streamline SME policies and institutions.
- Creation of a Circular Migration concept in 2007 with a multi-agency Empowerment Program to plan and manage it, to help smooth the impact of unemployment, particularly of women in lower skilled jobs under threat by trade liberalization and economic reform.

47. These initiatives form part of the overall reforms that have helped stimulate, *inter alia*, a rapid growth in Foreign Direct investment (2.8 billion Mauritian rupees in 2005 to 11.4 billion in 2008); and an overall increase in the number of SMEs from 75.000 in 2002 to a total of 92.000 in 2007.

48. In **Ecuador** the strengthening of the National Secretariat for Migrants (SENAMI) as the governing body on migration policy (with particular focus on development and migrants' rights) led in 2008 to the creation and implementation of the *National Human Development Plan for Migration*. The *Voluntary Return Plan*²⁶ for *Ecuadorian Migrants* is part of this National Human Development Plan (2007-2010).

49. Migrant and diaspora networks are also important drivers and vehicles for social capital transfers. They not only facilitate immediate reintegration and investment of capital transferred home, but offer lasting connections to host countries that can be invaluable for development by facilitating trade and investment relations and reducing transaction costs. Mauritius is developing a Network for its diaspora to attract them back to assist in the development of Mauritius. Mauritius is also setting up a Migrant Resource Centre (MRC) in collaboration with IOM to help interested Mauritian Diaspora members participate and invest in the development of the country (see the website "CONTACT MAURITIUS").

2.2) Evaluations and indicators of development effectiveness of policies and practices

50. Thus far, there has been no general macroeconomic assessment of the impact of return and reintegration upon development, largely because of a lack of data, but also due to the fact that the expected impact is likely to be weak, given the relatively few returnees (SOPEMI, 2008).

51. Moreover, many programs are still under implementation, and will require some time before compiling the lessons learned and the suggestions proposed.

52. Some research has been undertaken of the psychological, economic and cultural aspects of return migration, and the impact of circularity and temporary migration on the families and communities in

²⁵ See also the IMIS program between Egypt and Italy, which only works because of the close cooperation among the relevant Ministries covering Labour and Manpower in Italy and Egypt, as well as with IOM.

²⁶ The *Voluntary Return Plan* seeks to encourage Ecuadorian migrants abroad to return to their origin country by 1) Eliminating tariffs on household goods and furnishings as well as on work tools (for both regular and undocumented migrants), and 2) Designing economic projects that can harness the knowledge and skills of migrants to the needs of the country.

Colombia (Alma Mater). A study by *Unio Pagesus* examines how the Colombian-Spanish model has developed over the last 16 years of its existence, from selection to placement. The study looks at the migrants' employment plans in the context of co-development, and concludes that there is a need to bring entrepreneurs on board, and urgently look for new strategies to manage migration into the EU.

53. The GFMD-initiated evaluation of the MIDA program identified some positive impacts at local and sectoral level of the return and temporary support of highly qualified diaspora. But perhaps its greatest impact has been the empowerment of migrant associations and the strengthening of partnerships among state and non-state partners (IOM - forthcoming MIDA publication).

54. The evaluation and monitoring of **(1) the return and reintegration policies; (2) the effectiveness of the return incentives²⁷; (3) the impact of reintegration (in the context of circular migration) upon development** and; **(4) the overall effectiveness of circular migration pilots**, must be more appropriately mainstreamed into circular migration programming and planning, so that future action can be more linked to national or public sector-specific priorities in both country of origin and host country.

55. Specialised support should target the limited numbers of returning migrants who are entrepreneurs, and broader facilities should be made available to returning migrants to ensure optimal labour market reintegration. But all such support must also be balanced with the support offered to the general population in the country in question, to avoid resentment between stayers and returnees.

56. Further monitoring of migrant-led entrepreneurial activities is needed, to follow up on the number of SMEs created, returns to health care and education, new training programs and efficiencies in businesses; taxation benefits, and finally, the number of jobs created in developing countries through new businesses.

57. Finally, in the pilot circular migration program between Ukraine and Portugal, a comparative study will be carried out by the World Bank in order to assess the effectiveness of the package of incentives to return by monitoring and tracking the activity of 50 select Ukrainian migrants and comparing their gains with those of a control group of another 50 Ukrainian nationals not participating in the pilot. Throughout this pilot program, the World Bank will collect data and information at various stages of the project and produce progress reports and a final analytical report.

2.3) Role of non-state actors, including migrants themselves, in supporting returnees

58. Major countries of origin such as the Philippines and Mauritius understand the significant role that non-state actors can play in every aspect of reintegration. They can contribute inputs that otherwise would not be considered by governmental authorities. This can enhance transparency in a circular migration program, broaden the impacts of these programs and ensure sustainability of the measures adopted. Trade unions, employers and the diaspora could contribute significantly in the formulation of circular migration programs, including the measures of reintegration. They could also contribute in the follow-up and assessments of current practices. Their experience and specific knowledge would increase the chances of success of a program.

59. Hometown associations (HTAs) could also play a role in fostering reintegration and development, since their development projects in the origin country tie diaspora more closely to the communities, government and private sector partners in those countries. HTA programs such as the *Tres por Uno* program of **Mexico**,²⁸ abound in the USA and other major migrant destinations such as Europe and parts

²⁷ Such as training, information, financial products to migrants, remittance schemes and specific tax or social security benefits.

