

## **GFMD Business Mechanism Thematic Meeting**

### **Enhancing Public-Private Dialogue on the Business Case for Migration: Strengthening public-private dialogue to rethink labour migration policies and international skills mobility in the framework of the GFMD**

Co-hosted by the International Organisation of Employers (IOE) and  
the World Economic Forum Global Agenda Council on Migration (WEF GACM)

18 July 2016, New York

## **SUMMARY REPORT**

### **Introduction**

The second meeting of the GFMD Business Mechanism took place at the United Nations (UN) Headquarters in the presence of decision-makers from global businesses, high-level migration policy-makers from various governments, representatives of business federations and of UN entities, as well as of civil society more generally. This multi-stakeholder approach and the outreach to all engaged parties allowed a frank and open dialogue on various specific topics related to migration with a view to refining the private sector's position on a business case for migration.

The main objective of the thematic meeting was to collect information to feed the GFMD Business Mechanism position paper which will be presented during the 2016 GFMD Summit in Dhaka, Bangladesh (10-12 December). Following the high-level session, participants gathered in small groups to discuss four main issues: the need for global skills mobility; the refugee access to the labour market; the need for fair and ethical recruitment; and the role of entrepreneurship and circular migration in promoting development.

The conclusions called on the private sector to be more involved in migration issues; on governments to adopt clear, transparent and coherent migration policies that permit movement of skills and economic growth; and on all stakeholders to develop a positive narrative on the impact of international labour migration.

Following the first GFMD Business Mechanism awareness meeting in April 2016 in Geneva, this second meeting gave participants the opportunity to further develop responses to emerging issues related to migration, thereby responding to current concerns raised by the international community. The meeting was held in parallel to the UN multi-stakeholder dialogue in preparation for the Summit on large movements of refugees and migrants to take place on 19 September 2016. The President of the General Assembly (PGA) therefore took the opportunity to invite the business community to engage in the Summit. The participation of high-level leaders, among which the UN PGA, the UN Special Representative of the Secretary-General (SRSG) for International Migration (via video link), ILO's Director-General, IOM's Deputy Director-General, the Swiss State Secretary and Director-General of the Agency for Development Cooperation, testified to the interest of the international community in the private sector's contribution to the global migration debate. Yet the voice of governments was under-represented. A public-private dialogue can only take place effectively if both parties are equally represented. The GFMD Business Mechanism therefore calls on governments to actively engage with the private sector to find solutions that meet the needs of all stakeholders.

## Takeaways from the thematic meeting

### **Changing the narrative on migration within a complex global context:**

The meeting was an opportunity to discuss international labour migration in the context of the current humanitarian crisis and of the ongoing discussions taking place at the UN. The fallout from the 2008 recession, slow growth and underemployment have diverted attention away from the meaningful conversations needed within the context of economic growth and development. Although world leaders committed to cooperating internationally on the 2030 Agenda for Sustainable Development, which recognises the benefits of migration, the demographic and macro-economic arguments have had limited impact. Orderly migration policy is an essential part of a well-functioning labour market. The UN therefore strongly calls on businesses to decisively engage with policymakers to facilitate mobility, to focus on skills matching schemes, to ensure safety and protection, as well as integration. Heads of State are encouraged to create more space for business to engage with migration issues. The current negative rhetoric has had a devastating impact on rational policy-making. Migration has become associated with protection, terrorism and xenophobia. Businesses can play a prominent role in advocacy for fair immigration policies and thereby contribute significantly to highlighting the benefits of migration in order to reverse the current trend.

### **The need for global skills mobility - preliminary observations of the GFMD Business Advisory Group:**

The GFMD Business Mechanism decided to focus during its first year on the importance of the mobility of skills at all levels, bearing in mind an action-oriented strategy. Often regarded as the unfinished business of globalisation, international labour migration needs the urgent attention of policymakers.

