

The Network of Global Agenda Councils

# The Business Case for Migration



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# Preface



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Globalization has made the free flow of goods and ideas an integral part of modern life. The world has benefited greatly from the accelerated exchange of products, services, news, music, research and much more. Human mobility, on the other hand, remains the unfinished business of globalization. Migration policy and cooperation frameworks struggle to address the push-pull forces of migration and the cascading effects that migration has on communities of origin and destination.

In October 2013, the United Nations will host the II High-Level Dialogue on Migration and Development. The meeting comes at an important time for migration policy. It is an occasion to take stock of the evolution of migration patterns, to re-examine existing conceptual frameworks and to renew cooperation. The High-Level Dialogue is also an opportunity to debate new ideas which can shape future migration policies.

The Network of Global Agenda Councils was created to foster insights and collaboration around the major issues of our time. Each of the 86 Councils is driven by top experts and thought leaders from around the world who are not only recognized for their unique intellectual contributions, but are also committed to pioneering new models of cooperation and solutions.

To that end, the Global Agenda Council on Migration began a project in 2011 to promote knowledge on how businesses interact with migrants, believing that this perspective was missing from contemporary debates and cooperation initiatives. The Council expanded its discussion to experts from other issue areas including talent mobility, ageing, cities, media and entertainment, telecommunications, education and more. The Council shared its ideas with ministers from several nations during the World Economic Forum Annual Meeting 2013 in Davos-Klosters, Switzerland; likewise, the Council presented its work to the Informal Interactive Hearings with civil society in New York in July 2013.

The result of its research and consultations is presented here as a series of cases, each of which describes several facets of the relationship between migrants and businesses. The cases also present compelling evidence of how migrants contribute to business, economic growth and development in their host and destination countries. This research raises many questions: how can actors collectively improve conditions for migrants in the workplace? How can distortions in legislation or markets be corrected to balance a demand for migrant labour with social cohesion?

I hope this contribution sets the tone for a new debate at the United Nations and that it will provoke decision-makers in government, civil society and business to greater collaboration on human mobility.

# Introduction





## Making the Business Case for Migration

Khalid Koser, Deputy Director, Geneva Centre for Security Policy, Switzerland; Chair of the Global Agenda Council on Migration

The publication you have in your hands is the result of two years of discussion and research by a group of people who are committed to improving migration policy globally. It is intended to inform and provoke the debate between nations and with civil society during the United Nations' High-Level Dialogue on Migration and Development, an important political milestone for this field. Beyond the United Nations process, it aims to open up the discussion to an important actor – the private sector – which has been largely absent from discussions in previous years.

### Contemporary International Migration

While this publication is not the place for a detailed analysis of contemporary migration patterns and processes, a few key trends are worth highlighting as they pertain directly to the business case for migration that is made here.

First, international migration is a globally significant process and will remain so. The most widely cited estimate for the number of international migrants worldwide is 214 million; it derives from a 2008 data source and almost certainly underestimates today's number. It represents about 3% of the world's population. While predicting future migration has no sound statistical basis and is politically sensitive, most experts expect the total number of migrants worldwide to grow significantly by 2050, although to remain at about the same proportion of the global population.

Second, the composition of international migrants is changing, largely in response to labour demand. In particular, one of the most important characteristics of contemporary international migration is its feminization. Women and girls comprise nearly 50% of all migrants worldwide, and an increasing proportion of women are migrating independently rather than as family members.

Third, international migration is a truly global phenomenon. In 2010, about 74 million international migrants originating in the South were living in the North. This number is larger than that of international migrants born in the South and residing in the South (73 million).

Finally, international migrants represent a wide spectrum of educational and skills levels, ranging from unskilled labour to highly-skilled workers. In different ways, migrant workers across the whole skills spectrum have become important drivers for economic growth and development across the world.

## Migration Policies

At national, regional and global levels, policies on international migration are increasingly inconsistent and contradictory. On the one hand, most experts accept that migration will continue to grow in scale in response to powerful underlying global forces: disparities in the kind and extent of development, demography, and democracy; the draw of segmented labour markets; revolutions in access to information and transportation; the dynamics of the migration industry; and, in the future, the effects of climate change. On the other hand, around the world – from Australia to Zimbabwe – political parties are making election promises to restrict and control immigration.

