

## **GFMD Business Mechanism Thematic Meeting**

### **Strengthening public-private dialogue in achieving the United Nations Global Compact for safe, orderly and regular migration (GCM)**

Co-hosted by the International Organisation of Employers (IOE) and the World Economic Forum Global Future Council on Migration

3-4 April 2017, Geneva

## **SUMMARY REPORT**

### **Introduction**

The second GFMD business thematic meeting took place on 3 and 4 April at JTI's Headquarters in Geneva. The first day was dedicated to refining the private sector's position on specific policy areas of interest to business. The programme of the second day included the participation of decision makers from global businesses, high-level migration policy makers from various governments, representatives of business federations and of UN entities, as well as of civil society more generally. This multi-stakeholder approach and the outreach to all engaged parties allowed for a frank and open dialogue to be held on various specific topics related to migration.

The main objective of the thematic meeting was to collect information and data to feed into the GFMD Business report which will be presented during the 2017 GFMD Summit in Berlin (28-30 June). Under the co-chairmanship of Germany and Morocco, the 2017 GFMD will contribute the accumulated expertise collected within the GFMD framework to the Global Compact international consultative processes. United Nations Member States have agreed to a 2018 deadline for adopting an international instrument, the Global Compact on Migration (GCM), for safe, orderly and regular migration. To this end, Member States are in the process of consulting all relevant stakeholders, including the private sector. Thus, the Business Mechanism offers the private sector an international platform for dialogue on migration issues of paramount concern to companies, with the output feeding into both the GFMD and GCM.

The Business Mechanism divides its work into four committees that address policy areas of interest to business:

1. The need for global skills mobility
2. Responsible recruitment
3. Innovation for migrant and refugee access to labour markets
4. Entrepreneurship and circular migration

These topics were addressed, while taking into account the role of the private sector in promoting the benefits of migration to their operations, as well as to the societies in which they operate.

The general conclusions called for greater collaboration among all stakeholders, as well as among government departments dealing with migration. Clear, transparent and coherent migration policies that facilitate the movement of skills and economic growth were promoted. Growing skills mismatches and skills gaps in many countries, as well as looming demographic challenges, will make it all the more urgent for business to strengthen its role in advocating for a regulatory environment in which labour migration policies support business and development to create jobs and economic growth. The global compact for migration should include elements of good governance ("orderly migration") which recognize labour market needs, as well as legal pathways ("regular migration") that enable the well-managed movement of skills across borders.

## Takeaways from the thematic meeting

### The need for Skills Mobility

Global skills mobility refers to the movement of workers of all skills levels for employment opportunities, including intra-company transfers, international recruits, and local hires. Policies that govern mobility, including visa/work permit categories and processes and frameworks for recognizing foreign skills and qualifications were discussed.

Despite widespread agreement among economists and business leaders on the benefits of international skills mobility, increasing populism and xenophobia distort the public discourse on migration in many countries. This creates a political environment where it is challenging to advance policies that facilitate the efficient and predictable movement of workers. In this context, business must explain how well-managed migration can complement and create opportunities for native workers – a win-win scenario. To this end, the committee discussed strategies for partnering with governments to advance skills mobility, and crafting an honest business narrative on skills mobility that resonates with governments and skeptical publics.

The committee identified three areas for action:

1. **Improving narrative** – Business should make the case for migration broadly by supplementing data with compelling stories and explaining how well-managed migration can foster opportunity for all stakeholders. The committee can identify and develop platforms for sharing good practices by both governments and employers.
2. **Advancing fair migration** – Businesses should publicly commit to responsible recruitment, decent work, legal compliance, and promoting opportunity for all workers.
3. **Input into the GCM** – The committee will examine existing norms and commitments on skills mobility to develop recommendations that can be monitored and measured.

### Responsible recruitment

Recruitment is often the first entry point in the labour migration process – and in the case of cross-border recruitment, special attention must be devoted to the most vulnerable groups of people. Therefore, companies recruiting abroad, as well as Private Employment Agencies (PrEAs) supporting their clients to find the right talent, should ensure transparency in their labour supply chain and ensure that all recruitment activities are performed in accordance with ethical recruitment principles and local legislation. In this way, PrEAs and companies should be better able to mitigate the potential risks of unforeseen human or labour rights violations.

Such risks could include forced labour, child labour or human trafficking, which have implications for the protection and welfare of the migrant workers, as well as on the image and reputation of the companies and the entire employment and recruitment industry. It is essential to differentiate the ethical and compliant players from rogue PrEAs and employers that make a profit at the expenses of workers' fundamental principles and rights at work.

There is a clear business case for responsible agencies and companies to uphold fair recruitment practices, where the safety and dignity of the workers are at the centre of the recruitment process. Simply put, Private Employment Agencies and their clients that anticipate and manage potential risks responsibly will benefit from more profitable and sustainable business operations in the longer run.

