

## GFMD Business Mechanism

### Business committee on INNOVATIONS FOR MIGRANT AND REFUGEE ACCESS TO LABOUR MARKETS

#### Concept Note

Seismic demographic shifts which have created large skills gaps throughout the world provide a possible opportunity for the private sector, civil society and governments to work together on concrete practical solutions to the crisis around massive flows of migrants and refugees. The GFMD Business Mechanism Position Paper presented at the Ninth GFMD Summit notes that employers and economies around the world face significant demographic and skills challenges. It states: “Around the world, developed economies are facing the labor impact of an aging population and falling birth rates... Worldwide, a shortfall of 38 to 40 million workers with tertiary education is projected by 2020.”<sup>1</sup> At the same time, the paper illustrates how these challenges might be addressed in light of current migration trends. “The world is in the midst of sustained growth in migration that began more than a decade ago. There were more than 244 million migrants worldwide in 2015, up from 232 million in 2013 and 175 million in 2000. Approximately 21 million are refugees.”<sup>2</sup>

Connecting this talent pool to global work opportunities benefits the private sector, workers, and worldwide economic development. Employment-based solutions must come from engagement with the private sector; the GFMD Business Mechanism is the appropriate forum for business, government and civil society to better understand what each can bring to the table. Improving the global immigration system is necessary to facilitate the successful integration of refugees and migrants into the labour force, although successful workforce integration goes beyond immigration reform.<sup>3</sup> This business mechanism committee will review models and innovations in three broad areas necessary for successful placement of migrant workers with mobile employment opportunities: skills identification and matching; skills assessment, certification, and recognition; and skills development and integration.<sup>4</sup> All of these areas are equally relevant to opportunities for refugees and the committee will address a few unique issues for this population as well.

The work of the committee will serve the broader work of the GFMD to contribute towards the global dialogue and collaboration in anticipation of the global compact on safe, orderly, and regular migration. Both the GFMD concept note and the modalities for the global compact on migration have reiterated the need for the effective participation of all stakeholders, including private-sector stakeholders, in the dialogue preceding the drafting of the compact.<sup>5</sup> Both have also noted the importance of focusing on “implementation” and “concrete results.” The committee’s work to review

<sup>1</sup> Austin T. Fragomen, “The Business Case for Migration,” GFMD Summit Dhaka 2016, p. 5.

<sup>2</sup> Austin T. Fragomen, “The Business Case for Migration,” GFMD Summit Dhaka 2016, p. 4.

<sup>3</sup> This is also the subject of the Business Mechanism Committee entitled “The Need for Global Skills Mobility”.

<sup>4</sup> United Nations, General Assembly, *Globalization and Interdependence: A/71/728* (3 February 2017), page 21, B(e); International Labour Organization, “Guiding principles on the access of refugees and other forcibly displaced persons to the labour market,” Geneva, 5-7 July, 2016, paragraphs 18, 19, 28.

<sup>5</sup> Concept Paper, Global Forum on Migration and Development – Germany and Morocco 2017-2018, 28 Feb 2017, p. 2.; Final draft of the resolution, “Modalities for the intergovernmental negotiations of the global compact for safe, orderly and regular migration,” 26 Jan 2017, res. 2.

best practices, innovations and models that the private sector uses to identify, train and integrate talent through global mobility, will contribute to both of these goals. Reviewing what successful companies do to employ talent through global mobility can inform many of the necessary interventions to which governments and civil society could contribute in order to secure effective global employment systems. Similarly, reviewing what activities governments and non-governmental entities engage in in order to serve migrants (both voluntary and forced) can provide insights on what more could be available to support the private sector.

Successful job placement begins with identifying talent and skills matching. In many instances, measures must be taken to match skilled workers with labour market demands. How the private sector identifies this talent varies with the nature of the enterprise. Large multi-national firms often have the resources to identify and connect to needed talent. Small and medium-sized enterprises (SME) may rely on talent firms, business associations, local or regional governments or they may fail to meet their needs for lack of time and resources. This committee will explore current practices and innovations which can facilitate the identification and matching of global talent to private sector demand across all enterprises.

Following successful identification and matching, the private sector often must assess and validate education, work history, and skills. To ensure successful, long-term employment of refugees and migrants, additional trainings, including language, soft-skills, and cultural and workplace integration efforts are often needed as well. The committee will explore creative solutions underway to address the hiring needs of companies that cannot be filled by local talent. For example, Global Skill Partnerships, in which the country in need of skills trains a population abroad to fill that need, while subsidizing the cost of educating local workers as well, can be cost-effective and beneficial to both sending and receiving countries.<sup>6</sup>

In sum, assisting refugees and migrants to enter and integrate into the labour market greatly benefits companies facing skills shortages, thereby facilitating business growth and economic development. For many industrially and technically advanced countries facing aging populations and decreased population growth, immigration is a critical solution to solving labour shortages. Moreover, “brain waste,” unemployment or underemployment of skilled migrants, results in significant loss in earnings and taxes, not to mention the loss of skill maintenance or development among migrants.<sup>7</sup> Solutions to barriers migrants and refugees may face to work force integration are emerging from civil society, governments and the private sector alike. These can help offset costs that might inhibit corporations from hiring refugees and migrants, such as language and cultural barriers. Sharing these solutions will bolster the impact of initiatives that have proven their value to benefit workers, businesses, and economies.

