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Private Sector Engagement in the Global Compact on Safe, Orderly, and Regular Migration



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Private Sector Engagement in the Global Compact on Safe, Orderly, and Regular Migration

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Introduction

A role for the private sector in migration policy should not be taken for granted – it is not always desirable, it may not always add value, and there may be no interest on the part of the private sector.

Nevertheless, the New York Declaration for Refugees and Migrants⁴ proposes that the private sector, along with other non-governmental stakeholders, should be part of a more comprehensive response to migration (para 15). It identifies a role for the private sector at the local (city) level (para 54), the level of national policies (para 39), and in bilateral, regional and global agreements (para 54). It also identifies the private sector as one constituent to be consulted in the process for the preparation of the Global Compact (Annex 2, para 15), reinforced in the subsequent modalities for the intergovernmental negotiations of the Global Compact. (A role of the private sector is also acknowledged in Annex 1 to the New York Declaration concerning the development of a Global Compact on Refugees).

Beyond these generalities, however, the Declaration is not specific on key questions such as who to engage from the private sector, how, or when. By providing answers to these questions, this short technical paper is intended to help inform the process of developing the Global Compact on Safe, Orderly, and Regular Migration; the content of the Global Compact itself; and most importantly its implementation. It is also part of a wider discussion on private sector engagement in migration policy, including at the Global Forum on Migration and Development (GFMD), and in regional and national fora.

Before turning to these questions, this paper first briefly considers three ‘myths’ or misconceptions that have tended to undermine efforts, including through the Global Compact process, effectively to engage the private sector in migration policy. The first is that there is not yet an established business case for the private sector to engage in migration policy; the second that there is little incentive for governments to engage with the private sector on migration policy; and the third that the primary contribution that the private sector can make is financial.

Three Myths about Private Sector Engagement in Migration Policy

Myth 1: There is not yet a convincing business case for the private sector to be involved in migration

A comprehensive analysis by the World Economic Forum (WEF) Global Agenda Council for Migration has helped establish the business case for migration.⁵ First, despite lingering high levels of unemployment in many

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4 New York Declaration for Refugees and Migrants, UNGA Res. 71/1 (19 September 2016), UN Doc A/RES/71/1.

5 World Economic Forum Global Council on Migration, ‘The Business Case for Migration’, WEF [web blog] 30 September 2013, www.weforum.org/reports/business-case-migration, (accessed at 15 September 2017).

markets, organizations around the world report that they cannot find the talent they need, when they need it. One of the main impediments to talent markets is policy constraints on mobility and in particular recruitment. This is particularly the case in sub-Saharan Africa, where there are significant obstacles to the mobility of talented Africans across borders.⁶ Second, migrant markets are proving important opportunities for industries as diverse as financial services, telecommunications, media and entertainment, travel and tourism, consumer goods, and the hotel/restaurant/catering (HORECA) sector. Third, the interplay between ageing and migration results in diverse implications for business, from the need to replace an ageing workforce, to the opportunity to employ migrants for home care and elder companionship services.

All of this means that the private sector – from small and medium sized enterprises (SMEs) to transnational corporations (TNCs); across a range of industrial sectors; and in most geographical locations, have an incentive to engage with governments to make migration policies more business-friendly.

But are governments equally incentivized to engage with the private sector?

Myth 2: There is little incentive for government to engage the private sector on migration policy

Ultimately states have rights and responsibilities to manage and control their borders, as also recognized in the New York Declaration (para 24). Yet there is growing evidence that private sector investment – for business ends – can serve migration policies and national interests. Another recent report by the World Economic Forum, for example, demonstrates the potential to reduce state fragility – and thus address one of the root causes of migration – by promoting investment, stimulating economic growth, expanding tax collection, and empowering local populations.

