

Second GFMD Thematic Meeting, Geneva, 11 September 2013

Recruitment, labour migration and diaspora:

Improving labour market complementarities and economic development outcomes

Opening statement by the Swedish GFMD Chair
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- I would like to welcome you all to this Second Global Forum Thematic Meeting. Our main theme for today is **Recruitment, labour migration and diaspora**. This meeting should address cooperation, policies and practices that could contribute to **more systematic labour market and skills matching**. This could improve **labour market complementarities and economic development outcomes**.
- First of all I would like to start by thanking the two co-convenors of this thematic meeting, the governments of Morocco and the Netherlands. The two governments are represented by Hon. Abdelouahed Souhail, Minister of Employment and Vocational Training, Morocco, and by Ambassador Roderick van Schreven, Permanent Representative at the Permanent Mission of the Netherlands in Geneva. In this panel, they will provide us with scene setters on labour migration and labour matching, and on diaspora, investments and trade respectively.
- We also have a distinguished keynote speaker, Mr Stefano Scarpetta, Director, Employment, Labour and Social Affairs at the OECD. He will speak about both thematic issues that this meeting will cover, labour migration *and* diaspora engagement in development.
- Before I give them the word, I would like to make a brief introduction to the main objective and focus of today's thematic meeting.
- The GFMD Concept Paper for 2013-2014, endorsed at the Friends of the Forum meeting in May, indicated the Swedish Chair's intention to organize three thematic meetings in order to prepare for and support the work in the

Government Teams and the GFMD Meeting in May 2014. **The objective** is to help achieve **more concrete, evidence-based and broadly relevant outcomes**.

- These thematic meetings, therefore, encourage **active contributions** from participants. In order to ensure capital-based experts to take part and share their in-depth knowledge, the GFMD budget has included provisions to fund such participation. We are glad that so many **capital-based government experts** from various countries around the world are able to attend this meeting.
- As the basis of today's discussions, we have prepared a **Background paper** with the assistance of the Migration Policy Institute in Washington. The **Global Migration Group**, currently chaired by the International Organisation for Migration, has contributed two **Issues Briefs** focusing on the thematic issues of this meeting. I would therefore like to thank the GMG agencies for their valuable expertise and input to the meeting.
- So, now to the question of what this meeting should focus on.
- We hope that discussions will centre around the issue of how cross border flows of skills, investments and trade can contribute to **improved international labour market complementarities**. The overall objective with such a discussion is to find viable mechanisms and measures that could lead to **real and more inclusive economic development outcomes**. Labour migration and circular forms of mobility, as well as diaspora entrepreneurs and investors can make important contributions in this regard – for migrants, employer and, communities, for source *and* destination countries.
- The first key issue is the **process of recruitment** and the application of various **labour matching** tools. Many countries around the world face **labour shortages** which the native work force cannot fill despite continued economic crisis and high unemployment rates. Meanwhile, in some other countries there is an abundance of labour force that would be willing to seek opportunities abroad but which has limited employability or limited opportunities.
- In many cases, there are only **limited legal possibilities** to migrate and access the labour market in another country. Would-be **migrants lack information** about the vacancies and the requirements needed and there are often language barriers. **Most employers**, except for the large (multinational) companies, **lack the resources** to scan the cross-border supply of potential employees.
- **Transaction costs are high** both for the migrant and for the employer. In relative terms however, the low skilled take the biggest hit in this regard. **Low skilled migrants** are often exploited and abused by unscrupulous intermediaries, recruiters or employers. **Employers may face challenging administrative hurdles** and do not always find the right skills for their vacancies, and over-qualification rates are often high.

- All these factors may lead to **bottlenecks and labour market mismatches** which serve as **impediments for inclusive economic development**.
- Governments can find remedies, however. The matching between the demand for labour in one country and potential supply in another country may be improved through the **exchange of good practice and experiences**. One area of concern is **recruitment** and the need to reduce the role of middle-men in the process, such as abusive recruitment agencies.
- Well-tuned policies and tools could enhance **the portability of skills**. Cooperation around improved **skills certification, assessment and recognition of foreign qualifications** is one of the key issues. This is also instrumental in ensuring that the skills and work experience of returning migrants and members of the diaspora communities are well utilized in country of origin labour markets.
- The second theme of this meeting concerns **transnational diaspora communities**, especially entrepreneurs and professional networks. They can often enhance development thanks to individual or collective initiatives. Members of diaspora communities are **involved in skills transfers, send remittances, make investments or promote trade** based on their affection or insider knowledge of a particular source country.
- Attractive investment climates as well as good governance, rule of law, democracy and respect for human rights in countries of origin, are important preconditions for such engagement.
- In addition, **diaspora entrepreneurs** often recruit their employees from their countries of origin or ancestry through informal networks. If facilitated through relevant policy frameworks, they could contribute to job creation in their countries of residence *as well as* origin through the transfer of skills and knowledge, the setting up of SMEs, or with their investments and trade.
- Governments are increasingly aware of the importance of legal and institutional frameworks that can facilitate and support this private engagement. **Legislation** that officially recognizes emigrants/members of the diaspora as an integral part of the national development plan can boost diaspora contributions.
- There is also range of **tools and instruments** for diaspora to engage in country of origin development. These could be reviewed in order to **find efficient models** that could be **replicated or upscaled elsewhere**. They include temporary return of qualified nationals programs; diaspora bonds, collective investment instruments such as mutual funds; access to credit and loans, tax incentives or tax exemptions. Dual citizenship or portable benefits, particularly

relating to pensions and medical and life insurance, could facilitate for diaspora to invest and improve trade.

- In sum, it is clear that government policies and frameworks, private-public partnerships, bilateral and regional cooperation can support employers, migrants and diasporas for better functioning labour markets and international labour market complementarities.
- It is expected that the outcome of this Thematic Meeting will help in focusing the agenda on these key issues and in identifying good examples. Thereby, it is intended to contribute to the work of the two Government Teams preparing for Roundtable 2.1 (on *labour migration, circular mobility and labour matching*) and 2.2 (on *diaspora, skills transfers, investments and trade*) at the May 2014 GFMD Meeting in Stockholm.
- Finally I would like to suggest some guiding questions for discussion:
 - What are the most efficient measures to improve the functioning of labour migration systems, in particular the recruitment and labour matching processes?
 - How can labour migration and circular forms of mobility, diaspora entrepreneurs and investors contribute to trade and economic growth?
 - How can policies and cooperation help boost human resources management and job creation by taking into account the role of labour migration and diasporas?
- Thank you.