

**Symposium on Fostering Labour Mobility within and from Africa**  
**Session VI: Development and implementation of Bilateral and Multilateral  
Labour Mobility and Social Security Arrangements**

**Nairobi, 11 July 2018**

**Talking Points for Jacqueline Mugo, Executive Director of the Federation of  
Kenya Employers, Secretary General of Business Africa, Member of the  
Management Board of the IOE**

- I wear three hats in speaking with you today: as Executive Director of the Federation of Kenya Employers, as Member of the Management Board of the International Organisation of Employers and as Secretary General of Business Africa, which is the recognized voice of employers and the private sector in Africa.
- **Let me first wear my IOE hat.** Based in Geneva Switzerland, the International Organisation of Employers has more than 150 members, including FKE, which are national employers' associations across the world. The IOE serves as the Employers' Secretariat at the tripartite International Labour Organisation and promotes business' interest across a wide range of UN agencies, international organisations and intergovernmental processes.
- Our message at the global IOE level is based on the critical importance to our businesses and to our economies of well-regulated national migration systems, as well as well-defined labour mobility arrangements. Let me take a moment to explain why based on three points:
- **1. Global skills mobility is integral to business and economic growth.** It is estimated that labour migration increased global GDP by about 4%, or up to 3.2 trillion USD.<sup>1</sup> 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.<sup>2</sup> Migrants bring skills that mitigate gaps in native workforces. They introduce energy, new ideas and new perspectives. They help business compete, innovate, and expand.
- Seismic demographic shifts have created large skills gaps throughout the world, stunting business opportunities and economic growth. By 2020, there is expected

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<sup>1</sup> McKinsey Global Institute, *Global Migration's Impact and Opportunity* (November 2016), available at <http://www.mckinsey.com/global-themes/employment-and-growth/global-migrations-impact-and-opportunity>

<sup>2</sup> 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](https://www.cfigi.org/us-immigration/our-advocacy/Documents/16-0559%20CFGI_EmpMetricsReport_FullFNL.pdf)



to be a worldwide shortage of 38 to 40 million skilled workers.<sup>3</sup> Meanwhile, the world is in the midst of sustained growth in migration that began more than a decade ago. This increase in mobility provides great potential to fill hiring needs and facilitate business growth in countries facing demographic challenges, benefitting the private sector, workers, and worldwide economic development. Yet there are challenges that inhibit the private sector's access to this talent pool. Many of these challenges pertain to labour migration systems; skills identification and matching; skills assessment, certification, and recognition; and skills development and integration.

- Relying on well-regulated national migration systems and well-defined labour mobility agreements is therefore key for businesses.
- **2. It is very important for labour mobility agreements to 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. Functioning legal avenues for low-skilled migration tends to reduce the incidence of trafficking, irregular migration, informal employment activities, unethical recruitment practices and forced labour. The latter of course is the target of the IRIS system which IOM is developing with the support of the international business community.
- Indeed, companies are participating in an array of initiatives aimed at fair and ethical recruitment (IRIS; ILO Fair recruitment initiative; industry-led initiatives). They can also lend their expertise to the development of advanced technology for immigration processing, programs to match employment opportunities with available workers, and educational and competency assessments, as well as in the efficient and cost-effective transfer of remittances.
- **3. Increased coordination among stakeholders in this globalized world is key.** Employers, immigration departments, governments (national, regional, and local), employment and recruitment agencies, non-governmental organizations, diaspora communities, and others are contributing to connecting businesses to migrant talent and migrants to jobs. However, both businesses and migrants would benefit from more coordination between these stakeholders.

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<sup>3</sup> 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>.

- 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. Rigid skills assessment frameworks and occupational qualifications are often in conflict with labour market realities and with the business judgments of employers.
- Business needs should be more effectively communicated to relevant actors, and these groups should be more responsive to those needs, thereby aiding businesses in identifying the talent they need, and maximizing migrants' opportunities.
- Regional integration hubs can be one-stop shops for both employers and migrants by providing consolidated information and linking employers, potential employees, support structures, administration, and volunteers. A key role they can play is ensuring employers understand the laws surrounding hiring migrants and that employees know their rights and the norms of workplace cultures.
- Innovations in public-private cooperation can lead to better outcomes for employers connecting with qualified migrant talent. Public employment services are often under-equipped to counsel jobseekers. Private providers can help in this regard, but they need support to make the business case work.
- **In sum**, we/the IOE have a strong expertise and interest, and have been actively engaged, in a number of the intergovernmental and multi-stakeholders' initiatives. The IOE is coordinating a large network of employer organizations and companies of all sizes across the world, called the Business Mechanism. It was created in 2015 to bring the voice of business to the table in intergovernmental discussions on migration. The Business Mechanism has contributed advice and input to the Global Forum on Migration and Development (GFMD), and is also engaged in offering advice, based on the unparalleled experience of its members on the ground, to the Global Compact for Migration (GCM). UN member States are finalising the document as we speak and should agree on the GCM by the end of this week.
- 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 and semi-skilled needs, we hope that an important driver of exploitation can be eliminated.
- Thank you.