The private sector also creates jobs, one of the priorities for the Global Compact on Migration. At the 2015 WEF Middle East and North Africa Regional Summit, the private sector committed to creating 100,000 new jobs in the region.⁷ A recent study by the Global Future Council on Migration on ‘mobile minds’ demonstrates how migrants can be employed ‘virtually’, thus helping overcome physical barriers on their movement.⁸ As seen in Europe and North America recently, the private sector can also create internships and provide training, to help integrate migrants into the labour market.⁹ Connecting businesses to diaspora investors and markets, finally, is a new frontier for migration and development policy.

It is equally important that ethical guidelines and due diligence guide public engagement with the private sector, in order to ensure that the business engaged are legitimate, and have positive values on migration and diversity.

Myth 3: The contribution of the private sector to migration policy is limited to funding

If there is a common benefit to collaborate on migration policy, achieving it requires overcoming a third myth that the core contribution of the private sector is funding. This is a misconception that severely limits the scope and breadth of the potential of the contribution of the private sector.

Recent analysis by the Global Future Council on Migration shows that private sector engagement in development can occur via at least six different modalities: policy dialogue, knowledge-sharing, technical cooperation, capacity building, grants and donations, as well as financing. Even for the latter there is a range of options including public-private partnerships, advanced market commitments, and conventional funds.

6 K. Koser, ‘The Four Main Barriers to talent mobility in Africa’, WEF [web blog] 26 June 2014, www.weforum.org/reports/business-case-migration, (accessed at 13 September 2017).

7 F. Mathuros, ‘Companies at the World Economic Forum in Jordan commit to train 100,000 Young People’ WEF [web blog] 22 May 2015, <https://www.weforum.org/press/2015/05/companies-at-world-economic-forum-in-jordan-commit-to-train-100000-young-people-2/>, (accessed at 17 September 2017).

8 R. Dey and T. Olubunmi, ‘A solution to migration and employment issues in Africa? Remote working.’ WEF [web blog] 03 May 2017, (accessed at 10 September 2017).

9 K. Koser, ‘The business case for migration’, *Migration Policy and Practice*, vol III, no 5, 2013, p. 14-17.

It is worth learning lessons from how the private sector has engaged with development issues in other areas such as health, education, security, and disaster risk reduction. In general, private sector engagement has helped mobilize necessary resources, generate expertise, provide access, establish synergies between public and private interests, and generate political leadership. Such benefits only accrue, however, where there is a clear division of responsibilities. Commonly, weak and rigid governance structures, as well as a lack of willingness to bridge the cultural gap between the public and private sectors have tended to undermine such efforts.

Who, How and When to Engage?

Who?

The private sector is broad, including diverse industries, ranging from the multinational through small- and medium-sized enterprises (SMEs) to local entrepreneurs, and owned and managed at global, regional, national and local levels. The private sector also engages migrants in various ways, including as employees, customers, and increasingly shareholders, managers and corporate leaders. As a result of this diversity, the private sector has different interests in whether and how to engage with governments in informing migration policy and it is important that this diversity of interests is properly represented.

Recent efforts to convene private sector engagement in migration policy have not been fully representative. National efforts, in countries like Canada and Sweden, tend to focus on nationally-owned and mainly large enterprises. International efforts, for example by the World Economic Forum, the International Organization for Migration (IOM) or the Global Forum on Migration and Development (GFMD), have tended to focus on a relatively small group of companies that either have a direct business interest in migration (for example Western Union) or plan to develop one, or individual champions for migration at a senior level. Significant gaps in representation of private sector interests remain, including most prominently:

- Nationally-owned companies from developing countries and regions
- SMEs
- Companies without a direct business interest in migration that may still benefit for example through a diverse workforce

In addition, in many companies that do actively participate but on the basis of individual champions, an interest in migration policy has not necessarily been institutionalized beyond these individuals. As a result, representation by the private sector in migration policy has been limited and is not necessarily sustainable.

