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Background Paper

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Roundtable 1

Human capital development and labor mobility: Maximizing opportunities and minimizing risks

Session 1.4. How can circular migration and sustainable return serve as development tools?

Coordinators of the session: Governments of Mauritius and Luxembourg and the European Commission

Partners in the preparation of the session: Government of The Netherlands, Democratic Republic of Congo, Costa Rica, MPI, IOM

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Executive Summary

Circular migration is a broader and more dynamic notion than temporary migration. It is, for the purposes of this paper, conceived as a continuing, long-term, and fluid movement of people between countries, including both temporary and more permanent movements. When it occurs in a planned and voluntary way, linked to the labor needs of countries of origin and destination, circular migration can be beneficial to all involved. Yet developing such migration programs has proven difficult. The key challenges for policymakers are: to reconcile the contrasting priorities of key stakeholders, overcome a legacy of failure from past programs, surmount political and technical difficulties in policy implementation, and break through the still fairly static view of circularity.

The most common policy route to date has been to create incentives for migrants to return to their countries of origin or impose strict penalties for overstaying a temporary visa. But strict policies to lock people out can have the reverse effect of locking them in, often in illegal circumstances. This offends host communities, discredits migration and lessens the developmental potential of the migrant and their assets. Incentives to return remain key to effective circularity, but linked more to broader development and growth, so that the conditions that encourage people and their skills to return home can also be the conditions to encourage them to stay home in the first place.

This calls for policies to strengthen ties to both countries of origin and destination, including longer and more flexible contracts, options of re-entry, portability of visas and other entitlements. But it also calls for more linked-up migration and structural growth planning by countries of origin. The appropriate mix of conditions, safeguards and incentives will differ from case to case, but needs to be a collaborative effort by countries of origin and destination for them to realize the mutual benefits.

This paper explores past and current policies and practices regarding circular migration, and new directions being sought by for example the European Commission in its Communication on Circular Migration and Mobility Partnerships between the European Union and Third Countries. It considers the practical policies needed to foster circulation of benefit to the migrants and their host and home communities, and for innovative pilot schemes to be set up to test the feasibility of the concept.

Introduction

Circular migration in the 21st century is a broader notion than the one-time-only temporary migration programs more dominant in the past, which saw a migrant's return to his or her home country as the closing of a finite cycle. A more dynamic conception of circular migration recognizes it as a continuing, long-term, and fluid movement of people among countries that occupy what is now increasingly recognized as a single economic space. Rather than being rigid and constraining, the rules of the circular migration programs most capable of contributing to development are adaptive and enabling. Mechanisms to enforce the terms of agreement must be part of any program. Implementation that relies more heavily on incentives than on punitive enforcement is, however, more likely to be successful.

The following definition is proposed by the team that prepared Roundtable 1.4 of the July meeting of the Global Forum on Migration and Development: 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.

I. Circular Migration and the Goals of the Global Forum on Migration and Development

Circular migration is at the cutting edge of the migration and development debate, because it combines the interest of highly industrialized countries in meeting labor needs in a flexible and orderly way with the interests of developing countries in accessing richer labor markets, fostering skills transfer and mitigating the risks of brain drain. If the goal of the Global Forum is to extend the frontier of cooperation on migration and development in very concrete ways, then circular migration is a policy field ripe for innovation – ranging from new policy to pilot projects. And countries at every point on the development spectrum have a practical interest in exploring these policy options.

The appeal of circular migration as a development tool lies in its ability, in the right circumstances, to loosen both the capital constraints and the skills constraints on development by allowing residents of developing countries to enter the global labor market to work legally while still maintaining their ties and pursuing activities in their country of origin. The money that they earn and send back to their families and communities can reduce poverty directly and immediately. The money that they save, if any, is available for investment, which may contribute to their livelihoods directly or indirectly. It also is often used to invest in the health and education of the next generation. All of these—poverty reduction, livelihood, health and education—are central goals of development.

