

Federation Of U.A.E Chambers  
Of Commerce & Industry



دولة الإمارات العربية المتحدة  
اتحاد غرف التجارة والصناعة

## **Governance of Temporary Labour Migration in the Gulf: Employer Perspectives on the Global Compact for Safe, Orderly and Regular Migration**

*Report of the Federation of the UAE Chambers of Commerce and Industry to the  
Special Rapporteur of the Secretary General of the Secretary-General for  
International Migration*



## Introduction

This report is based on a one-day consultation with private sector employers held in Dubai, United Arab Emirates, on 20 November 2017. The consultation was organised by the Federation of UAE Chambers of Commerce and Industry, in partnership with the UAE Ministry of Human Resources and Emiratisation (MOHRE) and the International Organization for Migrations (IOM), and in cooperation with the International Organisation of Employers (IOE) and the Global Forum for Migration and Development – Business Mechanism (GFMD – BM).

The consultation brought together regional and international stakeholders, including representatives from private sector employers, the recruitment industry, government, international organisations, chambers of commerce, and civil society.

The consultation consisted of five separate sessions, held in plenary (see Appendix for full agenda):

1. Opening remarks and keynote speeches, including from the UAE Minister of Human Resources and Secretary General of the IOE (in person); and from the Director General of IOM and the Special Representative of the UN Secretary-General for International Migration (by video).
2. Context for the Global Compact for Safe, Orderly and Regular Migration (GCM), with participation from the Co-Facilitators of the Global Compact (by video), and the Swiss Ambassador for Development, Forced Displacement and Migration, moderated by the Office of the Director General (IOM).
3. Governance of temporary labour migration in the Gulf region.
4. Temporary labour mobility, upskilling, and recognition of skills and qualifications.
5. Responsible recruitment practices.

The five sessions in plenary were followed by breakout workshops on recruitment, skills recognition and transfer, and engagement with the International Organisation of Employers.

The consultation was notable for being the only employer-specific consultation held, to date, in preparation for the GCM. The private sector was represented by regional Chambers of Commerce and Industry, and businesses including Emirates Airlines, GE, Laing O'Rourke, McKinsey and PwC.

### Key highlights from the consultation include:

- A commitment from the UAE Minister of Human Resources and Emiratisation to continue to consult with both the private sector and civil society beyond



the stocktaking meeting in Mexico, with the UAE representing their inputs to Member States throughout the 2018 negotiations;

- Clear consensus from all parties that temporary labour migrants make a significant contribution to the Gulf region's economy and society, and that government and employers are committed to ensuring that the labour and human rights of migrants are protected throughout all phases of the employment cycle;
- Employers' emphasis on the importance of policy coherence on the issue of entry and stay, particularly for short-stay work undertaken by high-skilled workers;
- Recognition that the skills requirements in the Gulf are rapidly changing, due to technological advances and the emergence of a knowledge economy, with incentives needed from government to encourage business to invest in upskilling, skills recognition and transfer; and
- Examples from business on how employers can take the lead on responsible recruitment that is compliant with international standards, thereby reducing recruitment costs for temporary labour migrants, with assistance from programmes like IOM's International Recruitment Integrity System (IRIS).

## Overview

The private sectors of the Gulf are highly reliant on temporary migration to meet labour demand, with migrants representing over 90% of all private sector employees. Migrant workers fill job vacancies across the skills spectrum and in multiple sectors, from low-skilled jobs in the construction and hospitality industries, to corporate management and leadership of multinational enterprises (MNEs) represented in the Gulf. Private sector companies therefore have important roles to play in shaping regional migration governance.

Moreover, with Gulf countries hosting 11.7% of all migrants worldwide, engagement with the region's private sector represents an opportunity to shape governance outcomes for a significant proportion of global labour migrants.