Political positions on immigration also contradict economic realities – the evidence is clear that well-managed immigration can contribute to economic growth, generate jobs, promote innovation, increase competitiveness, and help address the effects of ageing and declining populations. In other words, more and more states need migrants. Yet, fewer and fewer states are willing to admit them.

A lack of leadership on migration also risks stoking public misperceptions on the issue, leading to xenophobia and, potentially, violence, in a rising number of countries. While a few migrants may indeed pose health risks, commit crime or even threaten national security, the vast majority pay taxes, create jobs, and add to the diversity of societies around the world.

Hardening attitudes towards immigrants in destination countries also risk heightening tensions with countries of origin, for which the migration of nationals is important to relieve pressures on the labour market and contribute to economic development through, for example, remittances, diaspora investments and the return of migrants with new skills. Better mechanisms are required to match the global supply of labour with the global demand.

Finally, even within destination countries, contradictions have arisen. Development agencies promote migration as an important vector for economic growth in poorer countries, while interior ministries focus on border control and migration restrictions. Antagonism is growing between government and civil society around concerns for the rights of migrants and measures to promote their effective integration. Critically, the private sector has often been absent from consultation on migration policy.

## A Voice for the Private Sector

There have been examples of consultation with the private sector: in 2005 the International Organization for Migration (IOM) established a Business Advisory Board; a roundtable to consult with the private sector was organized in 2013 as part of a wide range of consultations on the role of population dynamics in the post-2015 development framework; and a series of consultations are currently planned as part of the Global Forum on Migration and Development (GFMD) to be hosted by the Government of Sweden in 2014.

Nevertheless, it has often proved difficult to effectively engage the private sector in the migration debate. A number of reasons have been suggested, including a concern on the part of business leaders that they may experience a public backlash for supporting migration, that they may lack influence among policy-makers, and because policy-makers may be unwilling to countenance their recommendations, especially where these concern lowering obstacles to migration. Another obstacle may be differing time horizons for decision-making, and different accountabilities between policy-makers and business.

The Global Agenda Council on Migration represents an effort to enable more systematic and meaningful consultation with the private sector on international migration and migration policies. One of its advantages is its composition: the Council brings together senior private-sector representatives from a wide range of business backgrounds, senior representatives of government, and members of civil society, the academia and the international community. As one of 86 Councils of the World Economic Forum focusing on topics ranging from Ageing to Youth Unemployment and representing all the world's major regions, this Council has the opportunity to identify and develop synergies on relevant policy issues across a range of global contexts. Finally, in contrast to most other mechanisms for consultation, the Global Agenda Council is ongoing – it meets physically once a year but maintains a constant virtual exchange.

## The Business Case for Migration

Building on this comparative advantage, in 2011 the Council began to explore the business case for migration. It drew on experiences from sectors spanning information and communications technology (ICT), the media and mining, and from Africa, Europe, Mongolia, Philippines, the United States and Vietnam. The Council compiled evidence-based arguments for more effective immigration policies, imbibing the perspective of the private sector. The resulting publication demonstrates how recognition and valuation of migrants' skills can contribute directly to economic growth in the countries where they move to work and also in their home countries once they return. It shows how immigration is directly related to economic competitiveness, be it in sub-Saharan Africa or the United States. It also illustrates the enormous markets that are created by migrants as consumers, the potential of which often remains untapped.

The following specific conclusions and recommendations emerge from the cases presented here:

- Importing skills can temporarily fill shortages in specific sectors and avoid diverting skills from other sectors of the national economy.
- Flexible immigration procedures are required to facilitate the easy movement of highly-skilled workers between countries and business venues.
- Enhancing talent mobility between states contributes to national, regional and global economic growth and competitiveness.
- Business has a responsibility to train workers not just for commercial gain, but also to contribute to the wider community.
- Greater cooperation is required between businesses, between the private sector and government, and between governments, to ensure talent mobility, skills recognition and the matching of labour supply and demand.
- Immigration reform should focus on facilitating the immigration of skills and talent while protecting migrants' rights.
- Empowering migrants makes them better consumers.
- Diasporas can be a dynamic resource for both origin and host economies. Structures which support and incubate the potential of diasporas can enhance their contributions to development.
- Demographic trends will have several important impacts on migration patterns. In turn, migration will have an impact on the experience of the elderly. Communities should prepare for increasing demand for different kinds of labour, including hospice and care services, as well as new trends in social customs and relationships with the elderly.
- Cities and employers can play a pivotal role in promoting the integration of migrants with their host communities.

