The key role of Labour Migration in the post-Covid recovery

I. Introduction

The Covid-19 pandemic and the economic crises it has provoked have acted as a tsunami in the world of work and have upended the labour migration landscape. These developments have not only created new challenges. They have highlighted longstanding policy and governance gaps; exacerbated the skills shortages that persist in every region of the world; and intensified human rights vulnerabilities. They call for urgent attention. But our current situation also provides an opportunity to review labour migration processes to adapt to new realities. This paper aims to provide guidance on balanced policies that can well serve governments, workers and employers alike, while preserving and strengthening the benefits of well-managed migration systems.

In December 2018, the International Organisation of Employers (IOE) published its Position Paper on Labour Migration.[1] Reflecting the policy voice of over 155 national employer federations and partner companies in 148 countries, the paper was the basis for business engagement in the Global Forum on Migration and Development (GFMD), and the participation of IOE and its members in the consultations that led to the adoption of the Global Compact for Safe, Orderly and Regular Migration (GCM).

The paper emphasised three priorities for migration policy, each of vital importance to employers, workers and governments:
- Flexible, transparent, and predictable labour mobility frameworks that respond to labour market needs.
- Regulatory frameworks that promote and ensure responsible recruitment of foreign workers.
- Improved systems for identification, recognition and development of skills to promote skills mobility.

The paper also called for improved policy dialogue with representative employers' groups and their business members on the above priorities.

We believe that the IOE position paper and its policy recommendations remain relevant and practical in this regard and can be of clear value to governments in shaping their pandemic responses to labour migration and business recovery. Indeed, the pandemic and its economic consequences may afford opportunities to adjust and improve migration systems to achieve long-held—and shared—objectives.

Thus, building directly upon our 2018 paper, we here provide an updated employer perspective that takes into account the impact of the pandemic on the three fundamental priorities identified above.

II. Employer perspectives: priorities during the pandemic and for recovery

1. Legal pathways that respond to labour market needs

The Covid-19 pandemic has emphasised the need for well-designed legal pathways that fill skills shortages and make full use of digitalisation.

---

[1] International Organisation of Employers, IOE Position Paper on labour migration, December 2018

1.1. Addressing the growing skills gaps

The Covid-19 pandemic may change the migration landscape, but it will not close the skills gaps that persist in every region of the world.

For example, the pandemic has shed light on the widespread shortage of health care workers. For years, many countries have counted on labour migration to remedy such shortages. Given the imbalances of demography, labour and skills worldwide, these gaps can be expected to outlast the pandemic and its aftermath. Especially, given that such skilled people cannot be "home-grown" instantly, the dependence on global mobility is critical.

Imbalances in a range of other industries are not only chronic, but they continue to grow. According to ManpowerGroup Research,[2] in 2020, talent shortages hit record highs, with 54% of companies globally reporting talent shortages, almost double the results of prior surveys in the last decade. Given such imbalances, regular labour migration is essential for business success, which in turn, is essential to strong economies. As noted by OECD Secretary General Angel Gurria upon the launch of the *OECD International Migration Outlook 2020* report, "Migration will continue to play an important role for economic growth and innovation, as well as in responding to rapidly changing labour markets."

1.2. Accessing regular migration pathways

Availability of regular legal migration pathways remains a significant issue for key workers and professionals across all skills levels. These pathways include seasonal and short-term permits, as well as intra-company transfers and categories for high-skilled, innovators or entrepreneurs. To the extent that these and other measures better align migration policies to labour market needs and provide regular channels, they can also address the serious problems of informality that plague many economies.

Governments and the private sector should together assess the socio-economic impact of the experience of full border closures as a response to the pandemic. While border restrictions can help to contain the spread of disease, sudden and indiscriminate closures (as many were) can generate immediate labour shortages and supply chain disruptions that actually undermine crisis response and amplify the negative social and economic fallout. The lesson to consider is that labour migration as well as cross-border working should remain possible.

An efficient infrastructure for cross border skills mobility, including national legal frameworks, bilateral or regional agreements, will be crucial for global economic recovery. Indeed, migration governance, including law, policy and administration, has not kept pace with workplace changes. Most immigration systems were built for an economic model based upon fixed work locations and contracts for structured employment. To the extent that other models become more prevalent, migration realities will increasingly conflict with labour market needs. Models that are increasingly based on remote work, flexible hours and rapidly evolving skill sets place a premium on a mobile workforce, drawn from the widest possible talent pool and deployed with contracts of variable lengths.