Within this context, a range of governance issues relating were discussed, including:

- The need to strengthen global migration frameworks to facilitate labour mobility and make it more labour market responsive;



- The importance of engaging national and regional private sector and civil society stakeholders in the policy making process;
- An acknowledgement of the potential impacts of the GCM on employers, nationally and regionally, with an opportunity for companies to contribute to the implementation of its goals and outcomes;
- A call for enhanced predictability and clarity vis-a-vis regulatory frameworks and legal requirements;
- The need for further government-private sector consultation and coordination on migration-related issues;
- A call for increased availability of legal migration pathways to support evolving business needs
- A recognition of the value proposition for upskilling low-, medium- and high-skilled workers;
- A call for enhanced cooperation between and among countries to harmonise skills ecosystems;
- The need for improved supply chain management that is consistent with international standards and good practice; and
- A call for commitment to compliant recruitment principles, including through improved international regulation and enforcement.

## Priorities

During the past decades of economic expansion and diversification, Gulf States have been criticised for poor governance relating to temporary labour migration. This has led to the introduction of a range of policy developments, including the introduction of systems to protect against the non-payment of wages; contract reform; mandatory health insurance programmes; higher standards of inspection of workplaces and accommodation and enforcement of regulations; and improved provision of information to migrants, pre-departure and post-arrival. Many of these advancements have originated as a result of multilateral dialogue and international cooperation between countries of origin and destination, through the regional consultative process, the Abu Dhabi Dialogue.

Addressing these issues will continue to be a priority for the government of the Gulf, and participants acknowledged and welcomed the progress that has been made to date. However, there is recognition that increased dialogue among government, civil society and the private sector is crucial if these reforms are to be effective. To this end, the potential for the GCM to become a mechanism to facilitate ongoing discussion was raised. Panellists expressed an ambition to see the GCM establish a process through which stakeholders can come together to address migration-related challenges. The UAE Minister of Human Resources and Emiratization committed to



ensuring that the concerns of the private sector and civil society will continue to be represented by the government throughout the GCM process and beyond.

A discussion was held on the importance of the GCM maintaining regional, national and local relevance, while ensuring global applicability. It was suggested that the six thematic consultations have helped to identify high-level challenges that are globally relevant, but to be effective, the GCM must also demonstrate sufficient flexibility to allow for regional differences. This regional flexibility is particularly important for front-line stakeholders, such as employers, who are required to operate within governance frameworks and economic conditions over which they have limited control.

The question of policy coherence related to entry visas and work permits was prioritised by a number of employers. It was noted that the lack of legal status for short stay specialists undertaking high skilled work is of particular concern. A lack of clarity over the status of these types of workers raises costs for business. The need for coordination between ministries with responsibility for immigration and labour was emphasised.

The importance of upskilling, skills recognition and certification necessary for the emergent shift to a highly competitive knowledge economy was raised by participants, with some differences of opinion over the level of progress made in the implementation of skills infrastructure. The UAE government raised the possibility of introducing a range of incentives to encourage greater upskilling, including differentiated work permits and immigration fees based on skill levels, sector specific quotas, and the imposition qualifications requirements in certain professions. However, it was recognised that alignment on National Occupational Standards, as well as joint recognition in countries of origin and destination, is crucial.

On the issue of compliant recruitment, the eradication of worker-borne recruitment and deployment costs emerged as a clear priority. This is an issue requiring international cooperation between regulatory and enforcement authorities in countries of origin and destination. A number of companies operating in the Gulf were cited as leaders in developing recruitment programmes designed to ensure that workers are not required to pay any fees. This has been achieved through close engagement with, and scrutiny of, recruiters in countries of origin, and follow up programmes with workers post-deployment. Compliant recruiters have also been invited to contribute their expertise to a pilot project between the governments of the UAE and the Philippines to insert joint government oversight over recruitment in the domestic worker and hospitality sectors.

## **Challenges and Gaps**



As cited above, challenges and gaps remain in the governance of labour migration involving large numbers of temporary workers in a region that is, itself, still developing. The following three challenges were cited:

- 1) Employers currently lack access to accurate and credible data on prospective workers who are willing to migrate to the labour markets in the Gulf. At the same time, workers often lack accurate data on available job opportunities, the terms and conditions offered by employers, as well as information about the Gulf's culture and traditions. Improving the availability of such information will improve outcomes for workers and help improve productivity for business.
- 2) As cited above, the absence of mutual skills recognition systems continues to present a challenge to businesses. Without adequate infrastructure in this area, employers face the choice of either having to fund overseas trips to interview recruits, or to rely on agencies that may have inadequate protections, or that fail to understand business requirements.
- 3) For responsible recruitment agencies, the “employer pays” business model of recruitment may hinder their businesses: many prospective migrants are sceptical of their capacity to place them in employment, while in countries of destination, the lower costs of non-compliant recruiters leads to an uneven playing field that gives them market advantage if procurement is based on the selection of the lowest bidder.