One way that several initiatives have tried to overcome the challenge of representativeness for the private sector is by engaging business councils, for example the International Organization of Employers (IoE), or various national business councils (for example the Federation of Indian Chambers of Commerce and Industry - FICCI). Although it is often mistaken for one, the World Economic Forum is not a proxy for private sector representation. While in several cases these councils have been active and effective, it has been found that migration is often just one of a number of competing priorities, and even the largest councils still have limited membership and representative credibility.

A final observation is that in recent years a number of initiatives have emerged to try to engage the private sector with government on migration policy, including the Global Future Council on Migration, the GFMD Business Mechanism, Concordia University, IOM, and the Hague Process on Refugees and Migration. Coordinating the efforts of these and other initiatives would help avoid overlap, and begin to generate a more genuinely representative set of interests and perspectives.

How?

In our experience, the private sector is best engaged by directing engagement on specific issues of direct relevance or business interest; inviting the private sector to a general consultation is unlikely to yield interest. The New York Declaration covers a very wide range of migration issues, some of which are better suited to private sector consultation and engagement than others. Our recommendation is to target private sector engagement on the following issues:

- Generating accurate information on migration (para 25)
- Addressing drivers and root causes of migration (para 37)
- Innovative financing responses and risk financing (para 38)
- Systemic innovation (reducing management costs, improving transparency, harmonizing reporting etc) (para 38)
- Creating conditions for balanced, sustainable and inclusive economic growth and employment (para 43)
- Strengthening the capacity of educational institutions (para 44)
- Enhancing employment opportunities (para 44)
- Reducing the costs of labour migration (para 44)
- Promoting faster, cheaper and safer transfers of migrant remittances (para 46)

Additionally in our experience, senior representatives of the private sector are unlikely to be attracted to multi-stakeholder consultations, particularly where they are categorized as 'other' non-governmental stakeholders. The most effective interactions that the Global Future Council on Migration has hosted have convened small numbers of senior government and corporate leaders, in an informal setting and under the Chatham House Rule.

When?

The private sector may be engaged at three distinct stages of the Global Compact process, during its development, in its outcomes, and in its implementation.

It should be possible to achieve greater consultation with the private sector during the final year of preparation of the Global Compact on Migration. Ideally the final text of the Global Compact would make specific and detailed reference to the role of the private sector in 21st Century migration policy. Specifically reference to the private sector should move beyond the general, to specify concrete modalities for engagement. A senior corporate leader could be invited to be one of the panelists at the presentation of the Global Compact.

The private sector is likely to serve its most significant purpose at the stage of implementation, as a funder, an innovator, an employer, and a partner. We recommend that the implementation phase for the Global Compacts specifies modalities for engaging the private sector, for example in the form of dedicated business advisory councils to advise, monitor and evaluate specific work streams.

Conclusions and Recommendations

The potential for an impactful and effective participation of business in migration policy generally and the Global Compact on Safe, Orderly and Regular Migration specifically, is real and should be harnessed. In order to achieve this goal, it is important not only to address misconceptions about business and migration, but also to work on practical steps to address the current gaps, helping to bridge the two sectors by learning lessons from current knowledge and initiatives.

Specific recommendations include:

1. Engage a wider range of private sector actors than those typically consulted over the past few years
2. Target private sector actors on the following issues:
 - Generating accurate information on migration
 - Addressing drivers and causes of migration
 - Innovative financing responses and risk financing
 - Systemic innovation
 - Creating conditions for balanced, sustainable and inclusive economic growth and employment
 - Strengthening the capacity of educational institutions
 - Enhancing employment opportunities
 - Reducing the costs of labor migration
 - Promoting faster, cheaper and safer transfers of migrant remittances
3. Devise a clear statement of purpose for engaging the private sector, beyond exclusively its potential to finance programs and policies
4. Host an ongoing and targeted events under the Chatham House Rule in order to foster understanding between private sector representatives and leaders and migration policy practitioners
5. Institutionalize the role and the representation of the private sector in migration policy, including the Global Compact
6. Produce a more detailed plan on the role of private sector and how it can help to implement the Global Compact

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