

GFMD 2020 Theme 2: Skilling Migrants for Employment Business position

General comments

- 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 demographic realities and an inadequate alignment of educational programming and skills training with the needs of business. 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, there is 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 workforce¹.
- Latin America has the biggest skills gap in the world. Over four in 10 firms in Latin America say they have difficulty finding workers with the right skills, according to ManpowerGroup surveys². Companies in Argentina are worst hit, with 59% struggling to hire staff with the right skills; in Colombia that figure is 50%, and Peru 49%.
- Latin America holds a promising richness: youth. A quarter of its population is aged between 15 and 20. With such a huge potential working age population, Latin America has a massive demographic bonus, especially in comparison to ageing Europe and Asian countries. Yet about a fifth of Latin America's young people – or nearly 30 million individuals – are “NEET”, either not employed or not engaged in education or training. When they are working, about half are in the unregulated, informal labour market.
- The world of work is changing fast. The skills set requirements are changing and the recognition of skills and qualification will have to be adapted to the new business needs.
- As the world is looking to address the various effects linked to the 4th Industrial Revolution, the war for talent is intensifying, with regions like China and South East Asia competing to develop ever-higher skilled workers. By contrast, Latin America's talent has not taken off. In the 2019 edition of the Global Talent Competitiveness Index³, the INSEAD and The Adecco Group annual ranking of countries based on their ability to develop, attract and retain talent, the highest Latin American country featured is in 32nd position – Chile. And the lowest ranked, Venezuela, brings up the rear in 112th out of 125 countries ranked globally.
- Continued access to the right skills and experience is one of business's biggest concerns and investing in talent acquisition and skills development is a priority. Businesses and

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

² Manpower group, [2018 Talent Shortage Survey](#)

³ INSEAD and The Adecco Group, [2019 Global Talent Competitiveness Index](#)

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.

- Together with ILO/IOM/UNESCO and ITUC, IOE, as the global employers' organization, is part of a global skills partnership that aims to enhance the mapping of skills, improve skills recognition frameworks and prepare workers with training, to develop their hard and soft skills.
- Whilst countries may have well-regulated system for incoming regular skilled migrants - in fact at times over-regulated - the recent Covid-19 pandemic highlighted the exceedingly high volumes of migrant workers working across borders. A formal system for documenting "leavers" those exiting the country on a non-permanent basis for work is missing in many countries.
- Covid-19 has highlighted that in a country with significant labour demand in critical and scarce skills areas, it appears a far higher percentage of the skilled labour force has migrated attracted by global labour demands.
- The need for labor migration will not go away – indeed, it will become greater as demographic challenges intensify in many parts of the world, and as the well documented skills gap grows. This is not a call for unregulated borders. On the contrary, it is a call for more flexible and well-regulated migration systems.
- Covid-19 did not solve the massive skill gaps employers are faced with across the world. Recovery from Covid-19 requires business to access the talent they need to support employment and business continuity. Now more than ever businesses need easy pathways for identifying and attracting talent. Too often employers remain confronted with extensive, superfluous and burdensome regulation for skill mobility. Thus, as a starting point of any discussion related to managing skills mobility there needs to be acknowledgement that demand for labour is increasingly dynamic, digital, temporary and exposed to geopolitics. For migration frameworks to support national economies and decent work, they need be responsive to business needs and reality.
- To do this, the global policy community can bank on the extensive business expertise in this field. Across the world businesses and business representatives work with governments to create smooth and quality pathways for migration.
- Moreover, Human Resource technology is supporting the mapping, recognition and preparing for skilled workers. Across the world private sector players are developing tools to optimize their onboarding of talent. Irrespective of whether there's a border involved. Examples of this are the proliferation of tailored online courses and assessments, the use of blockchain technology to certify and secure jobseeker information and augmented reality to prepare workers for the workplace. Rather than re-inventing the wheel, global policy makers do well to integrate private solutions in their search to support skills mobility.