Beyond the monetary returns, the experience and skills that migrants acquire and bring back to their countries of origin when they return, whether temporarily or permanently, augments one of the most serious constraints on development in many poor countries. Circular migration is a form of mobility that most closely ties migrants to their countries of origin, and allows them to build bridges between it and other (usually more developed) countries, thereby creating opportunity for the migrant's country of origin to make the most of its comparative advantages.

Two forms of circular migration are of greatest interest to policy makers: the return of permanently settled migrants to conduct activities in their countries of origin (business, professional, philanthropic, educational, artistic, etc.), and the temporary residence abroad of migrants for work, study, research, cultural activity, or voluntary service. The first of these are distinguishable from conventional return migration in that the migrant retains his or her right to reside in the destination country. The second is distinguished from conventional temporary migration in that it may involve repeated cycles of residence abroad, possibly with some privileged access to re-entry to the destination country. These two forms are discussed in a Communication from the European Commission published on 16 May, 2007 under the title 'On circular migration and mobility partnerships between the European Union and third countries'.

II. Policy Challenges

<u>Different priorities among key stakeholders</u>. For the Forum, or any other policy discussion, to arrive at agreed concrete outcomes, the participating states will have to reconcile contrasting

priorities that give different weights to the migration and the development goals of circular migration policies.

Policy-makers in many migrant receiving countries are searching for politically acceptable and economically attractive alternatives to permanent migration, with its integration and welfare challenges, and for ways to forestall illegal migration. The appeal of circular migration is the implicit combination of legal entry with temporary stay and agreed return. Receiving states thus are likely to give priority to the migration outcomes of circular migration programs, although different departments of government may well have different—and even opposing—views. For policy-makers in countries of origin, the attraction of circularity lies in the benefits of inward financial flows, relief from unemployment without a permanent loss of human capital, and the potential development contributions of returning migrants. They are likely to give priority to the development outcomes of circulation. However, despite their different goals, migrant origin and destination countries each have something to offer the other: receiving countries can offer the prospect of wider legal access to their labor markets, including social protection, while countries of origin can offer a higher degree of involvement in combating illegal migration, 'enforcing' the migration agreements and protecting the human rights of their workers abroad.

<u>A legacy of failure</u>. Circular migration as a policy prescription will have to overcome a legacy of perceived failure in temporary labor migration programs. The best-known historical examples of circular migration policy have bred a high degree of public cynicism, either because they did not in fact achieve circularity, or they did so at an unacceptably high price in terms of the rights and dignity of migrants. The German *Gastarbeiter* and the US Bracero programs are rarely considered positive examples for the future, and are often cited in political arguments against circular migration. The ongoing experience of the Gulf countries, where migrants make up a large proportion of the labor force under closely circumscribed conditions, is not seen as widely transferable, owing to the particular characteristics of the Gulf economies and societies.

There are, however, successful, large-scale examples of circular migration. Some have come about either through the policies of countries of origin systematically attracting emigrants back home to growing economies (South Korea, Taiwan Province, China), or through private-sector initiatives responding to more general economic reforms and opportunities (India). The transformation of net emigration countries like Ireland, Italy, Spain, Portugal, and Greece into countries of net immigration and return took place in the special circumstance of incorporation into the European Community (which included considerable resource transfers). The enlargement of the European Union from 15 to 27 members may possibly set in motion some new circular migration phenomena over the coming years, as labor migration from some of the new Member States is first gradually liberalized under the terms of their accession treaties, and then perhaps reverses itself as their economies converge with Western European countries.

The lesson that might be drawn from these observations is that the experience—or at least the strong prospect—of economic development has largely accounted for the establishment of large-scale circular migration as a fact on the ground.

