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## **Filling the Empty Seat of the Private Sector at the GFMD Table**

### **A Proposal from the International Organisation of Employers (IOE) and the World Economic Forum Agenda Council on Migration (WEF GACM)**

#### **Background**

For more than a decade, the GFMD has been playing an important role as a platform for open and action oriented debates on migration policy and practices. It has enabled countries of origin, transition and destination of migrants to shape the global thinking on the benefits of migration and the challenges associated with its management. Moreover, the GFMD provides an opportunity for members to share experiences and compare notes on migration policies and practices. What has become clear is that the GMFD would benefit a lot from an effective and more active engagement from the private sector particularly employers as they contribute to the demand for migrant labour and play an important role in moving skills and talent across borders. However, despite a number of efforts by various Presidencies of the GFMD, the business voice and engagement with the GFMD is still weak compared for example with the growing participation and active engagement of the civil society.

The purpose of this paper is to present a proposal to the GFMD on how to make the business engagement with the GFMD more meaningful, sustained and active. The paper is a follow up to the GFMD Business Meeting co-organized by the Turkish GFMD chair and Switzerland in Istanbul on 15-16 May 2015 that discussed a future GFMD public –private sector interaction mechanism. Subsequent discussions took place in Geneva in July 2015 between the World Economic Forum Global Agenda Council on Migration (WEF GACM), the International Organisation of Employers (IOE), the Turkish Presidency and the Swiss Government on what role the two business organizations could play in the GFMD private sector interaction mechanism.

The proposal is a concrete offer from the International Organisation of Employers (IOE), the largest network of the private sector in the world, in collaboration with the World Economic Forum Global Agenda Council on Migration (WEF GACM), part of the world's foremost interdisciplinary knowledge network.

The IOE and WEF GACM wish to take this opportunity to make a formal offer to the Turkish GFMD Chair, the GFMD Troika and the GFMD stakeholders (Steering Group and Friends of the Forum) to host the private sector coordination unit of the GFMD in its Secretariat in Geneva, Switzerland.

## **The business vision for the GFMD – Private Sector Interaction Mechanism**

Approximately 3 per cent of the world's population— some 232 million people – are living (and in large part working) in a country other than that of their birth. Sometimes described as the “unfinished business of globalization,” labour migration issues raise complex and sensitive political, human rights, economic and social concerns, as well as an array of legal and regulatory challenges. Migration accordingly occupies a prominent place on both national and multilateral policy agendas, and in public discourse and debate. There is widespread evidence that over the long term migration fuels economic growth and that migrants make a net positive contribution to the economies and societies in which they live and work. They also contribute to the economic and social development of their countries of origin through remittances, education, experience and new skills acquired abroad. However, governments must often respond to the perceptions that foreign workers undercut wages and job opportunities for native workers, and that migration is closely associated with unacceptable labour conditions and abuses.

The demographic impetus for labour migration is clear. Developed economies are rapidly aging. It will be difficult to replace the workers who will retire over the coming years and talent managers are already reporting significant skills gaps. Many OECD countries already rely upon sizeable numbers of highly skilled migrants to fuel their economies: the World Economic Forum has estimated that highly skilled migrants account for 12% of the highly skilled workforce in the United States, 9% in Germany and 22% in Canada. The OECD has stated that “immigration will continue to play a vital role for OECD economies in the long term because of the need for extra workers to maintain growth and prosperity.” Developing countries, on the other hand, are predicted to have more workers than their economies can absorb. Countries with projected surpluses in 2020 include: India (47 million), Pakistan (19 million), Mexico and Indonesia (5 million each), Vietnam (4 million) and Brazil (3 million). To the extent that migration is about seeking work, these demographics underpin increased flows of both unskilled and skilled migrants. And, even with all these workers, these countries are expected to face their own skills gaps as education and training fail to keep pace with business needs.

For the IOE the question is how to work with governments to maximize the benefits of migration through facilitation of regular avenues of moving skills across borders, while at the same time minimizing the risks by combating abusive and unscrupulous practices.

### **The business stake in migration policy**

Employers regard migration as a positive phenomenon. It is a vehicle for fulfilling personal aspirations, for balancing labour supply and demand, for sparking innovation, and for transferring and spreading skills. Businesses are frequent and important users of national migration systems. Their experience with the practical workings of immigration policies, as well as knowledge of emerging market and staffing trends, can supply important information to the GFMD, to governments and international organizations. Thus, the participation of the private sector is essential to the development of well-regulated migration systems.

All employers benefit from clear, transparent, and efficient national immigration laws and policies that permit the movement of workers when and where they are needed. Overly complex and sometimes frequently changing systems hinder compliance with national laws and threaten labour market protections. However, the labour market needs and migration policy interests of the private sector vary

greatly among companies, industries, countries and regions. Of particular concern to Employers are the differing needs and challenges facing employers of highly skilled migrants and those associated with the large scale recruitment of low skilled workers. The WEF Global Agenda Council on Migration has laid out the case for greater business engagement in migration policy in its publication 'The Business Case for Migration' (<http://www.weforum.org/reports/business-case-migration>).

