

## 10<sup>th</sup> GFMD Summit

### GFMD Business Mechanism Meeting

*A global compact for safe, orderly and regular migration that  
takes into account labour market needs*

29 June 2017, Berlin

### SUMMARY REPORT

#### Introduction

The 10<sup>th</sup> GFMD Summit took place in Berlin from 28-30 June, under the co-chairmanship of Morocco and Germany. The Business Meeting addressed the need for more transparent, humane and effective migration policies that take into account labour market needs.

In the opening plenary, UN Special Representative for International Migration, Ms. Louise Arbour, noted that “Well managed labour migration can contribute to national, regional and global economic growth, create jobs, promote innovation and increase competitiveness” — a win-win scenario for all stakeholders. Mr. William Swing, Director-General of the IOM, addressed the need for better cooperation between the UN system and the private sector, in order to develop policies that improve migration channels and create new jobs. ILO Deputy-Director for Policy, Ms. Deborah Greenfield, underlined that “Demographic changes, such as the aging of the workforce in regions, and the need to match jobs and skills” draw a special urgency to the topic of labour migration. Finally, Mr. Austin Fragomen, as chair of the Business Advisory Group, closed the plenary by stressing six points for a successful global compact for safe, orderly and regular migration (GCM):

1. Development of new immigration channels to meet the need for essential workers.
2. Implementation of migration policies that are flexible enough to accommodate both longstanding and evolving business models and workplace structures.
3. Harmonization of credential certification requirements and improving methods for skills assessments that reduce barriers to hiring by minimizing cross-country differences.
4. Participation in multi-stakeholder approaches to raise awareness of fair and ethical recruitment principles, share best practices, and identify barriers to implementation.
5. Implementation of skills training, local recruitment initiatives and similar programs must be encouraged to support the domestic labour market, so that local workers are not disadvantaged by economic migrants.
6. Incentivization for migrant entrepreneurship must be supplemented with strategies to address challenges to entrepreneurs’ ability to start and grow their businesses.

After the opening plenary, participants divided into four parallel breakout sessions which addressed the major policy areas: skills mobility, responsible recruitment, entrepreneurship and circular migration, and innovations for challenges related to mixed migration.

### Skills Mobility

The participants acknowledged that there is a mismatch between demand for and availability of skills in many labour markets. There is large demand for business travel and short-term migration pathways, but immigration systems are lacking in this area, presenting significant compliance challenges. Employers value skills mobility but face challenges, particularly with time-consuming processes and a lack of pathways for short-term assignments. The private sector strongly supports the portability of work authorization and having well-managed, consistent, reliable, predictable migration policies.

From a governance perspective, managing migration requires balancing quick, facilitative access to labour markets with ensuring compliance and public trust in the system. Multi-stakeholder partnerships can be helpful in achieving this balance and, by extension, maximizing migration's benefits while reducing its costs. In addition to being a key aspect of the future of work, global skills mobility can contribute to resolving skills mismatches, but should be part of a broader policy approach involving investment in education/training, among other initiatives.

Germany, for example, has effective policies for employment-based immigration: it accommodates most categories of workers, except for lower-skilled occupations. However, in Cambodia, where there are separate ministries for labour and immigration, skills mobility into the country is challenging and it is difficult to work with both ministries. Short-term assignments are becoming particularly difficult. The private sector urged the need to create more legal pathways (especially for low skilled workers) as a way to counter irregular migration and exploitation. Finally, this session identified four areas for action to promote skills mobility:

- Policies should be timely and flexible to accommodate business models, but also predictable and transparent so employers can effectively manage compliance.
- Employers can be a valuable partner in identifying skills needs and establishing frameworks for assessing qualifications.
- Migration policies should foster family unity by creating accessible pathways for accompanying family to work.
- Employers should elevate the discourse around migration by highlighting how skills mobility promotes opportunity and committing to fair, responsible, and compliant migration.