<u>Difficulties in implementation</u>. The difficulty that industrialized Western countries have in stopping illegal immigration suggests the limitations of a solely enforcement-oriented approach to implementing the terms of circular migration programs. Enforcement must be combined with other well designed policies, recognizing that migrants face real incentives and disincentives to residence in both home and host countries; these are the levers that policy makers must understand and master if programs are to succeed. Concern that a circular migration program will

turn out to be nothing more than a slow route to permanence is probably the major reason that more governments do not pursue circular immigration schemes.

Although it is important that cooperative enforcement arrangements are put in place between countries to manage temporary schemes, fear of deportation will not always be a sufficiently strong motive for abiding by the terms of a temporary program. Many migrants leave their home countries with a specific goal in mind: to buy land, obtain a degree, capitalize a business, provide for retirement, educate children, participate in international research or business networks, and so forth. Programs that facilitate the achievement of such goals may encourage return migration on either a temporary or permanent basis. The promise of future access to repeat migration—another form of circularity—is offered as an incentive for return in seasonal migration programs run by the Swiss and Canadian governments, among others. Continuing partnerships with institutions in the host country after return is another incentive in some academic and scientific research programs. Constructing such incentives is painstaking, and implementing them may be expensive.

<u>A static view of circularity</u>. Even at its most constructive, the 'earn, learn, return' model of circularity is too narrow to capture the potential of the transnational existence that many migrants establish, with real engagement in both the country of origin and the adopted country. A temporary labor program is just one of the ways to establish circularity. Both departure and return may be either temporary or permanent, establishing at least four different patterns of circulation, each with different implications for migration and for development. Table I gives specific examples of the four categories of circular migration.

Perhaps the most successful contributions to development in the country of origin come from migrants who are permanently and successfully established in their country of destination. With secure status and high earnings, they can afford to visit their country of origin frequently to monitor investments, run businesses, teach, mentor, pursue philanthropic endeavors, or engage in other ways. In promoting circular migration, therefore, the focus should not be merely on establishing specific temporary labor schemes.

Table I: Types of Circular Migration		
	Permanent Migrants	Temporary Migrants
Permanent Return	Return of the Irish diaspora in the late 1990s, which fueled the rise of the software sector	Korean turn-key project managers in the Middle East, who applied their project management skills in Korea's industrialization
Temporary Return	Permanent migrants in the US from India and Taiwan Province return home for business at least yearly	Contract workers from the Philippines return home only to migrate again

III. Policy Routes

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¹ For example, Moroccan migrants in Belgium have established a hospital in Tangiers, Morocco, which, through the certification of the Belgian "Mutuelles" health care system, enables migrants or returnees covered by this system to be reimbursed by the Belgian "Mutuelles" for their medical treatment there. This lowers the health costs for migrants.

A number of lessons learned and so-called best practices can be gleaned from the few examples outlined in this background note. Policymakers, however, would be hard-pressed to find a perfect model — as of this writing, there is none. This highlights the importance of carefully designed, modest pilot projects to test various combinations of elements in particular settings.

<u>The Usual Routes</u>. The most common policy routes have been either to create incentives for migrants to return to their countries of origin or to institute strict penalties for overstaying a temporary visa—or a combination of both. The chosen instrument differs depending on the migrant's legal status, skill level, and financial standing.

Successful development is the most powerful incentive for return, and return often helps spur development. The challenge for policymakers is to design interventions that can jump-start this 'virtuous cycle'. Governments of countries of destination and origin have sponsored initiatives to make return, whether on a temporary or permanent basis, more appealing to emigrants with the skills needed for development. Taiwan and Korea started in the 1960s to identify 'high flying individuals' and offer them excellent research facilities, salary top-ups, and other benefits, in a model now being emulated by China on a much larger scale. Starting in 1989, China also set up a service center offering returnees housing assistance, duty-free imports, and return airfares for self-financed students. India has loosened foreign currency exchange controls and streamlined business licensing requirements in order to remove obstacles to expatriate return and investment.