State of play: There is an unprecedented need for labour migration, which will only grow in the coming years. The drivers are mostly demographic: developed economies are facing the labour impact of ageing populations and falling birth rates. The shrinking domestic labour pool means shortages of workers at all skills levels. There is a misalignment of skills and knowledge with the needs of the labour market, resulting in a skills gap. This raises a need for foreign workers in myriad industries, primarily for the high- and low-skilled. Moreover, as the current refugee crisis demonstrates, when large numbers of individuals are displaced from their home countries because of conflict or environmental disaster, the labour market is significantly affected. Furthermore, there is worldwide competition for capital and ideas from migrants who can make unique contributions. Economic citizenship and residence opportunities are a means to attract foreign capital and entrepreneurial investment, as well as the foreign investor him- or herself.

Challenges facing migration systems: Existing systems and policies do not adequately address the ongoing evolution in the workplace. Businesses face significant impediments to accessing the global workforce, while governments lag in migration-fuelled development. At a global level, institutions and processes have difficulty responding to contemporary risks and realities, and fail to provide pragmatic solutions for effectively addressing migration issues and protecting human rights.

Guiding principles for migration systems: Governments are encouraged to develop coherent, efficient and predictable labour migration policies, and to ensure that the processes of policymaking and adjudication are transparent and timely. Policymakers should recognise labour market needs and modern business practices in any revision of immigration systems. Laws should be crafted to

accommodate flexibility and future evolution in employment models. Systems should be structured to reduce the barriers facing employers. The creation of mechanisms to match cross-border labour supply and demand should be encouraged to promote efficiency. Such mechanisms can serve as a viable alternative to and solution for irregular migration.

Examples of sound skills migration policy: Harmonisation of the rules for business visitors across countries or trading regions to reduce confusion and non-compliance in this area; the use of bilateral or multilateral mobility provisions in trade treaties; short-term assignments and project work in these categories permit foreign nationals to perform brief assignments that facilitate contractual relationships for the provision of services; trusted employer mechanisms to grant streamlined processing and other benefits to organisations with a proven record of immigration compliance.

### **The need for global skills mobility - general discussion:**

Employment is at the core of livelihoods and capital opportunity: Existing labour mobility systems are responsive, with at best minimal decent work standards being met for vulnerable workers. This affects the image of migrants. Formal channels and labour migrants' integration not only fill labour market shortages with the right employees but also promote self-reliance and reduce the current deskilling we are witnessing. Although migrants bring skills, the labour markets do not yet utilise them to their full potential. It is the responsibility of governments and the private sector to certify training and ensure recognition of skills. Evidence shows that in most OECD countries migrants pay more in taxes and social contributions than they receive in individual benefits. Migrant workers, more than other migrant groups, certainly make a positive net fiscal contribution. By filling labour market needs, immigrants increase productivity and raise consumption, thereby generating additional jobs and benefiting society at large. Migrants contribute to diversity, bring new skills, and increase innovation and productivity.

The importance of engaging with employers: Recruiting migrant workers may be costly, lengthy and plagued by administrative uncertainties. This is not in the interest of the business community and may have contributed in some cases to policy failures, which are to a large extent a shared responsibility. Engaging with employers may help address these. Better adapting labour migration systems to employers' needs is important but is only likely to be acceptable if accompanied by measures to encourage reliance, where possible, on domestic workers - including immigrants already in the country - before turning to foreign sources. The employers' responsibility here is not only to help identify future needs but also to demonstrate that they do their share in workforce skills development and life-long learning programmes. Engaging with employers, notably SMEs, can also help identify skills gaps, in terms of language proficiency, formal skills recognition or technical skills. The inclusion of employers' and workers' organisations in the policy dialogue around skills/jobs matching and labour market needs is also key.

Business concern for the respect of migrants' rights: A balanced discussion on labour migration at all skills levels is important. The situation of low-skilled workers is particularly relevant for public-private dialogue when it comes to ensuring fair labour conditions and decent work. The rights of migrants are far from being only an ethical responsibility; they are a legal obligation and an economic factor. Abuse of migrant labour, human trafficking, unethical recruitment and supply chains that lack transparency cause severe reputational damage to businesses and eventually lead to financial loss. ILO's Director-General therefore called for fair and effective labour migration policies, that follows a rights based approach.

The role of the private sector in the contribution of migrants to development: The business world can play a significant role in reducing the costs of migration. Beyond the financial aspects, ICT companies provide modern communication technologies that improve connectivity between migrants and their left-behind families, foster the transfer of knowledge, skills and experience, and facilitate transnational business. As such, new technologies developed by the private sector have a huge impact on how migrants' contributions to prosperous societies can be leveraged.

