



Global compact for safe, orderly and regular migration First informal interactive multi-stakeholder hearing

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on behalf of the GFMD Business Mechanism

- The IOE is the world largest business association. Our members are national employers' federations or chambers of commerce and industry worldwide.
- We coordinate the work of the Business Mechanism to the GFMD, a platform for interaction between private sector and governments on global migration dialogue.
- I will focus my remarks today on how the positive contributions of migrants can be maximized in the Global compact.
- From a private sector perspective, we tend to deal with migrants who arrive in the host country through legitimate and regular routes. Their economic and social contributions to their host societies, as well as to their home countries are well documented.
- In countries of origin, the desire for a better life through enhanced economic opportunity continues to be a strong incentive. The current reality demonstrates the gross disparities in economic opportunities and the inconsistency of promoting trade but not correlative mobility of human capital. This dysfunction operates across the skill spectrum but is less prevalent at the high skills level.
- The Global Compact will strive to cover a much broader ground through expanding labour mobility channels for migrants seeking work in other countries than their own.
- It is important to increase the number of legal pathways, because irregular migrants face greater risks and challenges than those who are able to migrate through regular pathways. In addition, businesses lose opportunities for valuable workers and new entrepreneurial contributions when there are no clear pathways to hire workers from abroad.
- The GCM must therefore ensure that the contributions of the migrants clearly outweigh the costs and risks.
- Prescriptive recommendations advancing a one-size-fits-all approach are unlikely to succeed. It seems counterintuitive to advance micro-level policy

measures because ultimately the governments will have to cater to the specific needs of their countries and demands of their populations.

- Nevertheless, we have identified six tracks which can help maximize the potential of migrants' contributions:
 - First and foremost, member States should look at ways to develop migration programmes that enable countries of destination to admit migrant workers when they are needed in the labour market. The GCM should craft new essential worker immigration programs that take into account the domestic labour market and meet labour shortages. It should promote mechanisms to place economic migrants within the legal migration system.
 - Second, the GCM should establish a humane but credible enforcement mechanism. Traditional approaches involve increased border controls to block the inflow of migrants and disincentivize employers from hiring them. There have been significant downsides to these approaches, mainly the physical endangerment of migrants. Governments must support strong interior enforcement to prevent the employment of irregular migrants.
 - Third, the GCM should recognize the positive contributions of migrant entrepreneurship. Countries should facilitate the immigration of qualified entrepreneurs and investors. Many countries like Canada, the UK, New Zealand, Ireland and Singapore have adopted measures such as Start-up visas to facilitate the inward mobility of entrepreneurs. In other cases, migrants who enter a country on a work or student visa are unable to transition easily to setting up enterprises because of permits constraints. Unless these issues are addressed, any measures to attract entrepreneurial talent will remain inadequate. The GCM could consider instituting mechanisms for facilitating access to capital, promoting social networks, providing education on local laws and regulation.
 - Fourth, the GCM should encourage the portability of benefits, which is an important area of equality for migrants. Because of public policy, workers often face the hard decision between losing benefits that they earned or spending the rest of their lives in countries in which they have worked.
 - Fifth, remittances. As we know remittances are used for private purposes, mainly education. Some major payment service providers work with universities and schools to enable direct payment from families to the schools, an innovation which enables a reduction in cost while enhancing educational opportunity. Remittances are also used to



start micro-enterprises, which create new jobs locally. FinTech industries as well as traditional payment service providers use digital innovation to reduce costs and expand access. Yet there is a lack of physical infrastructure and financial literacy. The GCM could fill this gap by promoting accessible financial education.

- Sixth, the role of diaspora communities: diaspora engagement policies to induce investments have become a common practice. Some countries, like China and South Korea, have even taken proactive measures to try and lure returnee entrepreneurs back.
- Finally, the GCM should promote stronger public-private partnerships in particular in skills development to enable better skills and jobs matching.
- Well-managed migration is essential for the economy and for well-functioning labour markets. We do trust that the GCM will contribute to a better governance of international migration.