The International Organization for Migration (IOM) uses similar incentives, including recruitment, job placement, transport and some employment support, to return and reintegrate highly skilled expatriates to several African countries, Afghanistan, Iran, and Bosnia-Herzegovina—though in small numbers and at relatively high cost. The organization now places more emphasis on temporary return of highly qualified expatriates to their countries of origin to strengthen the capacities of public and private sector institutions key for development. The MIDA programs (Migration for Development in Africa), for example, aim to engage diaspora in capacity-building and strengthening of key institutions in their countries of origin. A similar program, of long standing, is the UN's Transfer of Knowledge through Expatriate Nationals (TOKTEN) program, which subsidizes volunteer professionals to return to their countries of origin for a short period of time to impart skills acquired while abroad.

Circular Migration Programs: TOKTEN and MIDA

Transfer of Knowledge through Expatriate Networks (TOKTEN)

The UN's program, Transfer of Knowledge through Expatriate Networks (TOKTEN), is jointly administered by the United Nations Development Programme (UNDP) and United Nations Volunteers (UNV). Inaugurated in 1977, it aims to transfer technical expertise of expatriates through short term consultancies in their countries of origin. These are not envisaged as employment missions, but rather as short-term voluntary service. TOKTEN volunteers are not paid a salary, although the UN does provide a roundtrip airfare and a monthly stipend for living expenses. Between 1977 and 1997, approximately 5,000 TOKTEN volunteers completed assignments in 49 developing countries in a wide variety of fields ranging from public administration and the management of enterprises to agricultural research and computer technology. TOKTEN projects have been conducted in Afghanistan, Brazil, China, Guyana, Lebanon, Mali, Pakistan, Palestine, Rwanda, Senegal, Sudan, Turkey and Vietnam, among others.

Migration for Development in Africa (MIDA)

IOM's Migration for Development in Africa (MIDA) program, operating in eleven African countries, supports the short or longer term, or virtual, return of expatriate skills to key sectors. In the Democratic Republic of Congo, Rwanda, and Burundi, MIDA is being incorporated into the national Poverty Reduction Strategy Paper (PRSP) or its equivalent. MIDA has more developmental potential built into its design than earlier iterations of return of qualified nationals programs. In each country, a multi-sectoral MIDA

Steering Committee is set up, with the aim of greater coherence within the governments. The networks of participants strengthen interactions between origin and destination countries, which may stimulate further returns and development projects involving diaspora and/or the productive use of remittances.

The MIDA Great Lakes Program funded by the Belgian Development Cooperation supports capacity-building in health care, education and rural development, by matching skills shortages with the availability of experts from the Great Lakes diaspora in Europe. The program supports local partner institutions, distance learning using new information technologies (such as an e-learning course in medicine at the University of Lubumbashi), safe, effective and low-cost remittance channels; and investments in the region. In less than three years, more than 250 Congolese, Rwandan and Burundian expatriates have taken part in the MIDA programs. In Ghana, MIDA helps expatriates from Europe (mainly the UK and the Netherlands) to strengthen hospitals and other public and private health sector institutions. Involving 40-50 temporary assignments of expatriate health professionals between 2005-2007, the program has broadened collaboration among individuals and institutions in Ghana and the migrants' destination countries (mostly the UK and the Netherlands.) MIDA projects have been set up in 11 African countries: Benin, Burundi, Democratic Republic of Congo (DRC), Ethiopia, Ghana, Guinea, Kenya, Rwanda, Senegal, Tanzania and Uganda. Several other countries have expressed interest in starting MIDA projects.

To create incentives for temporary workers to return home—even if only temporarily to lend their skills to development efforts—governments can offer benefits that may only be tapped upon return. Examples include preferential interest rates on savings lodged in approved home country accounts and matching funds from country-of-origin governments for approved business initiatives. Mandatory saving accounts, obliging temporary migrants to pay a proportion of their earnings into a fund redeemable only upon return, have been implemented in several temporary labor programs, but are less used today because of the concern that they infringe upon a worker's right to dispose of his or her earnings in the way the worker chooses.