The Council's aspiration is that these conclusions will be taken up and debated by countries, businesses, civil society and migrants' associations. The cases presented here are only a handful of snapshots of a global phenomenon which deserves greater attention and exploration by the academic and policy communities, as well as by businesses themselves. A further understanding of the rich relationships between businesses and migrants, and between migrants and the economy, will enhance the ability of policy-makers to design effective policies around migration.





# Chapter 1: Migrants and the Worldwide Competition for Talent





Despite persistently high levels of unemployment in many markets, organizations around the world report they cannot find the talent they need and when they need it. Shortages exist at all skills levels, hindering the efficiency and competitiveness of industries as varied as mining, software programming and healthcare. According to a 2012 World Economic Forum report, talent markets are impeded by four key problems: widespread unemployability, skills gaps, information gaps, and private and public constraints on mobility.<sup>1</sup>

At the same time, it is often reported that migrants work in jobs that are not commensurate with their skills, even in the European Union. This comprises a “brain waste” – destination countries require skills but are not taking advantage of the skills that are already present in their societies in the form of migrants. At the extreme, one reason is that the rights of migrants are not fully respected. Reports of abuse of migrant labour, low wages and poor working conditions have raised alarms about the potential exploitation of workers far from home. Lack of information and preparation before migrating often put migrant workers at a disadvantage in their target labour markets. There are also administrative obstacles; for example, regarding the recognition of qualifications in foreign countries. Equally, migrant workers returning home with new, valuable skills often experience difficulty reintegrating into the domestic labour market.

Overall, migrants are an important source of skills, but their mobility is not always guaranteed by national legislations and labour market conditions. The safety and well-being of migrant workers abroad must be achieved through collaboration between businesses, regulators and civil society groups. Companies are increasingly speaking out about their experiences in hiring and managing mobile labour. Many of them are exploring new partnerships with governments, workers’ unions and civil society which can balance the need for skills and talent with social welfare, integration and security objectives.

## Case Study: Labour Migration Framework in Partnership with Vietnam

### ManpowerGroup

ManpowerGroup is working with the government of Vietnam to support a labour migration framework which increases opportunity, protects workers and ensures that developed talent can come back home.

### The Opportunity

Vietnam’s Ministry of Labour, Invalids, and Social Affairs (MoLISA) has committed itself to implementing a best-practice strategy for integrating Vietnam’s workforce into the global talent market.

Overseas employment represents both a significant opportunity for Vietnam’s workers and a source of revenue (through remittances) for Vietnam’s economy. It also represents a chance for Vietnam to align its training programmes with the evolving global skills demand, and to build its skills supply for long-term national development through the return of workers who have acquired overseas experience.

To maximize the benefits of overseas employment for all parties, MoLISA is building systems to obtain reliable information about overseas job opportunities and skills requirements; to reintegrate returning workers according to the emerging needs of Vietnam’s economy; and to ensure that workers are protected from exploitation in a poorly regulated global recruitment marketplace.

MoLISA was interested in collaborating with a global partner that could provide a structure for accessing overseas employment markets, that could lend global operational experience for developing and implementing its programme, and that had experience in addressing labour market policy, practice and challenges around the globe.

### The Response – Cooperation in Planning

In 2008, MoLISA signed a Memorandum of Understanding (MoU) with ManpowerGroup outlining a three-year plan for cooperation, focused on linking the supply of Vietnamese workers with the demands of the global job market.

ManpowerGroup is the world leader in innovative workforce solutions, serving both large and small organizations across all industry sectors through a worldwide network of offices in over 80 countries and territories. It partners with clients to accelerate their businesses by providing the people and services that raise the quality, productivity and efficiency of their total workforce, including recruitment and assessment, training and development, workforce consulting, outsourcing and career management.