### Responsible Recruitment

There exists a widespread consensus among business, governments and NGOs on the principles behind and elements of fair and ethical recruitment systems. These have been elaborated, for example, in the Code of Conduct of the World Employment Confederation (WEC), as well as the IOM IRIS and ILO Fair Recruitment initiatives. Responsible recruitment is now an item on the agendas of numerous

international platforms, and the subject of a variety of industry activities. But despite this widespread agreement on the “what” and “why” of responsible recruitment, widespread abuses persist. Focus should therefore be on the “how,” i.e. on governments, business, unions and NGOs developing and implementing coherent and complementary work programs. While international standards exist, national laws and regulations are not always aligned. If progress is to be made, regulators, recruiters, employers and workers themselves all have roles to play. Among the most important of shared tasks is educating workers as to their rights. Another key element is to go beyond a focus on multinationals, and also support SMEs who want to recruit in an ethical way.

The complexity and difficulty of implementing a widely shared and seemingly clear objective becomes apparent in discussing the principle of “no recruitment fees.” Much emphasis was placed on the “employer pays” principle as the central commitment of any responsible recruitment program. But definitional issues arise. Recruitment often entails a variety of kinds of fees and charges, including those relating to immigration and training. Depending on the industry and skill level, some of these costs might appropriately be borne by the worker. Other practical issues center on the difficulties of dealing with legal, regulatory and cultural differences around the world, and on tackling corruption.

Industry-led initiatives can serve as laboratories for best practices. The example of the Consumer Goods Forum highlighted the importance of high-level corporate commitment, stakeholder engagement and collaboration with governments. It also illuminated some of the difficulties of identifying and dealing with abuses hidden deep in supply chains. Its ultimate goal is to create a market demand for ethical recruitment practices, an objective it shares with the IOM IRIS project. Preventing abuse is a clear objective. But attention must also be paid to ameliorating and redressing the situation of those currently in abusive situations.

### Entrepreneurship and Circular Migration

The private sector recognized the importance of including policies in the GCM that support migrant entrepreneurship, innovation, and circular migration possibilities. The panelists agreed that the GCM must remove barriers to migration, and create more policies that attract talent and facilitate labour mobility. In addition, migrants are some of the most creative and innovative agents in society. Migration should therefore be considered a positive phenomenon, as it is good for business, development and economic stimulation. In order to encourage more migrant entrepreneurship, a successful GCM should include policies for better access to capital, training and skills development, so that migrants are able to pursue their entrepreneurial goals.

Another important consideration in this session was the need for innovation to lessen the gap between countries’ technology levels. In the 21<sup>st</sup> century, technology is an essential factor for stable economic development, and economies must invest in technological innovation in order to keep up with development goals. Technology can also be used to explore new migration methods, such as the E-resident program that was piloted in Estonia.

Participants also agreed that circular migration programs are essential to meet labour market

needs. Circular migration can in fact be an effective way not only to encourage migrant entrepreneurship, but also to safeguard against brain drain. Circular migration may be a way to increase the development impact by not only bringing contributions to destination societies, but also enhancing origin countries when migrants return with new skills, experience, etc.

#### Innovation for Challenges Related to Mixed Migration

This session focused upon engaging the private sector in skills partnerships and skills matching programs. Above all, the private sector stressed the need for global talent mobility, and recognition of the potential of migrant entrepreneurship. However, there were four major recommendations that emerged from this panel.

*1) Increase coordination among all stakeholders to facilitate businesses' ability to fully utilize migrant talent.* Every panelist noted the need for coordination among relevant stakeholders in order for the private sector to successfully employ migrant talent. The Director-General of the Employers' Federation of Ceylon provided the example of the Sri Lankan government working with the private sector to create mechanisms in which companies' hiring needs inform both the immigration streams as well as the government's skills-creation strategy. In addition, the German government substantially funds the Network, a project of DIHK, to assist companies in the hiring of refugees. The Network provides legal guidance to companies, and facilitates connections between companies and relevant stakeholders, such as those identifying refugee talent and providing skills trainings.