1.3. Shifting to digital immigration processes

---

[2] ManpowerGroup, Talent Shortage Survey, 2020

The pandemic lockdowns shone light on shortcomings in providing migration services from remote working environments. While immigration services shut down in some places, a positive development in many countries is the accelerated digital transformation of immigration processes. Members of the Gulf Cooperation Council are leading the way in this space, but countries across other regions have also started to introduce online application systems. Excellent examples of nascent initiatives of digitisation include Ethiopia's entry visas and Rwanda's overall immigration programme. Of course, digitisation efforts have also encountered technical difficulties such as extended system outages, which can only be expected to improve, and will eventually lead to enhanced processing as systems mature. A key outcome will be more integrated government systems nationally with possible regional implications as well. Such systems will enable governments to manage compliance and track foreign nationals' status more effectively, as well as monitor corporate compliance obligations such as ratios. Better data should lead to better data-based policies and decisions.

LEGAL PATHWAYS

From a business perspective, some key principles in a well-managed migration framework would include (but are not limited to):
- Clarity in the legislative and regulatory legal framework, guidelines and processes;
- Transparency in terms of the decision-making process including criteria and appeal procedures;
- Consistency and predictability in terms of adjudication standards and submission outcomes;
- Stability with respect to the nature and frequency of changes of both policy and procedure;
- Flexibility allowing for migration pathways that cater to business requirements and more broadly link to economic growth and development objectives;
- Efficiency of process and use of technology to streamline; and
- Ongoing engagement between government and private sector to understand changing realities and needs.

---

2. Regulatory frameworks that promote responsible recruitment

Business has long argued that appropriate and effective national regulation that promotes responsible recruitment practices will serve to protect vulnerable migrant workers and job seekers, and create a level playing field for the recruitment industry. For example, the global business community has taken a clear position to fight the charging of recruitment fees to jobseekers and workers. The pandemic has revealed significant obstacles to achieving both these objectives.

2.1. Creation of a level playing field for the recruitment industry

The Covid-19 pandemic has exacerbated and accelerated existing trends that were already bringing about more dynamic labour markets and requiring greater flexibility and agility from employers and employees alike. Recruitment agencies have played, and will continue to play, a crucial intermediary role in this transition.

When regulated appropriately, private employment and recruitment services improve labour-market functioning by matching jobseekers to a decent job, inside and across borders. Responsible recruitment provides new and sustainable job opportunities to a diverse workforce, creates more decent and productive work, and enhances fair and transparent business practices, all of which ultimately contribute to economic growth.

Yet many countries continue to have inadequate regulatory frameworks for these services, and/or do not enforce them. This allows for illegal, unethical and/or rogue players to deceive and trap jobseekers and workers into indecent jobs, debt bondage and dangerous working conditions. These inadequate frameworks and rogue practices prevent recognized and responsible players from entering the market and thus providing quality alternatives.

Both sending and receiving countries thus need to shape an appropriate regulatory framework for recruitment agencies. Key elements in these regulations are the legal recognition of private delivery of employment services including cross-border recruitment, measures to ensure market transparency and quality service provisions, protections for people working through private employment agencies and a ban on recruitment fees. Of course, these need to be shaped and tailored to the national level in close collaboration with representatives of businesses, workers and the recruitment sector. Finally, once adopted, regulations need to be effectively enforced, creating an incentive for quality players to invest while driving out rogue players.

The global business community stands ready to support the work of governments in implementing and enforcing the regulatory frameworks needed to promote quality and responsible recruitment practices.

2.2. Protection of the most vulnerable migrant workers and jobseekers

The pandemic and its response have seriously worsened the plight and increased the vulnerability of many lower skilled migrants and highlighted inequalities over such issues as access to preventative measures, testing, and vaccines. Addressing these inequalities, as well as human rights violations, is a shared task. Governments have the primary duty to protect their populations. Businesses also have a responsibility to respect human rights and undertake due diligence to identify and address adverse situations over which they have control. Indeed, this is a business imperative. For responsible enterprises, the importance of compliance with existing laws and regulations goes beyond avoidance of monetary fines and other legal sanctions. It speaks to the protection of brands and corporate reputation, the management and control of risk, and the preservation of a level playing field and fair competition.

RESPONSIBLE RECRUITMENT

From a business perspective, some key principles in a regulatory framework promoting responsible recruitment would include (but are not limited to):
- Compatibility of national law with the elements of quality and responsible recruitment, including the abolishment of recruitment fees to workers;
- Enforcement of labour laws to promote access to employment opportunities and prevent human rights abuses;
- Consideration of bilateral arrangements between sending and receiving countries that include provisions that recognize the role of private recruitment agencies in ways that promote quality and responsible recruitment practices ; and
- Consultations with the representative voices of employers and labour market intermediaries at national level on regulations of the recruitment industry.

---

3. Coordination for greater identification, recognition, and development of skills

The rise in digital remote work, necessitated as a measure to contain the pandemic, can be expected to continue into the recovery period and beyond. Megatrends like digitalisation and shifts towards a

services economy that were already underway before Covid-19 have been accelerated. These trends mean that some industries face decline whereas others are developing more, impacting the demand of labour and skills, and thus on migration.