Below is a summary of the joint efforts.

### **Labour Market Information Resources**

MoLISA and ManpowerGroup worked together to address information requirements, creating a map of both the domestic supply of candidates available for overseas assignments and the existing patterns of demand among global employers. This mapping was supplemented with annual surveys to keep information up to date, and provided a basis for steps for further action.

### **Management Workshops**

MoLISA's Department of Labour (DoLAB) and ManpowerGroup also established a series of annual workshops to evaluate project experience and refine management strategies. Although the global economic crisis slowed initial progress, the first such workshop was held in Hanoi in December 2010.

The major issues addressed included:

- Findings on global labour market trends
- Internationally-recognized standards for protecting workers' rights in international migration
- Lessons learned from other labour-exporting countries, and insights developed by the World Economic Forum
- Challenges and limits of bilateral and government-mediated solutions
- Model management systems including ManpowerGroup's Borderless Talent Solutions

ManpowerGroup also facilitated DoLAB study tours to Taiwan and South Korea for Vietnamese officials to observe effective job matching and placement processes in ManpowerGroup operations.

### **Labour Migration Demonstration Project**

The two sides also worked together to apply best-practice tools in a demonstration project to assess and prepare candidates for available overseas assignments.

Elements of the process included:

- Explicit profiling of the skills required for overseas job opportunities
- Improved assessment of candidate skills
- Design and development of training programmes to improve candidate access to available jobs

### **Demonstration Project Principles**

Following the December 2010 workshop, ManpowerGroup and MoLISA established a set of core principles to be implemented in a demonstration project linking Vietnamese candidates with job opportunities in selected destination countries.

These principles include:

- 1. Increasing global employment opportunities for Vietnamese workers:** ManpowerGroup will use its Borderless Talent Solutions platform to identify and share information about specific target-country job opportunities and their requirements.
- 2. Better linkages between home-country recruitment and host-country employment:** ManpowerGroup will use its profiling and assessment tools to better match skills and job requirements for specific positions and to facilitate placements.

- 3. Respect for migrant workers' rights based on internationally-recognized principles:** Key governing instruments include the ILO Convention 181, the ILO Multilateral Framework on Labour Migration and the International Confederation of Private Employment Agencies (CIETT) Code of Conduct. All of these frameworks include a strict principle of employer-based rather than candidate-based recruitment fees; steps to ensure that contract terms are clear and understandable to workers; reliable information about working conditions and protection against workplace hazards is available to workers; and there is clear accountability for employer defaults, including effective procedures for grievance redress. ManpowerGroup and the Department of Labour will jointly develop further guidelines on how these principles will be made operational.

- 4. Upgrading of migrant workers' skills, before and during the overseas assignment:** ManpowerGroup will make available job-related training programmes to help candidates obtain a wider range of suitable positions, and reinforce on-the-job learning during the overseas experience.

- 5. Effective reintegration of returning migrants:** Measures include the management of time-limited overseas assignments, the certification of skills acquired, and job placement services for returning candidates that recognize newly-acquired skills. They also include programmes to promote and support entrepreneurship among returning workers.

Key tools and operating processes are based on ManpowerGroup's Borderless Talent Solutions platform, a global business model for successful recruitment and management of the cross-border movement of workers.

### **Status of Demonstration Project**

Contacts have been established with municipal authorities in European cities interested in hosting labour migrants from Vietnam. The next step is to arrange a Department of Labour delegation to these cities to discuss expectations and challenges, as well as to make specific preparations for receiving Vietnamese workers and facilitating their cultural adjustment and employment. Preparations for this visit, at the convenience of DoLAB, are in place among the potential hosts.

### **Renewal of MoU**

The pioneering labour migration framework that has evolved as a result of DoLAB and ManpowerGroup's collaboration has already attracted a positive reaction from potential stakeholders. Both employers and authorities in potential host countries have expressed interest in collaborating for the initiative.

On 21 December 2011, MoLISA and ManpowerGroup extended their MoU for another three years. The new MoU extends the existing framework and accommodates action plans and supporting management activities over the next three years.