### **Roundtable 1: Business Experiences and Labour Mobility:**

The discussion focused on challenges faced by companies when transferring employees at all skills levels for short or long term assignments around the world. There are skills gaps, in particular in STEM-related employment, as well as skills mismatches. Labour mobility – finding innovative talent around the world and bringing people in to continue to diversify the business – allows these gaps to be filled and brings opportunities for societies, businesses, and individuals. The private sector has the ability to create jobs and to hire talent. There is a shortage of employees, not of jobs. Private sector users of migration systems need more efficient, timely, transparent and predictable immigration systems. Modifications should be undertaken in consultation with business. Quotas or training requirements are challenges that are not fit for the purpose of companies. The process of requesting a visa for people who may stay just for some months is cumbersome and slow. Immigration provisions could assist with project-based models of work. All stakeholders have a common interest: to promote job creation and opportunities. By bringing business into the conversation, governments help emerging markets: contribute tax dollars, train youth, foster a sustainable workforce. The next generation of workers is looking for a global experience. Yet not everybody is willing to move, due to challenges, including those linked to family. It is key to give access to the local labour market to spouses. SMEs face the same challenges as larger companies and do not know where to find the right information; transparency is key. Labour market intelligence is instrumental in better understanding emerging sectoral trends and building forecasting trends. There is a need to better understand the economic impact of mobility, or the lack of mobility, on the company, region, country and individual.

#### ACTION:

- A more formal mechanism within the Business Mechanism should be set up to share ideas and experiences.
- The Business Mechanism should establish a checklist of guiding principles for migration systems.
- The Business Mechanism should encourage more governments to work with employer groups to develop migration policies.

### **Roundtable 2: Access of refugees to the labour market:**

Understanding that the primary responsibility for ensuring peace rests with governments, the private sector can nevertheless play an important role in supporting stability and helping to address humanitarian emergencies stemming from conflict. Governments play a key role in providing the services that allow refugees to contribute in the private sector (e.g.: language training). Practical and legal mobility barriers (confinement in refugee camps, legal barriers to access to work) must be addressed by governments before refugees can enter the labour market. These barriers exacerbate the risk of refugees and their children entering the informal labour market and also increase the risk of abuses including human trafficking, forced labour and child labour concerns. The cost of inaction

– not taking measures to integrate refugees into the workforce and more broadly into societies – is higher than action. Corporate Social Responsibility (CSR) initiatives might be a good starting point for companies to engage in integration efforts and might have the potential to expand into more strategic actions that ultimately have much more positive impact for refugees, society and business. The lack of centralised information systems that provide information and guidance on degree/skills recognition assessments and differences in qualifications for employment make it more difficult for refugees to navigate and find opportunities. Work opportunities are particularly key to providing protection outcomes and accelerate integration.

#### ACTION:

- There is a need to proactively build a positive narrative about refugees and their favourable impact on the economy. It needs to recognize the diversity of refugees in terms of their skills, resources, roles as consumers, employees, entrepreneurs and as agents of their own development. The narrative around refugees also shapes the way the private sector addresses the global refugee crisis.
- There is a need to engage the private sector early in the resettlement and integration process. Employers also need to be educated and trained on why and how to employ refugees.
- It is important to share best practices and learn from the experiences of peers in order to help generate ideas on how to scale up projects and translate them into other contexts and sectors. Furthermore, big corporations may have the resources to support SMEs in their endeavours to help address the refugee crisis and to hire more refugees.