### **Migration of highly skilled personnel**

Changes in business models and markets, coupled with demographic realities, increasingly require businesses to hire, train and transfer professionals across borders. Surveys consistently find that chief executives regard having the right talent as the most critical factor for their business growth. Thus, business leaders must look decades ahead to align skills availability with innovation and market opportunities. Human resource specialists tasked with meeting enterprise requirements recognize that new solutions will be needed to attract, retain, and deploy key talent globally. Many companies now support worker training from pre-school through graduate education. They seek diverse workforces comprised of people from all segments of society. And they consider the social, political, regulatory, infrastructure and market environments in order to determine where to locate new facilities. This calculation includes the ease with which talent can be moved either internally or across borders. Most governments are aware of the need to attract skilled migrants (and the enterprises that employ them) and have migration laws that provide for the entry of skilled foreign workers. Problems of implementation persist, however. Too often, cumbersome, unclear, or continuously changing procedures and regulations, often adopted in response to protectionist demands from domestic constituencies, make it difficult for enterprises to hire or to transfer skilled workers into their jurisdictions in a predictable and cost-effective way.

### **Fair and ethical recruitment**

At the other end of the spectrum, few governments have well regulated systems for the legal movement of low skilled workers. This situation enables many low skilled migrants to become the victims of abusive recruitment practices, which at their worst rise to the definition of forced labour. Overseas workers may be saddled with huge debts after paying extortionate fees to unscrupulous and often unregulated intermediaries in order to secure jobs abroad. Confiscation of their passports or other documentation may leave them virtual prisoners. Reducing these and other abusive practices in the recruitment process is necessary to protect migrant workers and domestic labour markets, and to ensure well-functioning immigration systems. The absence of fair and transparent recruitment also creates serious problems for employers, who often have no way of knowing what kind of recruitment practices are taking place overseas and what workers have been subjected to or promised by intermediaries. And these practices undermine the reputation, impede the functioning, and may affect the competitiveness of ethical and legitimate companies in the recruitment industry. In an attempt to address these concerns, the IOE recently signed an agreement with the International Organization for Migration (IOM), committing to work on a global level on reducing exploitative recruitment practices in international labour migration. The IOM's Public Private Alliance for Fair and Ethical Recruitment is designed to create a community of like-minded partners committed to finding practical and operational tools for use by governments and business to combat unscrupulous recruitment practices. One such tool is the International Recruitment Integrity System (IRIS), a voluntary accreditation system for recruitment intermediaries so that they can demonstrate their commitment to fair and ethical practices. Similarly, with the participation of the International Trade Union Confederation (ITUC), the IOE and the International Confederation of Private

Employment Agencies (CIETT), the ILO has itself launched a Fair Recruitment Initiative, which aims to prevent human trafficking, promote safe migration, and reduce the costs of labour mobility.

The proposed GFMD – Private Sector Interaction Mechanism will enable employers to actively contribute to migration policy debates by bringing in their extensive experience and expertise on labour migration issues. The interaction will enable governments to understand how migration policies and practices affect business operations at national level. The enhanced engagement will contribute to migration governance.

### **What do the IOE and WEF GACM offer in concrete terms?**

The IOE will provide an office with an address and telephone contact to the GFMD private Sector coordinating unit. The WEF Global Agenda Council will contribute expertise arising from a unique multi-stakeholder group; experience on the basis of its prior engagement with GFMD in engaging the private sector; and access to the World Economic Forum, the world's leading international institution for public-private cooperation.

However the unit will fall under the Business Advisory group composed of the IOE and the World Economic Forum Global Agenda Council for Migration. The two will hold regular consultations at intervals of at least twice a month or more depending on need. The two organizations will lead the agenda setting of the mid-year GFMD Business Meeting and the GFMD Business Encounter at the annual meeting after consultations with the GFMD chair, the troika as well as the Steering Group and the Friends of the Forum.

### **The role of the GFMD Private Sector Coordinating Unit**

Though this will be a lean team composed of one professional staff member, it will serve as the implementation body of the Business Advisory Group and will be the focal point of communication. The IOE Senior Adviser on migration will support and supervise the work of the coordination unit.

With the support of the IOE, the Unit will be responsible for the logistical organization of the mid-year GFMD Business Meeting and GFMD Business Encounter during the GFMD annual meetings. It will also prepare reports on these meetings and communicate to the private sector representatives from around the world on the work of the GFMD. It will also seek feedback, from them and carry out surveys on emerging issues on migration. The IOE and the World Economic Forum will explore possibilities of private sector funding in order to boost this work.

The estimated budget for employing one professional together with organization costs of meetings is USD 150'000 per year.