

GFMD Dialogue on the GCM – Opening statement by Jaap Buis – Networking session 3

Thank you for the opportunity to speak on behalf of the GFMD Business Mechanism on the importance of migration and global mobility for business in general and HR services in particular.

My name is Jaap Buis and I work for Randstad. We are one of the leading global HR services corporations located in 39 countries with a daily number of 600.000 people working for us. I dare to say, from practically all nationalities.

Why is business so interested in migration and global mobility. Why did we promote the business mechanism in the GFMD and why are we pleased with the initiative of the Global Compact on Migration.

Let's start with the numbers. Over 240 million people are living in a country other than the country they were born in. Most of them have gone to places where they believed they would find jobs and opportunities. Nearly 150 million migrants are working migrants, mostly in the private sector.

This shows the importance of the private sector for the livelihood of migrants and that of their families, but it also shows the importance of migrants, and the skills they bring, to business. Making sure business can innovate, provide sustainable growth and create more jobs for also local labor markets.

When workers move to higher-productivity settings, the whole global GDP is boosted. McKinsey Global Institute estimates that migrants contributed roughly \$6.7 trillion, or 9.4 percent, to global GDP in 2015. And, importantly, migrants of all skill levels have a positive impact on productivity.

There are 2 main issues where the interest of business coincides with civil society and governments:

- First of all we need to create well managed skill-related regular pathways of migration to ensure migrants with their skills can go where those skills are needed and discourage irregular migration and
- secondly providing fair and ethical recruitment and decent work for these migrants.

Skills shortages and global mismatch

The demographic challenge and the Future of Work

Many advanced countries around the world are facing what has been called a “demographic time-bomb”. Large numbers of workers are beginning to retire as the post-World War 2 generation turns 65. At the same time, birth rates are falling. Naturally, governments and businesses are concerned about how this situation will affect their own economies.

In the Northern hemisphere, the expected workforce gaps will be caused mainly by demographic shifts – notably, the retirement of baby boomers. For example in the United States, Germany, Canada and the United Kingdom, but also in Japan and China expected birth rates will not or hardly balance the workforce losses caused by aging populations.

In the ILO building up the road we're now discussing the Future of Work and what this will mean for workers. The Future of Work is affecting the workforce in several ways. The balance among employment sectors – and the kinds of skills they require – has been shifting. As a result, a mismatch has arisen between the skills that are in demand on the labor markets and those that are available.

So what is the answer to resolving the skills gap dilemma caused by the demographic challenge and the Future of Work?

The future of the global economy rests on the efficacy of a number of solutions. Businesses and governments are engaged in multiple partnerships to close this skills gap to ensure that all those who are willing to work will have opportunities to do so. Such efforts include educational reform, apprenticeships, diversity and inclusion programs, and reforms to labor market policies. Reskilling is, of course, an important element in this whole, but realistically, on its own, it is not enough.

Mobility of talent across borders is an important piece of maximizing global economic opportunity. Managed migration of those who have the right skills. Viewed in this light, the real problem for the world economy is not a global shortage of skills but a location mismatch between employers and employees. Talented people are often not in a position to move to where the jobs are. The global labor market is already here, but we need to manage it better to make it work effectively.

Most skill shortages occur in Science, Technology and Engineering but, as Brexit shows, other sectors like health-care and the service industry would also find it hard to attract and retain the right talent when protectionist migration regulation would be in place. The same is shown in 'People to Jobs, Jobs to People'. The report on global mobility conducted by the German IZA-Institute of Labor Economics which Randstad published late March.

Of course, labor migration is by no means a new phenomenon. The movement of labor locally, regionally and globally has always been an important dynamic in every economy. Without it, there would be huge skills mismatches everywhere. Certainly, in many developed markets, the demographics are clear: without a steady inflow of workers and skills from elsewhere, they face an impending talent crisis as their population becomes older. Now, as global attention turns to controlling immigration, there has never been a more important time for us all to make sure we clearly understand how policy-making can have a profound impact on the well-being of a labor market.

The second main issue where business and governments, as well as civil society coincide is providing fair and ethical recruitment and decent work for migrants.

The topic of fair recruitment and decent work for migrants has been discussed for several years, but it is only recently that it has become a hot topic that is being addressed in different forums and by many organisations. This is mostly linked to the growing awareness that recruitment practices are essential in determining fruitful work migration outcomes.

The organized HR services industry, through the World Employment Confederation, has a longstanding commitment to ethical practices and more broadly to the principles of the ILO Decent Work Agenda. This applies to all workers, but it becomes especially relevant for migrant workers, where special precautions need to be taken to ensure that migration remains a safe and enriching experience that brings mutual benefits to workers, user companies and recruitment agencies.

If done right, migration is an essential competitive advantage, as it provides new employment opportunities for workers and helps companies to match demand and supply according to their specific needs. This is why we have been promoting the development of a responsible and ethical industry in many initiatives, while working with key organisations and stakeholders to eliminate the rogue operators.

World Employment Confederation Code of conduct

The members of the World Employment Confederation abide by the principles of the code of conduct and do not charge fees to workers even in countries where it is allowed by law. Fee-charging is correlated with heightened vulnerability and workers can end up in situations of abuse, human trafficking and forced labour. Other aspects of the code of conduct include

- Transparency of the terms of engagement is respected (No contract substitution, no coercion for the worker, etc.);
- Workers' rights are respected (freedom of association and collective bargaining, replacing striking workers, etc.);
- No human trafficking, forced labour and child labour are tolerated in their activities, etc.