²⁸ "3x1" has its origin in an initiative led by migrant groups who wanted to contribute to improvements in their hometowns. Initially, state and local governments matched migrants' homeward investments (2x1). Since 1998, the federal Government has also provided matching funds (3x1). In 1992 – 2001, the program carried out 400 projects, in which migrants invested \$5 million (out of a total investment of \$15 million). In 2003, the federal Government invested \$10 million in 898 projects, out of a total

of East Asia. Their impacts on developing economies remain limited, when compared with aggregate remittances and FDI, but they clearly strengthen the ties between home and diaspora communities.

60. In the context of planned, regulated circular migration programs, the EC has been on the frontline of policy development and co-funding of projects,²⁹ while international organizations such as ILO, IOM and the World Bank have played pivotal roles in brokering circular migration arrangements between countries and between state and private partners. The World Bank and IOM have helped strengthen the capacities of governments such as Mauritius to plan and manage circular migration reintegration; and have helped secure funding for the projects to be implemented. At a multilateral level, the Inter-American Development Bank (IDB) sponsors projects to link remittances to lending programs, as well housing and microenterprise loans.³⁰

61. While international organizations may foster and implement circular migration programs, the primary ownership and responsibility for making these schemes work lie with governments.

investment of \$40 million. World-wide, the total number of HTAs has not been accurately compiled, however, available estimates indicate the number of Mexican HTAs to be around 3,000, Filipino HTAs around 1,000, and Ghanaian HTAs around 500 in number (Orozco M and Rouse R (2007). “Migrant Hometown Associations and Opportunities for Development: A Global Perspective”, Migration Information Source, Migration Policy Institute (www.migrationpolicy.org)).

²⁹ See the EU Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (the EU Blue Card), which was recently adopted by the Council of the European Union (May 2009).

³⁰ 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 for small businesses.

3. SUGGESTIONS AND PROPOSALS TO POLICY MAKERS

a) Remaining/emerging issues and challenges

62. The Brussels and Manila GFMD meetings identified the most common elements of a comprehensive circular migration program, including the crucial reintegration factor. Most of these now form part of the experimental programs, such as between Mauritius and France: information, training and orientation, flexible admissions, visa and work permit regimes,³¹ financial and other incentives for return and reintegration (including reduced costs of remittance transactions), strengthened business and investment climate in the country of origin, and coherent institutional structures to plan and link such programs to development. There remains much to be better tested and understood:

1. Fostering a favourable socio-economic environment back home to allow reintegration through labour and entrepreneurship, cooperation and co-development policies between countries of origin and host countries are needed.
2. **Job matching mechanisms** to ensure circular mobility is relevant for the labour market needs in origin and host country, and ensure transparency in the selection of migrant workers.
3. **Financial incentives** (e.g. lending/microcredit policies) in origin countries to create a favourable environment for returning migrants to establish SMEs; and how migrants can utilize them.
4. **Maintaining the bond between migrants and their origin countries**, to foster contact and participation of migrants in the life of these countries, and thereby facilitate reintegration.
5. **Financial and social support mechanisms in host countries**, including portability of social security rights. Expert agencies, such as ILO, can advise host and origin countries on social security agreements that allow for accumulation of periods of contribution to social security systems and portability of benefits to countries where the migrants return. (see also RT 2.1)
6. **Ensuring labour market reintegration** upon return fully makes use of the new skills acquired by migrants while abroad (recognition of foreign qualifications/ skills from abroad).
7. How partnership programs with migrant associations (like “Tres por uno”) can **allow migrants to participate in development policies and programs** in their home country.
8. **Strengthening the role of non-state actors**, especially migrants, in all phases of circular migration programs (and the important component of reintegration).
9. **Indicators to assess the relationship between reintegration, circular migration and development**, giving regard to such key development factors as gender. Also to assess replicability or applicability of good practices to other countries or regions.
10. **Assessing the costs and benefits** of good practice policies and programs.

63. But the overarching challenge is the huge gap in information about the circular migration-development interface and the effectiveness of return and reintegration strategies for development (indeed also vice versa). Such information would be essential for costing any new policies, which for developing countries can be a critical hindrance to policy reform. It would also help determine if and how a successful strategy could be integrated into national development plans.³² Once incorporated into national development plans, its effects could be multiplied. But indicators of development-relevance are needed for this, also to evaluate the effects of circular migration on development at regional and local levels, not just on the family of the migrant. It has been suggested that all new circular migration and reintegration programs include a research plan, to help us learn which policies are most cost effective.

³¹ See the new immigration regulation established in December 2008 in Sweden. It offers greater flexibility by allowing Swedish employers to recruit more easily from outside the EU.

³² As mentioned above, in 2007 the government of Ecuador began to implement the plan “Welcome home”, which is informed by the National Plan for Human Development and Migration.

64. Policies should be planned within the life cycle of migration, to encompass all phases of the circular migration cycle. But they should also inter-link more effectively with the development planning of both country of origin and host country.

b) Possible follow-up actions

i) **Undertake longitudinal (or one-time) studies of the employment trajectory of migrant workers** supported with incentives after their return to the country of origin, to assess the impacts on both the migrants' employment behaviour and on local labour markets. These should cover return migrants and people who never migrated. This could involve a number of expert players as implementing agents across several return groups, drawing on the World Bank's study of Ukrainian returnees from Portugal, for comparative data.

ii) Establish workable models of **IT- and web-based labour matching tools and portals** that foster and support circular migration.

iii) **Establish a database of projects and legal frameworks** that facilitate circular migration, so that experiences and best practices can be shared.

c) Questions to guide the RT 2.2 discussion:

- i) *How can reintegration strategies in the context of circular mobility be more closely linked to development efforts?*
- ii) *How can existing reintegration policies be adapted to new and diverse forms of mobility (such as circular migration)?*
- iii) *How are circular migration programs evaluated in the context of development? (Or how could they be evaluated, where there is no evaluation yet?).*