



Asia-Pacific Regional Preparatory Meeting for the Global Compact for Safe, Orderly and Regular Migration, 6-8 November 2017, Bangkok, Thailand

Statement on behalf of Employers' Federations in the Asia-Pacific region¹

Migration to, from, and within Asia is significant and on the rise. In 2013, Asians represented the world's largest diaspora. Asia also hosts 30% of international migrants (71 million) and between the 2000 and 2013, Asian countries received 20 million migrants, or 1.6 million per year—more than any other region (UN 2013). Most of Asia's labour migration occurs within the region or in countries of the Gulf Cooperation Council (GCC), mainly comprises less-skilled labour and is temporary in nature. However, Asian migrants remain an essential element of labour markets in OECD countries, and also contribute significantly to the most-skilled categories thereof.¹ Many medium and high-income Asian countries are also attracting significant numbers of high-skilled individuals from the region. At the same time, many emerging economies are witnessing high rates of reverse migration of talent because of the growth in market opportunities.

The increasing scale of economic migration within and from Asia is undoubtedly of consequence for employers in the region. On behalf of the Employers' Federations in Asia Pacific we would like to submit the following points on the issue of legal and orderly labour migration as a contribution towards all dimensions of sustainable development:

1. Underdevelopment may be one of the drivers of migration, but the movement of people also contributes to development in countries of origin via remittances, investments, skills and knowledge transfer, and the like. At the same time, migration can help ease skill and labour shortages and thereby assist in increasing prosperity in countries of destination. Freer economic migration is good for business, catalysing innovation, investment and entrepreneurship - the building blocks of sustainable development. International migration also spurs the investment rate, saving rate and the consumption rate that further serves to expand business and trade. For these reasons, it is important to put in place well thought-out and practical policies for harnessing the developmental benefits of migration including the creation of more legal avenues for mobility, ensuring that recruitment is ethical and transparent, and undertaken at lower-cost to workers and employers, reducing costs of transferring remittances and promoting formal certified skills recognition schemes.

¹ "Building Human Capital through Labour Migration in Asia," *Asian Development Bank Institute, International Labour Organization, and Organisation for Economic Cooperation and Development*, 2015 <https://www.oecd.org/migration/building-human-capital.pdf>

2. In our globalized world, the private sector relies extensively on mobile human resources and stands to gain from people being able to move for work. Despite the obvious advantages for businesses, in many countries the private sector has largely been absent from global debates on migration policy. Inclusion of businesses in global dialogues on migration is a relatively new development embodied by the creation of a separate Business Mechanism at the GFMD, which is a state-led process in 2015. Industry bodies are responding to this new thinking and looking to enhance global migration policies and processes through the injection of the voice of business. For example, the Federation of Indian Chambers of Commerce and Industry's (FICCI) is working on advocating a 'Business Case for Migration' among its constituents, and to governments. Nonetheless, this change in policy circles is still in a stage of infancy and far greater participation by businesses in their capacity as employers is required in national, regional and global fora on migration to have not only have the concerns of business addressed, but to improve the relevance and impact of any policy initiatives. One example which makes the fallouts of not consulting with employers evident is the prevalence of rules in certain countries making it mandatory to determine wage levels in accordance with job descriptions prescribed by immigration authorities. In most cases, the jobs only match up to an extent of 50 % of what is prescribed. This makes employers use incorrect reference points resulting in higher or lower pay for workers. In addition to this, certain countries insist on wage parity with a stated range @15% from low to high salary in a category. They do not mention the categories and a huge conflict occurs in proving the parity. Given that businesses form the backbone of economies, it would serve governments well to try and ensure that any decisions on migration policies are made in consultation with the private sector, through chambers of commerce and employers' federations. At the end of the day, while governments have the sovereign right to decide immigration and emigration policies, if these policies are to be effective and relevant they must be based on an analysis of needs for certified skills in consultation with various stakeholders, including the private sector.

3. Businesses need to transfer and deploy people quickly, but tax, social security and immigration requirements often act as barriers to the movement of people cross-border for work. The Global Compact should encourage states to address these hindrances and make migration eco-systems more efficient and business-friendly. Mobility strategies must be agile, and adaptable to meet the fast-changing requirements of the business and different groups of employees. Further, migration systems should be predictable and transparent and be comprised by a variety of mechanisms to meet the need for human resources at all skill levels. For instance, different instruments should ideally be in place for different categories of migrants including high skilled workers who help organizations fill managerial, executive and top research jobs with the most qualified candidates; intra-

corporate transferees; and those on short-term assignments.² Certain countries insist on processing work permits even if the nature of work is for very short durations but more frequent in a year. In these cases, a business visa should suffice. Certain countries from outside the Asia region offer good models for emulation- for instance, In the US, a new category of visa called H1 has been introduced which serves both purposes. In the UK, employers have to self-approve work permits within their quota and are responsible for any irregularities. ³ From the point of view of origin countries, it is worth noting that even these economies are often faced with skill shortages (in specialized skills). Governments in so-called ‘source countries’ must also recognize this fact and change their policies/outlook on migration accordingly, for instance, by gearing their immigration systems to attract more talent.