Sustainable return policies should also be based on gender analysis: are women interested in the same return opportunities as men? Are there gender differences in sectors attracting or needing returning men and women? How to take account of the changed socio-economic roles of women who have worked abroad? And how to avoid potential brain or skill waste when women return?

<u>The Road Less Traveled.</u> Maintaining ties to countries of origin is not the only driver of circular migration. Fostering positive ties to countries of destination is also critical. In countries as diverse as Taiwan, China, India, Mexico, Ghana, and Ireland, migrants who have returned and successfully invested in their countries of origin have established relatively successful careers in destination countries. These circular migrants managed to not only save enough money to make significant investments in countries of origin; they have also created and maintained strong networks in the destination countries to sustain their transnational businesses. They are more likely to be able to do so if they have a secure legal status in the country of destination, although temporary migrants may also enjoy such success. Those who succeed are not only the highly trained, but also include entrepreneurs with little formal education.

In other words, effective circular migration arrangements call for policies that strengthen ties to both countries of origin and destination. A much overlooked policy goal is to create an environment that makes migrants more likely to succeed in destination countries—as manifested by accumulated savings or newly acquired skills. In that framework, *success at destination makes circulation more likely and magnifies its development impact*.

Many governments in countries of migrant origin have realized that forcing migrants to renounce their citizenship when they naturalize in another country is counter-productive from the perspective of encouraging emigrants to maintain active ties with their homelands. An increasing

number are permitting dual citizenship, and encouraging their own citizens to naturalize in countries of destination. Many countries permit citizens abroad to vote, elect representatives to the national legislature, and run for office. They can also take advantage of the preferences accorded only to nationals in terms of employment, land ownership, customs privileges, and so forth.

For a number of countries of migrant-receiving countries, however, dual citizenship remains a contentious issue. It is often viewed within the framework of integration as a marker of incomplete incorporation into the receiving society. This view is at odds with the growing reality of transnationalism, in which people are actively engaged in more than one country and are 'at home' in both (or all). Transnational citizens who circulate regularly are a comparative advantage for both countries, and in many cases are well integrated into the economies and cultures of both societies. The high-opportunity world of transnationalism is a stark contrast to the low-opportunity universe of poorly-integrated migrants.

Circularity may be inhibited by the *processes* involved in acquiring residency and citizenship rights. For example, migrants applying for permanent residency in the United States cannot travel abroad without seeking special permission—a lengthy and cumbersome process. Application for naturalization can only begin after fulfilling a five-year continuous residency requirement; the clock is reset if the migrant is absent for more than six months, which essentially discourages circulation among permanent migrants.

<u>A New Path.</u> Evidence from recent studies suggests that the development impact of circular migration, particularly by contract workers, can be enhanced by three elements of policy design in migrant receiving countries:

- 1. <u>Longer and more flexible contracts</u>: Enable temporary migrants to first recover financial costs associated with migration (such as debts, placement fees, etc.) and second, save enough money to establish a livelihood upon return (or even while still abroad). An assessment of now defunct sector-based schemes in the UK noted that the one-year work permits issued to migrants in low-wage occupations kept workers from saving enough money to invest meaningfully upon return.
- 2. Options of re-entry: Re-applying with some kind of preferential access to work permits stabilizes migrants' relationship with countries of destination. Switzerland's long practice of allowing temporary access to its labor market on a renewable basis appears to encourage circular migration, though under very tightly controlled conditions. Canada's Seasonal Agricultural Worker (SAW) program with Mexico and Caribbean countries also encourages circularity and reduces poverty in the sending communities. Its low wage levels and short contract periods, with no upward mobility accruing from experience, however, appear to have limited its positive development impact.
- 3. <u>Portability of visas</u>: Allowing migrants to change employers gives them leverage in what is otherwise an unequal employment relationship potentially ripe for abuse and exploitation.
- 4. Portability of social welfare: ILO counts the right to accumulate periods of contribution to social security and the right to portability of benefits to countries of origin as significant for the success of circularity of migration. According to the World Bank and others, migrant workers who know they will return to their home country at some point, but who will not be able to keep their benefits, have a strong incentive to avoid paying social security contributions during their stay in the host country. Thus they will

become part of the informal sector of the host country instead of the formal sector (GCIM 2005).