*2) Lower information barriers that businesses face in accessing qualified migrant talent.* The speakers also provided innovative solutions to overcome the information barriers that inhibit effective utilization of migrant talent. For example, the innovative model the German government has created to solve the information gap between companies and migrant talent. The government works to identify skill gaps both by working with the private sector and studying demographic data, and then assists businesses (especially small and medium-sized enterprises) find the right people both in and out of country. For the latter, they assist in navigating the legal processes of both immigration and the recognition of skills. Likewise, they counsel potential migrants on how to come to Germany.

*3) Train migrants so that employers can more effectively benefit from their contributions to the labour market.* The speakers also presented examples of training programs that equip migrants with the skills needed to enter the labour market. For example, Sri Lanka's current Global Skills Partnership (GSP) with Germany has been shown to be an effective way to train and integrate Sri Lankan migrants into the German economy. Sri Lanka is a sending and receiving country which is facing demographic challenges of an aging population. The GSP offers a way to train Sri Lankan emigrants to Germany while also building up the local workforce. Sri Lankan candidates who plan to work in Germany are trained to German standards within the country, along with local candidates who do not plan to move.

*4) Harmonize certification processes and improve methods for assessments and skills-recognition processes to facilitate efficient hiring.* Lastly, the panel discussed initiatives to harmonize certification processes and improve both assessment and skills recognition processes to facilitate the employment of

migrants in their field of expertise. A possible strategy could be to adopt the skills passport model that Sri Lanka has implemented, which recognizes skills throughout the region. It also has an agreement with the German government to recognize Sri Lankan credentials.

### Takeaways of the 10<sup>th</sup> GFMD Summit

After three days of intensive dialogue, several themes emerged as key components of a successful GCM. First, the need for more legal pathways with transparent, timely and effective policies that protect human rights and facilitate mobility. In addition, strengthening cooperation between and within governments to implement and monitor GCM policies is necessary to ensure policy coherence. Speakers also addressed the importance of evaluation mechanisms for data collection and the identification of best practices. Finally, governments, civil society and the private sector agreed on the need to harness the potential of migrants as innovative contributors to entrepreneurship, development and economic growth.

The Business Mechanism was engaged throughout the summit, advocating for a GCM that takes into account labour market needs. Secretary-General of the IOE, Ms. Linda Kromjong, spoke in the Common Space, noting that employers are frequently unable to recruit workers from the domestic labour force. Furthermore, she underlined that the private sector is an important stakeholder that can share valuable expertise and policy recommendations to tackle labour migration issues.

Ms. Kromjong was a moderator for the government round table 3.1 entitled: *“Raising the global talent pool – harnessing the potential of the private sector for global skills partnerships”*. Participants recognized the need to implement a whole-of-government approach that acknowledges the private sector as a valuable partner to ensure that migration is an engine for increased economic efficiency and national competitiveness. Business partners suggested that global talent mobility can be an effective way to adapt to demographic shift and skills mismatch, which pose major challenges to global development. Finally, participants suggested that businesses can be assets to provide trainings, and apprenticeship programs that provide opportunities for skills development and help integrate migrant talent. Detailed summaries of the GFMD summit can be found [HERE](#).

### Conclusions & Next Steps

A major outcome of the 2017 GFMD is the official Business Mechanism Report, [“Toward a Global Compact on Migration: Perspectives on Labour Migration from the GFMD Business Mechanism”](#). This report clearly explains the private sector’s recommendations and policy suggestions for the GCM. In addition, the report addresses four main areas of action that are of special interest to the private sector. The business mechanism will continue to work on refining private sector recommendations for the GCM, along with key performance indicators for each recommendation. These recommendations will be submitted at the last GCM consultations in Geneva on 12-13 October. To get an update of our work, visit: [www.gfmdbusinessmechanism.org](http://www.gfmdbusinessmechanism.org), follow us on Twitter @GFMD\_Business, and watch the [brief video](#) of the work of the Business Mechanism.