## Case Study: Skills Shortages and Migration in the Mongolian Mining Sector

Göran Hultin, Chairman and Chief Executive Officer, Caden Corporation, United Kingdom; Member, Global Agenda Council on Migration

Although the mining sector in Mongolia represents only about 4.5% of the nation's total workforce, it is by far the most important contributor to the expansion of Mongolia's Gross Domestic Product (GDP), and currently represents 33.6% of GDP.<sup>2</sup>

A key finding of research undertaken by ManpowerGroup-Caden Corporation is that labour market conditions in this relatively small sector also have a highly disproportionate impact on the Mongolian labour market as a whole. As a consequence, workforce strategies for the mining sector should be designed not only with that sector in mind, but with a view towards preserving and protecting the instrumental role of the mining sector in promoting Mongolia's overall economic development.

The practical question that needs addressing is how best to deal with severe, emerging skills shortages in the mining sector. Because the Mongolian workforce participation rate is relatively low, it is tempting to think that building and aligning skills among Mongolian nationals offers a "win-win" solution for addressing key skills deficits. But as applied to the mining sector in the short term, this approach neglects unique and pressing issues related to the timing and skills-intensity of the industry's employment demand. Miscalculating these impacts risks critically jeopardizing the performance of the mining sector as well as undermining its long-term contribution to Mongolian development.

The temporary import of foreign skilled labour may be a better solution for meeting pressing skills challenges and sustaining ambitious resource delivery and development schedules in the mining industry, while optimizing both short- and long-term impacts for the economy as a whole.

### Mining and the Mongolian Economy

Our inter-sectoral analysis indicates that for every job created in the mining industry, at least 1.5 additional jobs are created elsewhere in the Mongolian economy. Specifically, these include:

- 0.9 jobs in the services sector, especially wholesale and retail trade, financial intermediation, transport, storage and communication, and real estate rental and business activities
- 0.3 jobs in the utilities sector
- 0.3 jobs in the construction sector

The continuing boom in mining is therefore also driving growth and employment across the Mongolian economy as a whole, and needs to be sustained. Yet, just as these positive employment benefits ripple across the economy, distortions in the mining sector labour market also generate negative effects throughout the economy. Mining sector wage inflation of more than 50% is attracting Mongolian workers from other sectors and regions, who in turn leave behind skills shortages in their previous occupations.

The first to be drawn to mining are the most highly skilled workers in the manufacturing and construction sectors. However, maintaining the productivity and skills base in those industries is essential to the creation of a diversified and less import-dependent Mongolian economy in the future. Already, productivity trends in both sectors are negative or flat while wage inflation ranges from 33% in construction to 60% in manufacturing.

As this higher-skilled labour supply is exhausted, mining employers must further reduce skills requirements and draw additional workers from the services sector to meet production targets. As a direct consequence, mining-sector productivity has decreased 9.3% over the past four years, threatening production and delivery schedules as well as global contractual relationships, and therefore putting the Mongolian mining boom itself at risk.

### Migration in the Mining Sector

If, instead, skilled mining workers could be hired temporarily from other countries, many of these negative trends could be mitigated or reversed. The mining sector would be more able to sustain high productivity and ambitious production targets. Wage distortions diverting skilled labour from the manufacturing and construction sectors would be diminished, allowing those key sectors to better retain their skills base and sustain greater productivity and growth. Sustained employment demand in the services sector would be most heavily concentrated in lower- and medium-skilled positions, where workforce development programmes could more rapidly and effectively address any emerging deficits.

The further development of a higher-level skills base, necessarily a slower process, could proceed in response to longer-term opportunities that continue to be generated by the impacts of a dynamic mining sector. Native Mongolians would eventually replace temporary foreign workers in the mining sector itself – and fulfil high-skill employment demand in other sectors -- as improved educational alignment and expanded training infrastructure gradually create an appropriately-skilled workforce, without generating disruptive labour market distortions.