- **Let me now wear my Business Africa hat** and focus on the African continent. Business Africa advocates for a conducive business environment that facilitates sustainable enterprises, investment and employment for socio-economic development in Africa through our network of national employers and business Organizations.
- Business Africa together with the IOE co-hosted a conference last April in Kampala, Uganda, with employers' federations of Southern, Eastern and Central Africa. One of the topics addressed at the conference was precisely regional integration and labour migration. The essence of my remarks today are based on the outcome of that conference.
- Regional integration is key given Africa's place in the global economy. Africa is integrated globally by providing raw materials and commodities; by being part of global supply chains; and by being open to global trade. However, it is important for Africa not just to be a supplier – it has to change and be productive and innovative. African nations trading among themselves is greater than external trade, but goods do not always comply with global standards and tariffs. The compatibility and convertibility of national currencies, coherence in tax policy, and easier labour mobility, would all improve regional business.
- On the African continent, almost all regional Economic Commission have considered the free movement of people as a goal to be achieved within their integration processes. Regional integration can be an instrumental element for the development of a given region. Free movement of people, by improving market access through economic integration and encouraging the movement of the labour force, can benefit the economic situation within a region.
- As the free movement of people may be difficult to achieve at the global level, it may be a more realistic policy option to consider the regional level as a preliminary step. Most cross-border movements take place within regional spaces. In the Sub-Saharan Africa, 63% of emigrants remain in the region.
- **Frameworks must be put in place for the movement of workers.** Apart from removal of formal barriers, there is a need for flexible and timely policies to accommodate new and long-standing business models, but also predictable and transparent policies so that employers can effectively manage compliance. These policies should address the recognition of skills and qualifications and the portability of social security rights, that must be protected/coordinated/transferred. The current high cost of work and residency permits is also barrier (especially to SMEs) that need to be addressed. And free movement depend on the worker having the skills to be productive.

- The benefits of labour mobility agreements devolve to both receiving countries and sending countries. Developed economies are facing the labour impact of aging populations and falling birth rates, they must look abroad to fill worker shortages at all skill levels. Sending countries rely on remittances from their citizens working abroad and on circular migration for the skills and experience brought by returning citizens.
- Moreover, 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 21<sup>st</sup> century economy. When migration is part of a broader skills strategy, ALL workers can be better equipped to take new jobs created by business expansion. The world of work is undergoing major changes and we may question whether governments have fully accepted the implications.
- **Education and training are key.** Training local population as well as the migrants to ensure that employers can more effectively benefit from their contributions to the labour market. Businesses face various challenges in hiring migrants to fill their needs due to language barriers, different industry standards across country lines, workplace cultural differences, etc..
- Vocational training programmes could be part of the solution. These programmes are meant to respond to specific skills needs and are valuable training resources for the beneficiaries. Employers, as senders and recipients of skills, do benefit when labour migration policies are aligned to labour market needs.
- Occupation-specific trainings to address different industry standards across countries can help bridge differences in occupational trainings between countries. Bridging courses to develop country-specific skills on the basis of prior qualifications in home country allows migrants to use their educations/experiences from their home countries and to enter the workforce faster.
- Global skills partnerships, in which the private sector supports skills training in one country to match labour market needs in another, can be a triple win for training, employment opportunity and economic development in both countries of origin and destination. It needs to be adapted to a quadruple win scenario to enable the private sector to also benefit from it.
- **Current skills gaps must be identified in a timely manner so that labour market projections for the future can effectively anticipate employers' needs.** Such projections allow employers to plan for the future and develop relevant training programs. Labour market insights also guide employment and

recruitment agencies on where to focus their efforts, thereby giving employers increased access to talent. An increase in employers' roles in identifying skills gaps can make labour market data more accurate and up to date. New technologies, including Artificial Intelligence platforms, provide opportunities for real-time descriptions of labour market needs, and projections for the future.

- Online platforms that showcase talent and facilitate matching to jobs can increase employers' access to talent. Migrants must have orientation to make use of these platforms and present their skills in a way that employers understand. Likewise, employers can be encouraged to turn to these platforms to find talent. Technology that offers language, skills, and personality tests can make migrants' skills more visible and comprehensible to employers, especially when done early in the immigration process.
- Credential assessment services can help employers validate formal academic documents, and understand the relative value of academic qualifications earned abroad. This allows newcomers to compete with native born for hiring and promotions on a fair and equal basis. New technologies that test soft skills and facilitate virtual interviews help overcome informational barriers that employers face in hiring overseas talent.
- Finally, let me bring concrete **case studies** for you to reflect upon. In Mozambique, the employers' federation negotiated with the government on behalf of the private sector to facilitate the free movement of skills. However, once non-national workers were hired, national skills development suffered, and strikes ensued. From a political point of view, it was more favourable for the government NOT to admit non-nationals, particularly during election periods. Moreover, on the portability of social security, Mozambique has a different social security system to other countries and there is no motivation to change this.
- The second case study could happen anywhere on the continent: the biggest complaint of employers is that they are brought into the migration discourse only when there is a crisis. Governments act on political motives and only consult employers at a very late stage, when crises develop. When the South African mines ran out of labour, the South African government came at a late stage to Zimbabwe with five-year work contracts. Same happened when Zimbabwe ran out of labour on a tea estate on the border with Mozambique; there had not been enough Zimbabwean workers and Mozambicans had been hired for five years.
- Currently, Zimbabwe does not have enough skills to drive the recovery; proper research was needed to find out what skills were available and who possessed them. Zimbabwe has skills across the Limpopo, but if Zimbabweans were



persuaded to return from South Africa, this would entail serious problems for the South African financial sector. This is not desirable for Zimbabwe, as South Africa is their biggest partner. Migration in the region therefore has to work in favour of the regional economy as a whole.

- Interdependency of the region's economies is crucial; movement from one country affected the other. The responsibility for labour migration do not lie within labour ministries, but with departments of foreign affairs – these ministries need to talk to one another and Employers Organisations need to be involved in the discussion.
- Let me conclude by saying that partnering at an early stage with Employers is a key factor that will ensure successful implementation of labour mobility agreements.