However, one of the major challenges, is that in many countries there is lack of appropriate regulation on the industry and enforcement. This means that rogue operators and fly-by-night companies operate without any control or any concern of quality, and they unfairly compete with ethical businesses.

Therefore, it is essential to underline once more the responsibility of the State to establish regulation and enforce it; while the business can observe the existing laws and carry out effective due diligence.

For us the example of appropriate regulation on the employment and recruitment industry is ILO Convention on Private Employment Agencies, 1997 (No. 181). To date, the Convention has been ratified by 32 countries and more should endorse the Convention as a way to help the responsible and ethical agencies, to eradicate the rogue operators and to ensure that no abuses are linked with poor recruitment services.

Partnership with the ILO in the Fair Recruitment Initiative

The World Employment Confederation partnered with the ILO in the Work in Freedom strategy to fight human trafficking in South Asia (India, Nepal and Bangladesh) and in the Middle East (Jordan and Lebanon).

As part of this strategy, the WEC is leading the Fair Recruitment Initiative, which aims at promoting appropriate regulation on employment and recruitment agencies and at organising the industry. It is working along with the ILO and other specialised organisations, such as the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC), the Institute for Human Rights and Business (IHRB) and Verité.

Building on this Work in Freedom strategy, in September 2016 the ILO convened a tripartite meeting of experts to adopt operational guideline and principles on fair recruitment. There are 13 principles that define fair recruitment and they are accompanied by 31 operational guidelines that will help governments, employers, and labour recruiters to achieve fair recruitment practices in the future. The principles cover recruitment, international and national, as well as temporary agency work.

IOM IRIS

Another initiative, spearheaded by the International Organisation for Migration (IOM), aims at creating a certification system for ethical recruitment agencies. The project is called International Recruitment Integrity System (IRIS) and it aims at bringing together ethical companies and recruitment agencies that

want to ensure that migrant workers in their supply chains have been recruited in full respect of their rights. One of the main partners is the IOE, while the World Employment Confederation is taking part in the development of this initiative.

The idea behind IRIS is to facilitate the due diligence process of companies: resorting to an IRIS agency will give companies the guarantee that workers have been treated in line with the fundamental principles and rights at work. In fact, through IRIS, companies will be able to have access to certified recruitment agencies and will be able to hire overseas workers without exploitation.

To conclude

Immigration has recently become political tinder and a polarizing issue, as many markets have expressed concerns about opening their borders to foreign nationals. But policymakers and indeed the general public need to clearly separate labor mobility from immigration due to political and economic factors. It is therefore high time for organizations and policymakers to make sure that they fully understand the dynamics of talent mobility and the impact it has on developing and mature economies. This has become an issue for markets worldwide, because the way immigration is viewed and controlled could have significant reverberations on markets for generations to come. When authorities consider migration policies, they should develop sound regulations that attract the skilled workers and overseas students they need to sustain local economic growth.

NEW LABOR MIGRATION STRUCTURES

It is clear that the labor market has changed radically over the past decade or more. And more (and more fundamental) change lies ahead. The mobility and diversity of the future workforce will benefit business greatly, as it strives to remain agile, fast and responsive. Migration has already shown itself to be an effective way of combating mismatches of skills and location – more so than re-skilling or promoting a higher birthrate. However, for a new migration-based economy to take hold, the present, outdated infrastructure for managing migration will need to be totally re-designed. In this process, policymakers – before developing new or revised labor migration structures – will need to join with employers (and, indeed, workers themselves) to consider how the needs of modern business can be met in the new context.

BALANCED SYSTEM

What should a balanced migration system be like? It should include a robust and flexible framework, one that is accessible and transparent, with clearly defined immigration categories and objective eligibility criteria. It should be efficient and coherent, with timely and predictable processes. A range of categories is needed to spur innovation, fill skills gaps and promote development. These categories should reflect and adapt to the evolving workplace.

REGULATION

Employers are in the best position to determine the skills and business models they need to effectively achieve their objectives, and governments therefore need to actively consult with them. They will need to administer immigration agencies, and the adjudicators of these agencies must be charged with the consistent application of the law and policy. This includes setting up and monitoring ethical standards to

give those policies credibility. On a practical level, the use of Trusted Employer programs would do much to both promote consistency and conserve resources.

BUSINESS ADVOCACY

Businesses should play a prominent role in advocating fair and open migration policies, identifying policy challenges and emphasizing the benefits of well-managed migration. Businesses should counter common misconceptions about migration in society, by promoting the successes of migrants and highlighting their positive economic, social and cultural contributions. Businesses should also partner with policymakers and responsible recruitment agencies to help develop and promote fair recruitment initiatives.

LAST BUT CERTAINLY NOT LEAST

The Global Compact on Migration will be a complex process with lot of issues to address in only 500 days. As pointed out before, within the GFMD, but also in other institutions like the World Employment Confederation, ILO, IOE and IOM - business, civil society and governments have been working on resolving difficult issues on migration like decent work and fair recruitment in conventions, guidelines and certification systems. Let's bring these best practices together into the Global Compact of Migration to give us that much needed head start.

Thank you very much.