- Extreme skill gaps persist. And the extreme labour market crisis headed our way requires us to upgrade our effort to ensure business can contribute to recovery. To this end migration framework need to be responsive to the business reality that is volatile, uncertain, complex and ambiguous. To do so, global skilling infrastructures need to keep a real time pulse on the business community and ensure business needs are integrated and respected.
- At the same time we need to ensure skilling and regulatory infrastructures deliver for workers. Labour market institutions need to promote worker resilience and activation. This allows workers to bridge the global skills gaps in a safe and decent way: internationally, but most certainly also domestically.
- Well-functioning legal pathways for workers can help to reduce irregular and unlawful recruitment practices. Companies alone cannot enforce regulations; but can support governments in promoting regulations and enforcement mechanisms to ensure responsible recruitment.
- The Business community recognizes the need for effective identification of the labour pool as well as mechanisms to predict future skills needs.
- Whilst addressing migration, consideration is often focused on cross-border migration, yet a number of the principles and key issues apply to rural to urban migration at national level.
- Cognisance is needed to create an enabling environment, with ease of doing business. Experience has shown that the system is by-passed / work arounds are made when processes are over-regulated.

Mapping labour market skills gaps in consultation with relevant stakeholders

- The business community fully acknowledges and supports the need for an effective labour market information system, which would ultimately allow a better alignment between national skilling strategies with migration strategies. A coherent approach is needed, in particular with the technological improvement.
- Skills including hard and soft skills, and the application of the skills in the workplace is a key component for employers. Too often, frameworks set up by governments are not adapted to the labour market's realities. 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. Frameworks for assessing foreign skills and qualifications often conflict with labour market realities. Global assignees, local hires, or international recruits deemed qualified by employers often fail to meet the rigid qualifications requirements established by policy. (Example: The South African OFO (Organising Framework of Occupations) has been curated for local usage, it becomes complex and is not widely used – it needs to be simplified. At higher occupational levels, CV, competencies and application of skills in the workplace has greater focus than OFO code / job title.)

- Similarly, migration policies targeting skills gaps do not quickly respond to emerging needs. With accelerating innovation, business opportunities materialize rapidly and spur immediate demand for new skills. Countries with skills or occupational lists as selection criteria present challenges for employers because such lists often lag behind current demand and inadequately forecast future skills needs. As a practical solution, governments should consult with employers to determine the appropriate balance of selection criteria, including salary, skills and qualifications requirements. Effective frameworks will enable businesses to employ the right people, with the right skills.
- In South Africa, there is extensive research undertaken with EU recognising the need for an effective Labour Market Information System (LMIS). Sector Skills Planning mechanisms are utilised through Sector Education and Training Authorities (SETAs) to seek to work with employers for skills needs identification. The reality is that it tends to be current needs driven, rather than medium to long term.
- Business in South Africa contributes to a Critical Skills list gazetted by DHET (Department of Higher Education & Training) which drives skills migration visa allocations. There is also work in progress with the ILO (through the Skills Initiative for Africa⁴) working on development of a labour market tool. The World Bank Group is assisting with development of a Jobs Platform specifically focused on youth, entry level positions and hard to find skills.

Harmonising skills recognition frameworks

- National education systems often do not align with labour market needs. Despite high GDP percentage allocated to state education and training in many countries, this does not lead to employment. This situation fosters national skills mismatch, youth not prepared for globalisation and mobility due to mismatch (not skills in demand) and migrant workers utilised for low skilled employment (agri-processing, mining).
- There is work in progress on Regional and African continental frameworks: the EU is funding research through the European Training Association (ETA), on developing an African Qualification Framework. Research is being undertaken on SADC Qualification framework and RPL.
- South African first – principle applied to visa regulations. Due to high unemployment, there is key focus in South Africa in ensuring nationals have first access to employment / work opportunities. Covid-19 has highlighted challenges and the loss of skilled talent from the country. Visas based on identified critical skills (scarce skills) – dependent on effective LMIS.

Preparing migrants for successful migration journeys through training and certification

- More active role through skilling from stakeholders at country of destination

⁴ **Skills Initiative for Africa – SIFA** is an initiative of the African Union Commission (AUC) supported by the German Government to strengthen occupational prospects of young people in Africa. The objectives include access to employment-oriented skills development for young people and students from low-income groups, refugees and migrants in a focus area.

- 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.
- Employers include migrants in workplace based training. (For instance, the South African skills development legislation includes SD levies paid for migrant workers who have access through employers to skills development).
- The recognition of part qualifications would be an enabler to promote upskilling of migrants particularly on shorter work assignments. Shorter programmes could accommodate seasonal workers. Transformation policies (BBBEE) seek to empower citizens and therefore do exclude migrant workers.
- Visa regulations affording renewal of visas would allow for greater continuation of skills development.