## Existing Policies

A number of participants in the consultation referred to the benefits of the Wages Protection System, introduced by the United Arab Emirates, and since adopted by other countries in the Gulf region. The Wages Protection System enables the Central Bank to monitor all electronic salary payments to workers, allowing officials to step in when payments are missed and investigate the cause. For the private sector, the scrutiny introduced by the system has helped to weed out “cowboy contractors”, improving pricing certainty.

Recruitment agencies also pointed to the recent reforms of the domestic workers market in the UAE as an example of where changes to the regulation of labour demand is improving supply-side conditions in countries of origin. The reforms include the introduction of public-private partnerships, with exclusive control over the international recruitment of domestic workers. The strict regulation of these new domestic recruitment centres - called ‘Tadbeer’ – will encourage counterparts in countries of origin to improve recruitment practices, introducing strong compliance requirements.



## Existing Projects

As referenced above, the Government of the UAE is currently piloting a new system of recruitment, in partnership with the Government of the Philippines. The purpose of the pilot project is to introduce joint government oversight into the recruitment of workers in the domestic and hospitality sectors. The pilot enables both governments to vet the demand for workers in these industries, with either government able to enforce specific restrictions, including the exclusion of non-compliant recruiters from the process, stronger controls over salaries, and greater transparency on the roles being filled. During the consultation, compliant recruiters were invited to assist in the design and development of this pilot, enabling the pilot to be better adapted to actual business practices.

## Recommendations and Implementation

The key recommendation agreed upon during the consultation was for the Government of the UAE, along with international partners, to explore avenues that would allow private sector and civil society stakeholders from the region to continue to contribute to the formulation of the GCM during the negotiations phase. No specific mechanisms to enable this were identified, but participants would welcome suggestions from the Co-Facilitators.

## Government Actors

The primary government partner was the UAE Ministry of Human Resources and Emiratisation.

## Non-Government Actors

The private sector was represented by the International Organisation of Employers, GFMD Business Mechanism, numerous Gulf Chambers of Commerce and Industry, alongside employers including Emirates Airlines, Laing O'Rourke, GE, McKinsey and PwC. Civil society was represented by Migrant Forum Asia.

## Links to SDGs

**SDG 8: Promote inclusive and sustainable economic growth, employment and decent work for all**



Temporary labour migration, as part of broader labour market management, and founded on compliant recruitment and decent work, provides valuable contributions to the development of both countries of origin and destination. As stated under the section *Issues addressed and relevance*, consultation with the private sector in the Gulf is vital to achieve this outcome.

**SDG 10: Reduce inequality in and among countries**

Remittances transferred from the Gulf play a vital role in the economies of developing countries. The value of remittances from the Gulf (approximately USD 98 billion, according to 2014 World Bank figures) underscores the development potential of temporary labour migration. Improved governance of temporary labour migration will enhance the value of those remittances by driving up wages and increasing the acquisition of skills, knowledge and networks. Additionally, this consultation is linked with the specific migration-related target of SDG 10, understanding that private sector companies have an important role in promoting policy coherence and improved migration management.





Appendix: Agenda

## **Governance of Temporary Labour Migration in the Gulf**

Employer Perspectives on the

Global Compact for Safe, Orderly and Regular Migration

20 November 2017, InterContinental Dubai Festival City, Dubai, UAE

**0830 – 0900: Registration**

**0900 – 0945: Opening Session**

**Welcome Address:**

- **Khalifa Mattar**, Member of the Board, Federation of UAE Chambers of Commerce and Industry; Head of Fujairah Chamber of Commerce and Industry; Member, ILO Governing Body / Employers' Group

