

Responsible Business Forum on Sustainable Development Johannesburg, 27 June 2018

Talking Points for Stéphanie Winet

- The Business Mechanism was created in 2015. Led by the IOE, an international business federation, with 156 members, which are national employers' federation across the world. The Business Mechanism serves as a channel to bring the voice of the private sector to intergovernmental debates on migration.
- Our message is based on the critical importance to our businesses and to our economies of well-regulated national migration systems. Let me take a moment to explain why.

1. What seems to be a political topic, is also an economic one – and migration needs to be recognized as an economic necessity

- Companies know the value of skills mobility in their workplaces: In a recent survey by the Council for Global Immigration, 74% of corporate respondents reported that access to global skills is critical to their business objectives.¹ Migrants bring skills that mitigate gaps in native workforces. They introduce energy, new ideas and new perspectives. They help business compete, innovate, and expand. Global skills mobility is integral to business and economic growth.
- So, in this context, employers are frequent users of national migration systems and regard well-regulated migration as a positive phenomenon. Employers favour political stability where they operate. To remain successful and competitive in the global economy, businesses require clear and consistent migration policies, national laws and procedures that allow them to assemble and maintain their workforces.
- The legal and regulatory systems around the world, for migration at all skill levels, should therefore be as coherent and as transparent as possible. The Business Mechanism advocates for coordinated, well regulated, and well-managed migration policies which are an essential part of a well-functioning labour market. Such migration policies are also necessary to ensure the protection and promotion of human rights.

2. Demographic challenges – the need skills programmes to be adapted to the labour markets needs of today and tomorrow.

¹ Council for Global Immigration, *Employer Immigration Metrics: 2016 Survey Results*, available at https://www.cfigi.org/us-immigration/our-advocacy/Documents/16-0559%20CFGI_EmpMetricsReport_FullFNL.pdf

- As we all know, developed economies are facing the labour impact of aging populations and falling birth rates. The shrinking domestic labour pool means that receiving countries must look abroad to fill worker shortages at all skill levels. By 2020, there is expected to be a worldwide shortage of 38 to 40 million skilled workers.² On the side of the sending countries, they rely on remittances from their citizens working abroad and on circular migration for the skills and experience brought by returning citizens.
- And the benefits devolve to both migrants and to native workforces. Migration is a complement to the native workforce, not a substitute for it. Around the world, businesses are working with governments to invest in education and training, bring women, youth, and underrepresented groups into the labour market, and develop domestic policies to ensure that all citizens are equipped to participate in a 21st century economy. Migration is part of a solution to respond to the skills gaps. And when migration is part of a broader skills strategy, adapted to the 21st century world of work, ALL workers can be better equipped to take new jobs created by business expansion.

3. We call on governments to adopt migration system addressed to the **lower skilled spectrum, to prevent serious ill-consequences**

- Migration systems must address the growing need for unskilled and semi-skilled labour in shortage occupations and for seasonal needs. Systems often inadequately consider these labour needs because there is a perception that local workers are available. In reality, low-skill labour needs are often met by foreign workers who lack proper status; this is one of the key drivers of irregular migration.
- The absence of sound low-skill mechanisms has serious consequences related to trafficking, irregular migration, informal employment activities, unethical recruitment practices and forced labour.

→ All three points join one objective: improve the dialogue between the private sector and governments. We are mindful that different regions and different countries have different concerns, so we are not suggesting that there's a single system or magic bullet. However, there are some principles that should be applied everywhere.

- Our hope for the GCM is that it will help change the conversation and the reality on the ground. Instead of fearing migrants as competition for jobs, we hope that more of society can appreciate their contributions and the value of skills mobility. And when appropriate legal and regulatory mechanisms are in place to meet low

² McKinsey Global Institute, "The world at work: Jobs, pay, and skills for 3.5 billion people," June 2012, available at <http://www.mckinsey.com/global-themes/employment-and-growth/the-world-at-work>.

and semi-skilled needs, we hope that an important driver of exploitation can be eliminated.