These elements are particularly important for low-skilled workers, but are advantageous to migrants at all skill levels, giving them more flexibility to tailor their migration experience to their particular needs and preferences.

Governments in *countries of migrant origin* face the greater challenge of encouraging voluntary return and circulation through strengthening the conditions conducive to economic progress, particularly in the business sector, which will also attract return of skills and diaspora investment. This includes strategic skills development and training, particularly for lower skilled migrants with the potential for cross-sectoral mobility. The commitment to accept back return migrants, and assist with legal migration, becomes an easier task where incentives and opportunities have been created both for overseas and upon return. A pilot model project outlined by the Government of Mauritius shows how circular migration can be integrated into national economic planning. In this model (See paper presented to Roundtable 1.4 of the GFMD), circular migration becomes not only an employment program but also a program for capacity building and labor market restructuring—integral to the development planning of the country of origin.

Many country-of-origin governments choose to adopt policies that encourage migrants to maintain ties to their homelands. Dozens of states have in the last ten years established a government office—ranging from a full-fledged Ministry or a Presidential Commission to a modest directorate—to maintain communication with and provide services to their citizens abroad. Some go further, and try to maintain cultural identity and economic ties with diasporas over many generations. Morocco has created a network of cultural centers in Europe (the Maisons du Maroc) and offers language classes and other programs to diaspora Moroccans. China supports programs of language and culture worldwide, India has programs not only for Non-resident Indians (NRIs) but also for Persons of Indian Origin (PIOs). Countries like Israel, Philippines and India also have programs to encourage visits or internships by diaspora youth, either publicly or privately sponsored.

Countries of origin and destination may cooperate to set up networks and databases designed to connect expatriates with projects, jobs and other opportunities, as in the French cooperation with Mali to map the skills of Malian migrants in France. Multilateral programs such as TOKTEN and MIDA also compile extensive data bases of expatriate skills. Portable benefits, such as pensions and health insurance, may also facilitate mobility; again these require careful inter-governmental planning and negotiation.

The new path on circular migration calls for action to be taken by both countries of origin and countries of destination—preferably in cooperation. Receiving countries can create more flexible and profitable immigration programs that encourage people to move back and forth with greater ease. Countries of origin can work to increase their institutional capacities to manage circular migration. In both of these endeavors, receiving countries may find it in their own interests to offer technical and financial assistance.

IV. Learning from the Past and Stepping into the Future

Neither generous return incentives nor harsh sanctions for non-return are likely to increase circularity among migrants who see the socio-economic and/or political conditions in their home countries as dismal and the prospects of improvement as grim. Circular migration programs that measure success mainly by the rate of return and do not consider the impact on the welfare of

migrants, their families and the countries of origin may find migrants opting not to play by the rules and governments with limited capacity less than enthusiastic in enforcing them. In judging the success of circular migration programs, the development effects should be taken as seriously as the migration effects.

As the circular migration Communication of the European Commission notes, 'Dialogue and cooperation with third countries—both in the area of migration and in related areas such as employment, social policy and education/training—is essential to ensure that circular migration works properly and is mutually beneficial.' The cast of decision-makers goes well beyond the state, however. Private enterprises, universities, migrants' associations, diaspora organizations, municipal governments, labor unions, and many other institutions of civil society also influence the conditions of circular migration. Many are sources of innovation that may offer valuable lessons.