4. To remain competitive in global markets, employers require a readily available pool of talented workers equipped with the right knowledge and skills to be employable and work in productive, secure jobs which grow enterprises and economies. To this end, mechanisms for mutual recognition of certified skills offer win-win solutions for employers, job-seekers and economies at large. This is widely acknowledged and several mutual recognition arrangements (MRAs) have been signed between governments. In the Asia Pacific region, a Mutual Recognition Arrangements (MRAs) Framework has been formalized among ASEAN Member states for enabling easy mobility of candidates in 7 priority sectors. Employers’ Federations contributed significantly to this initiative including through the creation of a skills portal. While some challenges in implementation continue to prevail, the model offers a good example of a region wide system of MRAs to ensure that the skills of a dynamic regional labour force are recognized and utilized to the region’s utmost advantage. The Global Compact must encourage more such G2G collaboration and public-private partnerships to enhance skills recognition and mobility. Additionally, partnerships between source and host countries are also required to enable and foster portability of social security. Much more clarity on social security contribution calculations is required to enhance security of workers and to ensure that employers are not impacted retroactively.

² “Toward a Global Compact on Migration: Perspectives on Labour Migration from the GFMD Business Mechanism”, *GFMD Business Mechanism*, 2017. <http://gfmdbusinessmechanism.org/wp-content/uploads/2017/07/Business-Mechanism-Report-to-10-GFMD-Summit-2017-06-19-final.pdf>

³ “Toward a Global Compact on Migration: Perspectives on Labour Migration from the GFMD Business Mechanism”, *GFMD Business Mechanism*, 2017. <http://gfmdbusinessmechanism.org/wp-content/uploads/2017/07/Business-Mechanism-Report-to-10-GFMD-Summit-2017-06-19-final.pdf>

5. On the issue of ethical recruitment, we would like to state that in addition to its importance for ensuring better migration experiences for workers, there is also a strong business case for companies to uphold responsible recruitment practices. Hiring when done in an unethical, opaque or covert manner, including by supplying entities within supply chains, can result in enormous administrative, legal and reputational costs for businesses. Further, fair recruitment guarantees selection of meritorious candidates over those who merely have the ability to pay high recruitment costs. This contributes to higher productivity efficiency and competitiveness. With this in mind, the GCM should include provisions to support greater dialogue between countries of origin and destination, as well as employers and recruitment agencies to enable them to collectively find solutions to the prevalent abuses. The operational guidelines for fair recruitment adopted by the International Labour Organization in 2016 provide a sound framework to inform the work of organizations, national legislatures, and other social partners in the area of promotion of fair recruitment.

6. Numerous studies indicate that migrants tend to be more entrepreneurial than the local population. Migrant entrepreneurship has started to receive unprecedented attention by policymakers as an entry point for positing human mobility as a constructive phenomenon with mutually beneficial outcomes for both sending and recipient countries, as well as the migrants themselves. In line with this idea, many countries have put in place incentives to try and attract entrepreneurial talent from abroad. The GFMD Business Mechanism, in its latest report released in June 2017, submitted that from a private sector perspective, migrant entrepreneurship drives innovation, stimulates economic activity and injects energy into the economies of the countries wherein it takes place, which is good for business and the community. In accordance with this view, we would recommend that migration systems be designed in a manner as to enable migrant entrepreneurs to flourish.



ⁱ This statement is endorsed by the following Employers' Federation in the Asia-Pacific region, members of the International Organisation of Employers (IOE):

- Australian Chamber of Commerce & Industry
- Bangladesh Employers' Federation
- Cambodian Federation of Employers & Business Associations
- China Enterprise Confederation
- Fiji Commerce & Employers' Federation
- Federation of Indian Chambers of Commerce and Industries
- All India Organisation of Employers
- Employers' Federation of India
- Standing Conference of Public Enterprises
- Council of Indian Employers
- The Employers' Association of Indonesia
- Korea Employers' Federation
- Federation of Nepalese Chambers of Commerce & Industry
- Business New Zealand
- Employers' Federation of Pakistan
- Employers' Federation of Papua New Guinea
- Employers' Confederation of the Philippines
- Singapore National Employers Federation
- Employers' Federation of Ceylon
- Employers' Confederation of Thailand