- Comprehensive partnerships are essential to business and to protecting the rights of migrant workers, regardless of their status: we must empower migrants, not victimize them. Governments must work with the private sector to enforce the law, to combat abuses, and to create a level playing field for legitimate operators.
- We have closely followed the monthly rounds of GCM negotiation in New York and using the channels available to us to submit our comments and views on those issues of concern to the business community. It is now an important time for all stakeholders to sit together and develop a coherent strategy.
- The next meeting of the Business Mechanism will take place in Kuala Lumpur, Malaysia on October 23. The meeting aims at compiling business input on labour migration and regional integration in Asia. The outcome will be presented at the GFMD Summit in Morocco on December 5-7 in Marrakesh, where we will host a business session.

- We are pleased: The Global Compact's language on skills mobility, skills recognition and labor market needs are new to UN documents. We believe the participations of employers will help governments to better understand how migration policies affect business operations at national level. It will enable private sector representatives to actively contribute to migration policy debates by contributing their extensive experience and expertise on migration issues. Understanding each world.
- Restrictive migration policies can have a negative impact on international skills mobility. Recruiting migrant workers may be costly, lengthy and plagued by administrative uncertainties. And such dysfunction may also contribute in some cases to policy failures, for which both companies and policymakers share some degree of responsibility.
- Thus, engagement with employers can lead to better migration policy and better implementation. The employers' responsibility here is not only to illuminate obstacles and help identify future needs, but also to do their share in workforce skills development and life-long learning programmes. Engaging with employers, notably SMEs, can also help identify skills gaps, across the spectrum of skill levels.

Contributions to the GCM

- Let me give you a sense of the nature of our submissions. I've already talked about our work related to ethical recruitment. Here are the recommendations we have made related to skills mobility:
- **Firstly**, Migration policies should be timely and flexible to accommodate new and long-standing business models, but also predictable and transparent so that employers can effectively manage compliance.
- --A range of migration options should be available to facilitate mobility in all skill levels, including dedicated programs for short-term assignments, as well as client-site placements and other forms of remote work. Policies must also be flexible enough to adapt to changing skills needs, and specifically to accommodate the need for lower-skilled workers.
- --We suggested a number of practical solutions in this area, including trusted employer programs to facilitate processing for organizations with a record of compliance, and work authorization mobility to allow foreign workers to change employers with fewer formalities. These programs conserve resources for government and business and protect migrants.

- **Secondly**, Employers can be a valuable partner in identifying skills needs and establishing frameworks for assessing foreign qualifications. Policies should avoid rigid qualification requirements and skills definitions, trusting employers to identify the most-qualified candidate.
- -- Employers should be able to set requirements and identify the most qualified job candidates. Rigid skills assessment frameworks and occupational qualifications are often in conflict with labour market realities and with the business judgments of employers. Moreover, government should work closely with the private sector in identifying skill shortages and long-term measures to address those shortages.
- **Thirdly**, Migration policies should foster family unity by creating accessible pathways for accompanying family to obtain work authorization.
- -- Because foreign workers seldom migrate alone, family considerations are an important factor for global assignees and their employers. The inability to obtain work authorization for spouses separates and places financial burdens on migrant families, and can be a deterrent to sought-after migrants at all skill levels.
- **Fourthly and finally**, we need to elevate the discourse around migration by highlighting how skills mobility promotes opportunity and publicly committing to fair, responsible, and compliant migration.
- --Business has a role here too. We need to be more effective in demonstrating how migrants apply their skills to enrich the local economy and community. Sharing compelling migration success stories can help to humanize an issue that is too often distorted. Sharing, too, examples of fair, responsible and legally compliant skills migration can help to build public trust. This includes publicly supporting voluntary compliance programs and participating in training and educational programs to promote the development of the domestic labour force.
- In conclusion, I am here to assure you of the interest and intention of the international business community to find strategies for businesses and governments alike to partner to both advance skills mobility and protect the human rights of migrants. Our job is to craft an honest and compelling business narrative that resonates with governments and sceptical publics. The job of our governments is to implement it!