For instance, the US National Institute of Health's Fogarty International Center (FIC) aims to strengthen the capacity of institutions in low- and middle-income countries to conduct HIV/AIDS-related research. The Center funds US institutions to train African researchers in the United States and continue to work with them upon their return. A combination of support for their scientific work (such as the provision of re-entry research funding, equipment, mentoring, and opportunities for return visits and participation in professional networks) upon return, coupled with the use of short-stay visas to discourage continued stay, have produced average return rates of 80 percent, nearly twice the average for scientific and engineering PhD's monitored by the National Science Foundation.

The Fogarty program points to the potential of twinning programs between institutions in origin and destination countries—whether universities, hospitals, enterprises, foundations, municipalities, arts organizations, or government services—to foster circular migration and mitigate the brain drain.

Studies have also pointed to the merits in opening up circular migration schemes with countries for less-skilled work, such as seasonal agricultural work and work in the hospitality, food, and construction sectors. Economic models of increasing labor mobility predict that both developing and developed countries gain most from the migration of low-skilled workers. An agricultural project sponsored by the Agricultores Solidarios Foundation in Catalonia, Spain, is implemented by three farmers' unions, whose members hire seasonal laborers from Morocco, Colombia and Romania. The project promotes the twinning of the seasonal workers' home towns and the communities where they work, with the objective of imparting skills and confidence to help them start ventures of their own at home. The program includes housing and educational programs for the children of migrants.

Looking ahead and possible outcomes of the Roundtable discussion.

There is growing evidence that the international movement of people can offer benefits on a global scale similar to or greater than freer trade and capital movements (Winters, World Bank). This potential is most likely to be realized through more cooperative frameworks that recognize and encourage circularity as a dynamic pattern of transnational movement, not just a means of avoiding the challenges of immigrant integration or illegal migration. The exact nature of this cooperative "mobility" framework will differ from context to context as countries of origin and destination together arrive at the appropriate mix of conditions, safeguards and incentives that fosters circularity to their mutual benefit.

The European Commission, in its recent Communication on circular migration and mobility partnerships has gone beyond the piecemeal circular migration efforts of the past and presented the merits of a more global approach built on partnerships between EU member states and third countries. This conception now needs to be taken to the next level of an operational model that can be tested through one or more real-world pilot projects.

Several possible concrete outcomes of the roundtable discussion could help take this next step:

- 1. A working definition of "circular migration" as proposed in this paper to guide efforts to operationalize the ideas and principles of the EC Communication.
- 2. A blueprint of a circular migration program between a developing country and an EU destination partner, prepared by the partners. This should give regard to the fact that there is no "one size fits all" model. It should cover key policy and operational elements likely to make such a program work for all parties:
 - Realistic sectoral needs and supply planning at origin and destination ends;
 - Appropriate multi-agency institutional structure to plan and coordinate the program; for example the Mauritian Government's "Empowerment Programme" involving public and private sector membership;
 - Appropriate skills training at origin; also for potential cross-sectoral flexibility;
 - Incentives at destination to promote circularity, e.g:
 - long term multi-entry visa, multi-annual work permit;
 - longer contracts (to accumulate sufficient assets for business start-up back home;
 - flexible contracts,
 - portability of work permit, but also social security benefits.
 - Return incentives at origin end, linked to national development planning:
 - business sector strengthening; capacity building of SME sector;
 - bonus, credit and loans schemes to encourage business start-ups
 - business management training
 - incentivized savings schemes for investment in a business at home...
 - Monitoring and evaluation systems built into any pilot program so that its impact and cost effectiveness can be regularly assessed, necessary adjustments made and lessons learned.
- **3.** Start-up of a pilot program to test the above model. The Mauritian pilot program which draws deep linkages between migration and human resource and labor market planning at both ends could serve as a useful pilot to test through a cooperative partnership with an EU destination country.
- **4.** An independent study of several MIDA cases to assess the feasibility of scaling MIDA up and/or expanding it to other regions e.g. by the EC or another authoritative body. (June 2007)

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