

## GFMD / AU regional consultation (EN) Opening session 12 May 2020

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- Thank the Chair for the invitation to be part of this discussion, and for making these regional consultations inclusive of all GFMD stakeholders.
- Before providing the business perspective on the three topics presented by the experts, allow me to start by giving an overview of the current economic context employers are dealing with in Africa and its impact on the migration landscape.

### **Current context: the impact of Covid-19 crisis on business and economies in Africa:**

- To curtail the spread of COVID-19 pandemic, the governments across the world have declared health emergency and have literally locked down almost all economic activities. The range of restrictive measures to contain the pandemic, including trade and travel restrictions, port and borders closures, self-isolation, has led to devastating consequences on economies.
- In Africa, Covid has resulted in mass production shutdowns and supply chain disruptions due to port closures initially in China, causing global ripple effects across all economic sectors. Economically, the effects have been felt - demand for Africa's raw materials and commodities has declined and Africa's access to industrial components and manufactured goods from the region has been hampered.
- This is causing further uncertainty in a continent already grappling with widespread geopolitical and economic instability.
- Employers struggle with a range of challenges linked to place of employment, layoffs, leave entitlements, partial unemployment, among others.
- In the longer term, industries that rely on a mobile and global workforce will take more time to recover, in particular the tourism, manufacturing, construction and mining industries. In mining regions in Africa, the crisis could affect workforce productivity, the availability of skilled technicians to travel from affected areas and the capacity of labour-intensive mining operations to produce raw materials. The construction companies have also noted a lack of access to skilled personnel from affected regions, who have been unable to travel to project locations due to travel bans, quarantines and self-isolation. As for tourism, all African holidays destinations are currently on hold.

### **In this new context, and as we will have to live in a world-with-Covid, all stakeholders have to rethink the governance of labour migration. (Topic 1)**

- The current crisis will change the migration landscape drastically, but it will not close the skills gap that every region of the world is facing. An efficient infrastructure for cross border skills mobility remains crucial; even more so for the global economy to recover.

- Legal pathways for workforce mobility will need to be strengthened, responding to today's and to tomorrow's employment's needs.
- Emerging global trade, investment and finance regimes demand that people are placed at the centre of economic planning and business decision-making; this requires facilitating the movement of people to a greater extent than in the past.
- Among the many challenges facing existing immigration systems is the reality that most were built for a now-obsolete economic model based upon fixed work locations and contracts for structured employment. Migration law, policy and administration have not kept pace with the workplace changes. In fact, local labour market policy increasingly conflicts with labour needs at both national and employer-specific levels.
- A significant complicating factor faced by employers and migration administrations is the ongoing evolution in the workplace. Existing systems and policies do not adequately address the new workplace flexibility in its various forms, which include work at home and work at client worksites (with or without a home base and even across borders). The so-called "gig economy" is another new development, where on-demand or crowdsourced jobs require workers available "just in time", perhaps for multiple employers. Project-based work is increasing, in which knowledge of proprietary or unique products or services may be required and where employers may not have a permanent presence in the continuity of employment.
- As policymakers will reflect on revised migration systems, labour market needs and modern business practices will have to be considered. This will mean increased interaction with Labour and Employment ministries, as well as with employers themselves, because employers are best positioned to determine the skills and business models necessary to effectively achieve their business objectives. In view of the current reality, legal pathways should be strengthened to allow employment of essential workers in occupations where there are chronic shortages of local workers.
- In addition, the employers' community in African countries of origin is worried about the reintegration of the returning migrants. The governance system should address policies in consultation with those employers to ensure reintegration on the job market.

**This leads me to the second topic: Skilling migrants for employment (topic 2)**

- National skilling strategies should be closely linked and aligned with migration strategies.
- Around the world, developed economies are facing the labour impact of aging populations and falling birth rates. The shrinking domestic labour pool means shortages of workers at all skill levels. By 2030, a shortage of up to 40.9 million workers is predicted in Brazil, 2.3 million in Canada, 24.5 million in China, and 10 million in Germany. At the same time, we have in Africa a booming young generation entering the labour market, eager to contribute to global economies. By 2050 Africa will make up 23% of the global workforce<sup>1</sup>. There is a global mismatch of worker skills with the needs of the labour market, in both high-skilled and low-skilled occupations. This is caused in part by

<sup>1</sup> <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-hr-and-global-mobility-trends-and-approaches-in-africa.pdf>

demographic realities and an inadequate alignment of educational programming and skills training with the needs of business.

- Businesses and governments are engaged in multiple partnerships to close this skills gap to ensure all willing workers have opportunities. Efforts include education reform, apprenticeships, diversity and inclusion programs, and reforms to labour market policies. Mobility of talent across borders is a small but important piece of maximising global economic opportunity.

**Finally, while we promote stronger frameworks for skills mobility, we have to make sure that we address gaps in migrant protection (topic 3).**

- Two key aspects: 1. transitioning from informal to formal economies. 2. Transparency in migration processes.
- 1. This crisis has shed light on a serious concern to businesses: informality, in particular for us employers in Africa. We have to work together to counter informality: the main objectives should be to identify the root causes of the existence of the informal economy and the barriers to formalization and to put in place policies to assist informal entrepreneurs to more easily formalize.
- Many migrant workers are employed through informal channels, sometimes through rogue recruiters or intermediaries. When regulated appropriately, private employment and recruitment services improve labour-market functioning by matching jobseekers to a decent job, inside and across borders. Today many countries have inadequate regulatory frameworks for these services, and/or simply do not enforce them.
- 2. Transparency in migration processes is key. This applies to employers/recruiters to protect migrants by not charging recruitment fees to workers. It also applies to governments and to good governance. Strengthening legal pathways for employment will contribute to addressing gaps in protection. If migrant workers can access jobs through regular pathways, they will have more certainty of being protected.
- And final point on social protection: Collaboration is needed to ensure a New Social Contract, whereby social protection is ensured, including to migrant workers. Too many migrant workers are left stranded by the crisis because of the high level of informality and lack of social protection related to this.

**As conclusion, a word on public narrative.**

- Employers regard regular migration as an important tool to productivity and economic growth, provided that it is well-managed and that it responds to today's realities. Migrant workers are essential to our economies. We need to strengthen the global understanding of the importance of Skilling the young generation, but also the migrant workers, to ensure that their skills match the world of work. We will have to build on this understanding and avoid a conflation in the public mind that migrants or global mobility is the cause of the pandemic or of other discrepancies.
- These are general thoughts from the Business community, that we will further develop at the dedicated break-out sessions next week. Thank you.