#### **Roundtable 3: Fair and ethical recruitment:**

Fair recruitment and decent work conditions for all labour, including migrant labour, is of interest to all social partners and governments. Cases of abuse and exploitation are detrimental to all stakeholders. Whilst recognising the need for initiatives to address abuses and to better protect vulnerable workers, mechanisms need to be sought to enable implementation of such systems and to ensure they are fit for purpose – address the rogue operations and ensure there is no unnecessary burden on compliant industry players. Businesses, trade unions and governments call upon international organisations to settle on one set of standards. There are no clear definitions of “fees”, nor of “fair recruitment”. The upcoming ILO tripartite meeting in September 2016 should address these definitions, as well as provide a basis on which fair and ethical recruitment policies and practices can be adopted by governments and business. There is a need for better regulated systems, and for regional and bilateral dialogue. Concrete steps should be undertaken to reform audit procedures. Audits typically do not cover migrant workers. The best auditors are the employees themselves, who very often highlight a violation. Some companies have ethical supply chain programmes, which include an extensive, internal risk-based supplier audit process. The trade unions focus their efforts on the issue of exploitation of workers. Institutions face challenges with ratifications of regulation. The implementation of regulation is very difficult due to extraterritoriality. Governments have the responsibility of enforcing regulations. The business model of recruitment companies is too often based on migrant workers paying to get a job. Companies should pay as part of their supply chain costs. Due diligence momentum must be encouraged. Transparency with regard to migration costs is crucial.

#### ACTION:

- There is a need for international coordination – an “International Labour Intelligence Organisation”. There is a need for fostering not just business engagement but bilateral and

cross-regional dialogue and cooperation to ensure proper oversight of recruitment of migrant workers and that international labour standards are complied with, including in supply chains. Documenting good practices is needed and better sharing with all relevant other actors globally.

- There is a need for advocacy – Governments need to understand the needs of the social partners and businesses.
- Tripartite dialogue is encouraged to adopt robust and durable policies and strategies as a means to ensure fair and ethical recruitment<sup>1</sup>.
- The need for implementing international labour standards (ILS) and human rights is important, and there is a need to evaluate and better understand the barriers to ratification of ILS.

#### **Roundtable 4: Entrepreneurship, development and circular migration – success stories**

If the business environment in the country of origin is not conducive to entrepreneurship, people tend to migrate to find better opportunities. Seasonal migration programmes will not help in fostering entrepreneurship. The ease of doing business is a big factor in the success of entrepreneurial ventures. Circular migration is a definition issue – most migrants are per definition circular. Migrant workers are not only remittance generators; they constitute a huge market for financial services, but have been largely ignored. The implication is that financial firms should develop products tailored to the unique needs of migrants. Remittances transferred by official channels reach 400 billion dollars annually; they help family members to cover their basic needs, as well as businesses to grow in their countries of origin. Yet remittances are not invested in massive development projects often because of corruption and lack of information. The media should tell stories of migrants who have created jobs, rather than of migrants stealing jobs from locals. Employment is a significant factor in the prevention of violent extremism. This specific topic could also be addressed in more detail.

#### **Next steps**

**Business Mechanism position paper:** In preparation for the Summit in Dhaka, the Business Mechanism will focus on the challenges of global skills mobility and competition for skills, while acknowledging the existence of a wide range of other topics related to migration, which could be further developed in GFMD summits beyond 2016. The goal is to make recommendations to facilitate and support the efforts of States to adopt appropriate policies and ensure their implementation. The analysis will include references to the importance of specific migration-related matters, such as remittances, sharing of skills, excess of costs, human rights, ethical recruitment, decent work conditions, all of which impact both countries of destination and of origin.

**Next meeting:** The GFMD Business Mechanism will not convene further meetings before the GFMD Summit in Dhaka (10-12 December 2016). The position paper and the conclusions of the meeting in New York will be presented in Dhaka. All interested business representatives are welcome to attend and contribute to the discussion. The agenda will follow in due course.

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<sup>1</sup> Migration for Employment Convention (Revised), 1949 (No. 97) and Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)

**UN high-level summit to address large movements of refugees and migrants: 19 September 2016 (New York)**

The GFMD Business Mechanism has been invited to participate in the Summit to share its position with governments. The President of the General Assembly will confirm the business participants by the end of August 2016.

**GFMD Business Mechanism institutional foundation:** the GFMD Business Mechanism is currently co-funded by the Swiss Government, the European Union, The Coca-Cola Co. and the International Organisation of Employers (IOE). These funds allow representatives of business federations of least developed countries (LDCs) to participate in the meetings and to contribute to the debate with their unique perspective. The GFMD Business Mechanism's support team will focus on strengthening and developing new partnerships to ensure that a cross-regional perspective informs the debate.