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## **Statement**

## **FOR**

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**Opening Plenary of the GFMD Business Mechanism Meeting** 

Berlin, 29 June 2017

Excellencies,
Ladies and Gentlemen,

It is an honour and a pleasure to be here with you today and address the business community and private sector stakeholders on the specifics of the Global Compact for safe, orderly and regular migration and how it can best take into account labour market needs and private sector engagement.

Our meeting today is very timely since the sixth informal thematic session in preparation for the global compact on migration will discuss "Irregular migration and regular pathways, including decent work, labour mobility, recognition of skills and qualifications and other relevant measures" this October. We look forward to hearing your input and suggestions – and I strongly encourage you to participate in the global compact process through our thematic sessions and multi-stakeholder hearings - but before we do so, please allow me to make a few introductory remarks.

Let me first underline the importance of the private sector and business community with regard to migration in general and the Global Compact in particular. You bring to the table essential expertise since you deal with the complexity of migration on a daily basis:

- You know the ins and outs of immigration laws and procedures;
- You have concrete knowledge about staffing trends and the needs of the labour market;
- · You know what skills you need;
- You live the reality of skills gaps and changing demographics, and you know how to best assess, certify and recognise skills; and, finally,
- You can testify to the factual and overwhelmingly positive contributions migrants make to our societies and economies.

Well managed labour migration can contribute to national, regional and global economic growth, can create jobs, promote innovation and increase competitiveness. Both companies and their employees benefit from clear, consistent and efficient migration policies that allow safe, orderly and regular migration. This makes the private sector a key stakeholder in our process.

Today, I will focus on four specific and interrelated issues associated with labour migration and on which the contribution of the private sector is crucial: the issue of low-skilled migration and how to open up more regular migration channels for low-skilled workers; the challenge of fair recruitment; addressing the multiple and intersecting layers of discrimination faced by women migrant workers, and finally the challenge of recognizing skills and qualifications.

First, most governments support the entry of high-skilled migrants through existing laws. However, only a few governments have well-regulated systems in place for low-skilled migrants. Low-skilled migrant workers often encounter numerous problems in the migration process and in destination countries.

All forms of migration should benefit from well-regulated, well-governed and well-designed policies. This is particularly important for low-skilled workers who are more vulnerable to discrimination, exploitation and abuse. They are often victims of trafficking. They end up in insecure jobs in the informal economy, excluded from protection, rights and entitlements enjoyed by regular workers, including with regard to welfare provisions and social protection.

In many societies low-skilled migrants are widely perceived to have an adverse impact on wages and living standards of native workers. Empirical studies show however that this fear is largely misplaced; migrant workers of all skill levels do not harm the long-run employment prospects or wages of native-born workers. The positive effects on the broad economy are significant and typically underestimated. There can, however, be short-term negative effects if there is a large inflow of migrants into a small geographic region. In that case, local economies may need a period of adjustment to absorb such large inflows and should be supported accordingly. The same is true if the destination economy is experiencing a downturn or if the skills of migrants make them close substitutes for native workers.

There is a structural demand from you, the private sector, to recruit low-skilled migrant workers. Therefore you share a responsibility to help reorient the prevailing narrative away from one of threat to one of opportunity. Closer cooperation between the UN system and the private sector around the public perception of migration and migrants would constitute an important step towards countering xenophobia promoting a new narrative on migration, including through the publication of success stories of

migrants while highlighting their positive economic, social and cultural contributions.

Governments and the private sector should work together to develop policies and laws to enable low-skilled workers to migrate through regular channels into formal sector jobs. Scarcity of regular entry channels will force migrants, attracted by job opportunities, to surreptitiously cross borders and accept jobs in the informal sector. And the private sector has a key role – as responsiblity – to refrain from encouraging the informal sector, both intentionally and unintentionally. For many irregular migrants their status prevents them from contributing to society through income taxes thus intensifying the negative narrative around them as being a burden on public finances. Expanding access to regular migration channels, especially for low-skilled immigration, is necessary as we cannot turn a blind eye to exploitation in informal labour sectors.

This brings me to my second main point of today: fair recruitment or, in other words, how to ensure that migrants, in particular low-skilled migrants, get fair and unbiased access to the labour market and get equal opportunities in terms of recruitment. Direct financial costs related to recruitment or deployment are a barrier to labour mobility

and make workers vulnerable to exploitation by enticing them to seek employment through irregular channels.

In general, employers pay recruitment costs for the high-skilled employees, but low-skilled workers tend to pay high costs out of their own pockets. Low-skilled workers willing to migrate are far too often victims of unscrupulous employment agencies, informal labour intermediaries and other operators acting outside the legal and regulatory framework. Despite the existence of international labour standards relating to recruitment, national laws and their enforcement often fall short of protecting their rights.

Both governments and employers have a responsibility to improve recruitment practices. Governments should adopt and enforce appropriate legal and regulatory frameworks which address the legal gaps to make sure that regulation is effective, transparent and well-enforced.

Migrant workers should have access to free, comprehensive and accurate information regarding their rights and the conditions of their recruitment and employment.

Employers from their side should comply with recruitment regulations. To facilitate ethical recruitment practices, a publicly available database with certified agencies and ethical recruiters based on a transparent rating

system would help both employers and migrant workers in the recruitment process.

Third, women are increasingly migrating on their own to work in countries of destination, yet they face multiple and intersecting layers of discrimination there: as migrants, as women, and often as irregular workers because they are more likely than men to work in the informal sector. In addition, gender segregation is common in the labor market, and migrant women end up in positions that are considered "feminine" – for instance in the health, entertainment, domestic, or care sectors – which implies lower pay than what they would get in positions that are considered "masculine".

The private sector can have a tremendous impact on the lives of migrant women by ensuring that they get equal access to paid work, fair and adequate earnings, safety from sexual harassment in the workplace, decent jobs with social protection, and access to health services as well as legal services and remedies.

Fourth, fair recruitment can only yield results if the skills and competences of migrant workers are properly assessed and validated. This should take place at different levels, from the global to the local. Connecting talent to global work opportunities would benefit workers, the private sector and worldwide economic development.

Migrant workers, in particular when they are low-skilled, are frequently confronted with limited access to vocational training and skills recognition, especially in regard to recognition of prior learning. That is why it is so important to invest in skills recognition tools, developed with the particular business needs in mind and with feasible means of implementation. Actually, national workers would also benefit from a single system of skills recognition.

To conclude, let me reiterate once again how important it is to get right the complex relationship between labour market needs and migration policy, to the greater benefit of all, migrants, employers, communities and ultimately states themselves.

Much work still needs to be done in this field. I am confident that with your support the Global Compact on Migration will be a landmark milestone in that respect.

Thank you.