**Key Note Address:**

- **H.E. Nasser Al Hamli**, UAE Minister of Human Resources and Emiratization

**Opening Addresses:**

- **Louise Arbour**, Special Representative of the Secretary General for International Migration, Secretary General of the Intergovernmental Conference on Migration (by video)
- **William Lacy Swing**, Director General, International Organisation for Migration (by video)
- **Linda Kromjong**, Secretary General, International Organisation of Employers

**0945 – 1030: Session 1:**

***The Global Compact for Safe, Orderly and Regular Migration in Context***

- **Juan José Gómez Camacho**, Permanent Representative of Mexico to the United Nations, Co-Facilitator of the Global Compact; and **Jürg Lauber**, Permanent Representative of Switzerland to the United Nations, Co-Facilitator of the Global Compact (by video)
- **Pietro Mona**, Ambassador for Development, Forced Displacement and Migration, Federal Department of Foreign Affairs, Government of Switzerland
- **Michele Klein Solomon**, Director, Global Compact for Migration, Office of the Director General, International Organisation for Migration (Moderator)

**Key Themes for Discussion:**

- Reasons for strengthening global migration frameworks



- The importance of engaging regional stakeholders

### 1030 - 1130: Session 2:

#### ***The Governance of Temporary Migration in the Gulf***

- **Dr Ali Al Mulla**, Member of Board of Directors, Fujairah Chamber of Commerce and Industry
- **Adnan Alam**, Senior HR Operations Leader, GE
- **Mohamed Sharaf**, Managing Director and Partner, EcoMan
- **Murtaza Khan**, Global Forum on Migration and Development – Business Mechanism (Moderator)

#### *Key Themes for Discussion:*

- Potential impacts of the GCM on employers regionally
- Enhancing predictability and clarity around legal and regulatory frameworks
- Government-private sector consultation and coordination on migration
- Availability of legal migration pathways to support evolving and modern business needs

### 1130 - 1145: Break for Refreshments

### 1145 - 1245: Session 3

#### ***Temporary Labour Mobility and Recognition of Skills and Qualifications***

- **Raaj Singh**, Managing Director, Abdulrahman Khansaheb Snahe Skills Training
- **Abdulaziz Al Ali**, Executive Vice President - Human Resources, Emirates Airlines
- **Dr Omar Al Nuaimi**, Assistant Undersecretary, International Relations and Communications, Ministry of Human Resources and Emiratization
- **Jörg Schubert**, Partner, McKinsey (Moderator)

#### *Key Themes for Discussion:*

- Value proposition of skilling of low skilled workers
- Value proposition of skilling of medium and high skilled workers
- Cooperation between countries to harmonise skills ecosystems
- Validating the value of skilling of workers across skill levels



1245 - 1345: Session 4

***Responsible Labour Recruitment Practices***

- **Joyce Bijl**, World Employment Confederation
- **Poornima Rai**, Senior Human Capital Manager, Laing O'Rourke Middle East
- **Ivana Tsvetkova**, CSR Project Manager for Middle East and North Africa, Arla Foods
- **Lara White**, Senior Specialist, Labour Migration and Human Development, IOM (Moderator)

***Key Themes for Discussion***

- Compliant supply chain management
- Commitments to and enforcement of compliant labour recruitment

1345 – 1415: Wrap Up Session

**Presentation of Summary Report**

**Closing Remarks by Partners**

- **Khalifa Mattar**, Member of the Board, Federation of UAE Chambers of Commerce and Industry; Head of Fujairah Chamber of Commerce; Member, ILO Governing Body
- **Dr Omar Al Nuaimi**, Assistant Undersecretary, International Relations and Communications, Ministry of Human Resources and Emiratisation
- **Michelle Klein Solomon**, Senior Policy Advisor to the Secretary General of the International Organisation for Migration
- **Linda Kromjong**, Secretary General, International Organisation of Employers
- **Murtaza Khan**, Global Forum on Migration and Development – Business Mechanism

1415: Adjournment and Lunch

**CONCURRENT SIDE EVENTS**

**Open Invitation**

1530 – 1700	Networking meeting, hosted by Linda Kromjong (IOE)	Meeting of recruitment agencies to discuss compliant labour recruitment practices,	Deeper dive on skilling ecosystems, facilitated by City & Guilds
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	Room Al Noor 1	Room Al Noor 2	Room Al Amwaj 1