Data- and evidence-based policies are the most successful. For example, bilateral, regional, or multilateral skills recognition agreements will not be useful if they do not respond to realities on the ground. If the criteria are too prescriptive, these agreements will remain on the shelf. Similarly, in order to be useful lifelong learning, upskilling, and vocational training schemes for migrants should as far as possible be designed and implemented on the basis of real time information on labour market needs and practices. It therefore behooves governments and employer organisations to reflect together on whether immigration systems are fit for purpose in and adapted to addressing current and predicted future skills needs. In short, is important for governments to work with the private sector to understand changing patterns, structures, practices and conditions of employment, to ensure that relevant changes to the migration policies are carried out.

Initiatives are underway to develop skills passports to allow workers to validate their credentials. The World Employment Confederation is looking at the potential of blockchain technology to enhance the way in which workforce solutions companies provide services and reduce friction in the processes of connecting people with work.[3] Sri Lanka has launched in 2020 the skills passport[4]: A returnee migrant worker can assert his/her expertise and experience to gain visibility of potential employers in Sri Lanka by presenting a proof that is embedded with skills and qualifications of a worker, acquired informally, along with references. The passport allows both the employer and skilled workers of Sri Lanka to identify their experience under the national skills assessment systems, explore job opportunities with an adequate wage, decent work conditions and further training for re-skilling and up-skilling. This project was elaborated in close coordination with the Employers Federation of Ceylon and represents a great example of collaboration between the private sector and the government.

IDENTIFICATION, RECOGNITION AND DEVELOPMENT OF SKILLS

From a business perspective, some key principles in identifying, recognising and developing skills of migrant workers would include (but are not limited to):

- Inclusion of migrants in workplace-based training schemes;
- Alignment of education, migration and employment policies;
- Promotion of transparency in certification and national qualification frameworks;
- Alignment of certification requirements with employer needs;
- Investment in global skills partnerships for mutual recognition of skills, qualifications and competencies of migrant workers at all skills levels;
- Development of standards and guidelines for the recognition of foreign qualifications and non-formally acquired skills;
- Leverage new technologies to validate certifications, skills and competences and smooth labour mobility.

III. Partnering on solutions for recovery: Conclusions and Next Steps

---

[3] More information about WEC's initiatives: - https://wecglobal.org/news-post/wec-joins-consortium-building-the-internet-of-careers/ and https://wecglobal.org/opinion-piece-post/how-blockchain-technology-will-support-the-private-employment-services-sector-in-connecting-people-with-work/

[4] More information about the Sri Lanka Skills Passport: https://employers.lk/skills-passport/#

The Covid-19 pandemic has exacerbated the phenomenon of informality. As noted in a recent IOE/WEC joint report[5]: "Informality has been the elephant in the room for many, many years, but is rarely tackled with a holistic approach and effective measures. The pandemic has highlighted again the vulnerability of workers and employers in the informal economy, re-emphasising the urgent need to create conducive framework conditions for companies to be set up in the formal economy, to hire and grow in the formal economy, and to fully contribute to the needs and developments of societies and economies." Countering informality, which generates both a human toll and huge losses for the economy, is a complex, multifaceted, and shared task. Governments should be able to put in place policies to assist informal entrepreneurs to more easily formalise.

The impacts of the pandemic and of governments' responses to it have brought home both the vital role that labour migration plays in the world economy and the significant gaps that persist in ensuring that the human rights of migrants are respected. Equally apparent is the extent of the common interest shared by governments, employers, and other actors in ensuring that migration systems better align and support labour market needs and modern business practices. Thus, there is significant practical value in governments engaging with employers in countries both of origin and of employment to forge partnerships that can respond to needs in specific industries, tailor training and skills development schemes, and better employ emerging technologies.

IOE and its members stand ready at global, regional, and national levels to provide expertise and on-the-ground experience in direct collaboration with governments and other actors on all these areas. IOE, of course, provides institutional links to the migration-related programmes of the International Labour Organization (ILO). But employer organisations and the companies they represent can and should also take every opportunity to engage directly with their national and local governments on migration-related issues, participate in the multilateral dialogues taking place in the GFMD, and provide their perspectives in the regional and national consultations related to the implementation of the GCM. Of particular interest to business in this regard are GCM objectives 5, 6, and 18 which deal with pathways for regular migration, fair and ethical recruitment, and development and mutual recognition of skills. Business engagement in the GFMD and GCM is facilitated and coordinated by the Business Advisory Group on Migration[6]. With a secretariat housed in IOE, the Business Advisory Group on Migration is an equipped to provide business perspectives and advice to the U.N. system.

Revising and reforming migration policies in light of the lessons of this pandemic will not only serve our short- and medium-term recovery efforts. Such policies will also equip us to confront future migration-related crises, whatever their cause.

_____

---

[5] International Organisation of Employers and World Employment Confederation, Policy Priorities for the Road to a Sustainable Job Recovery, February 2021

[6] Information about the Business Advisory Group on Migration: www.Business-Migration.org