The committee identified three areas for action:

1. **Promote existing tools** ([ILO Convention 181](#) for Private Employment Agencies, the [ILO Fair Recruitment Initiative](#), the [IOM IRIS Initiative](#) as well as the [WEC Code of Conduct](#) and the [WEC Business Case for Fair Recruitment](#)) which should create a level-playing field for the responsible players in the industry while eliminating rogue operators. Enforce and monitor compliance to these tools. Promoting no fees for job seekers as an essential rule
2. **Technology** Leveraging technology to educate people and raise awareness ([Wage Protection Scheme UAE](#), [Micro Distribution Center MDC Model](#), call centers, cartoons, graphic illustration, social media)
3. **Multi-stakeholder approach/alliances** - Governments, institutions, NGOs, Trade Unions, companies and PrEAs need to work together ([Bali process](#), [PSI 'No recruitment fees campaign'](#), [the Philippine Foreign Employer Guarantee Fund \(FEGF\)](#)).

### Innovations for migrant and refugee access to labour markets

Seismic demographic shifts which have created large skills gaps throughout the world provide a possible opportunity for the private sector, civil society and governments to work together on concrete practical solutions to the crisis around massive flows of migrants and refugees. Connecting this talent pool to global work opportunities benefits the private sector, workers, and worldwide economic development. Employment-based solutions must come from engagement with the private sector.

For many industrially and technically advanced countries facing aging populations and decreased population growth, immigration is a critical solution to solving labour shortages. Global skills partnerships constitute a quadruple win solution which benefits the countries of origin (increase of remittances, trained workforce) and of destination (stabilize the welfare system), the workers (skills development and work opportunities), as well as the employers (increase of the skills pool). Such solution could be applied in South-South cooperation as well.

As for the specific status of refugees, the private sector is working on finding solutions to best assist refugees to enter the labour market and Governments to deal with the current flow. Companies show willingness to hire refugees, but are held back by practicalities, such as time constraints, language and cultural barriers, adverse public opinion, uncertainty about their skills and qualifications. Mentorship programs, as well as credential assessments are services provided by civil society, governments and the private sector alike that can help offset costs that might inhibit corporations from hiring refugees.

The committee identified three areas for action:

1. **Innovations for migrants** – global skills partnerships, that address the hiring needs of companies that cannot be filled by local talent are an important solution to explore. Solutions must be driven by market needs.
2. **Innovations for refugees** – there is no one size fits all solutions. SME solutions, skills recognition innovations, and technologies to match refugees' skills to labour market needs should be recognized.
3. **Predictable legal and regulatory regimes** with timely outcomes are necessary in both cases.

## Entrepreneurship and Circular Migration

Diaspora communities have proved to create jobs in myriad of industries, generating income for local economies. Besides sending consumptive remittances, migrants usually want to invest in their countries of origin. Microfinance institutions have previously demonstrated innovation in finance and employment related investment in developing countries. There is need in the context of the GCM and SDGs, for new forms of appropriate trans-boundary finance targeting diaspora entrepreneurs. New programmes for migrant and diaspora entrepreneurship and investments will improve socio-economic development such as to reduce the push factors for irregular and dysfunctional migration.

Circular migration facilitates skills training, improved work culture and productivity, new opportunities for material sourcing and supply chains, expanded import-export trade, economic growth, and increase in employment. The link between entrepreneurship and circular migration leverages investment, reduces need for permanent and irregular migration, reduces radicalism, generates taxes, create opportunities for education and other aspects of development. With regards to return migration and reintegration in the host countries, there is broad agreement on making portability of pensions practicable, and ensuring that return migration is voluntary and a desirable choice.

Investment in SMEs and dynamic individual entrepreneurs is important as current funds are mainly available for large and micro enterprises. SMEs, migrant and diaspora entrepreneurs need facilitated access for capital, accompanied by appropriate business and capacity support, and improvements in the business practice environment. Governments have a very important role to play in lifting obstructive regulations and policies; and proactively taking steps to reduce business risks, ensure fair competition in the economy, and enable vibrancy in the social economy, whereby decent jobs are created, maintained and expanded.

The committee identified three areas for action:

1. **Circular migration beyond traditional seasonal work** to include new sectors such as health and care; introduction of job share schemes between host and origin countries; focus on low- and mid-level skills.
2. **Role of diaspora** - Facilitation of structured diaspora investment options. Facilitating diaspora representation in national parliaments and policy making forums (e.g. Senegal).
3. **Role of business associations** - Involve chambers of commerce in the spectrum of the immigration process and attraction, selection, and integration of entrepreneurial migrants.

### **Next Steps**

- A comprehensive business report will be presented at the business meeting of the GFMD Summit in Berlin scheduled for **29 June 2017 at the German Federal Foreign Office**. In 2017-2018, Germany and Morocco will co-chair the GFMD. The co-chair's [concept note](#) highlights the role of the private sector in the 2017 GFMD Summit of 28-30 June. For more information about the Summit and its programme, please visit the GFMD website: [www.gfmd.org](http://www.gfmd.org). Registration to attend the Summit will soon open [here](#).
- The Business Mechanism will engage in the Global Compact for migration (GCM) consultations process from May to October 2017. Companies interested in participating in this preparatory process are invited to register [here](#). A business meeting dedicated to the business contribution to the GCM will take place in New York in October 2017.