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<sup>6</sup> Michael Clemens, “Global Skill Partnerships: A Proposal for Technical Training in a Mobile World,” (Washington DC: Center for Global Development, 2014).

<sup>7</sup> “The underemployment of immigrant college graduates results in tens of billions of dollars in forgone earnings and taxes annually [in the United States]” Jeanne Batalova et al. Untapped Talent: The Costs of Brain Waste Among Highly Skilled Immigrants in the United States, (New American Economy, World Education Services, and the Migration Policy Institute: 2016).

Topics reviewed by the committee will include:

- Skills identification and matching
  - Role of the private sector to connect migrants to employment
  - Role of technology in facilitating domestic and international skills matching
- Skills assessment, certification, and recognition
  - Role of the private sector to bring international understanding to education and licensing systems
  - Emerging technology solutions for validating employment history
- Skills development and integration
  - Role of private enterprises in providing job-readiness interventions for migrant workers
  - “Global Skill Partnerships” as a model for “quadruple win” (workers, private sector, country of origin, country of destination)<sup>8</sup>
- Refugee-specific solutions
  - Alternative credentialing systems for refugees missing documentation of education and work history
  - Emerging pathways that account for labour market skill gaps and refugee skills

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<sup>8</sup> Michael Clemens, “Global Skill Partnerships: A Proposal for Technical Training in a Mobile World,” (Washington DC: Center for Global Development, 2014).

## Guiding questions for the GFMD Business Thematic Meeting

The outcome of the business committee on innovations for migrant and refugee access to labour markets will prepare private sector perspectives and identify best practices relevant for the GFMD and the Global Compact on migration:

- 2017 GFMD Roundtable 3.1: “Raising the Global Talent Pool – Harnessing the Potential of the Private Sector for Global Skill Partnerships.” It will likewise identify practices relevant to Roundtable 2.1, which seeks to explore pathways for forced migrants to regain self-reliance, and Roundtable 2.2, which will investigate the development potential of return migration.<sup>9</sup> In concert with the Business Mechanism Committee on “The Need for Global Skills Mobility”, this committee will also contribute private-sector perspectives to Roundtables 1.1 and 1.2.<sup>10</sup>
- The global compact on migration themes “Irregular migration and regular pathways, including decent work, labour mobility, recognition of skills and qualifications, and other relevant measures” (Theme A.b.) and international cooperation of migration in all its dimensions, including return, integration and reintegration (Theme A.c).<sup>11</sup>

### April 3: Engaging the private sector in skills development and skills partnerships

- What can be learned, replicated, and improved from what businesses are already doing to identify, assess and hire immigrant workers to fill skill gaps?
- What is needed to incentivize businesses to collaborate with governments on skills partnerships?

### April 4: Are governments and the private sector well equipped to lead creative forms of partnerships with a view to integrating skilled migrants and refugees?

- What new initiatives should governments, businesses, and civil society invest in to increase and enhance migrant and refugee access to labour markets?
- What new technologies are being underutilized that could contribute to skills matching, evaluating, and refining?

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<sup>9</sup> Roundtable 2.1 is entitled, “Moving beyond emergencies – Creating development solutions to the mutual benefit of host and origin communities and displaced persons.” This roundtable will explore methods for “avoiding the long-term “warehousing” of individuals in large camps with little opportunities for work or self-reliance.” Roundtable 2.2, “Fostering the developing impact of return migrants” focuses on labour market re-engagement of return migrants. See Concept Paper, Global Forum on Migration and Development – Germany and Morocco 2017-2018, 28 Feb 2017, p. 6-7. Private-sector perspectives will be critical to advancing both agendas.

<sup>10</sup> Roundtable 1.1 is entitled “Tools and Safeguards for Policy Coherence – Finding the right policy mix to balance different interests and objectives.” Roundtable 1.2 is entitled “From Global Agreement to Implementation – National Action Plans for migration-related Sustainable Development Goals.” See Concept Paper, Global Forum on Migration and Development – Germany and Morocco 2017-2018, 28 Feb 2017, p. 4-5.

<sup>11</sup> Final draft of the resolution, “Modalities for the intergovernmental negotiations of the global compact for safe, orderly and regular migration,” 26 Jan 2017, res. 15.