## Case Study: Experiences in Migration Policy from the Information and Communications Technology Sector

FIPRA International Public Policy Advisors under the direction of Karl Cox, Vice-President, Public Policy and Corporate Affairs for Europe, Middle East and Africa, Oracle, France, Member of the Global Agenda Council on Migration

The information and communications technology (ICT) industry is at the forefront of driving global innovation, labour productivity and growth. As ICT and the Internet become pervasive, touching upon all segments of society, the need for a mobile, skilled workforce in this area becomes essential.

Between 1995 and 2008, the global ICT sector experienced an employment growth rate of more than 1.2% year on year, which is more than half a percentage point higher than total business employment growth during the same period. In 2009, ICT workers represented 3-4% of total employment in most OECD countries. Although not entirely unaffected by the economic crisis of 2008, ICT workers retained a higher level of employment during the recession, and have enjoyed a faster recovery in the aftermath.<sup>3</sup>

Given the specific nature of the ICT industry, ICT professionals are in high demand across a wide range of sectors, including the financial services and engineering sectors. Tight labour markets for many critical competencies and the highly specific nature of certain skills are two of the main reasons why all skills are not available in all markets at all times and, consequently, must be sourced globally within a company and made available on a temporary basis.

Migration policies therefore play an important role for the ICT sector, as the growing demand for highly-skilled ICT professionals is often not matched by domestic supply. Unpredictable, lengthy and cumbersome visa and work-permit procedures are damaging to the industry and its clients worldwide.

### Challenges Faced by ICT Companies: Examples of the Problems Faced

ICT companies operate in an increasingly globalized environment, often with clients spanning the globe. Such clients need quick and efficient support, meaning that local, highly-skilled ICT professionals will always be sought first. This is not only due to time pressures, but also due to the cost factor. When such local expertise is not available, however, ICT companies will want to move their highly-skilled professionals to where the problem occurs – and so require sensible immigration policies that can facilitate this strategy.

The following scenarios and examples are drawn from the actual experiences of numerous companies in the ICT sector. They serve to illustrate the importance for ICT companies to ensure that all needed skills are available at the right time, the right place and in the most effective way possible. The difficulties experienced, however, are not necessarily particular to the sector.

### ***The European Union: One Union, Multiple Visa Applications***

A major United States (US) software vendor developed and installed a sophisticated supply-chain management system at a Spanish consumer-goods company with warehouses across Europe. When deployed at each facility, the software application would speed the delivery of materials along the supply chain, reduce the need for inventory and result in savings of tens of thousands of euros per day. A few weeks before the system was due to “go live,” a problem arose.

Preliminary testing of the application could not begin before the issue was resolved. As the software application was developed in the US, technical expertise was US-based. Software engineers needed to be brought in as soon as possible to resolve the issue at each of the client's warehouses and to remain on site to ensure no additional problems arose in the weeks leading up to and immediately following deployment. To access each warehouse situated in different member-states across the European Union (EU), however, a separate visa application was required. The time taken to process each application resulted in major delays to the deployment of the system, costing the Spanish consumer thousands of euros.

Additional delays were caused when some countries required a labour-market test to be carried out first. The system had, however, been developed in the US – the expertise was US-based and there was no skilled labour outside of the US to deal with the problem. A labour-market test simply resulted in unnecessary costs and delays.

In a similar case, a major US software company needed to bring skilled ICT professionals to France to work at a well-known client site. The visa applications were denied – the ICT professionals were only allowed to work at the software company's office and not at the client site. Such a policy is detrimental to both the ICT company which cannot service its client's needs, and the highly reputed French company that cannot have its ICT problems fixed.

### ***Transfer of Expertise***

A large German manufacturing company recently hired promising young executives from five rapidly growing markets in Latin America and Asia. These third-country nationals would be brought to the corporate headquarters in Germany for a six-month period to build strong working relationships with the senior management team, learn internal processes and procedures, develop marketing strategies for the emerging markets for which they would be responsible and build a better understanding of corporate product development plans and strategic directions. They would then return to their home countries and work in leadership positions at subsidiaries of the German company.

To be allowed into Germany, however, the young executives had to demonstrate that they met prior-employment provisions – that they had worked for the German manufacturing company for a specified minimum period of time – so as to receive visas to work in Germany. The newly hired executives were unable to meet this criterion. They had been hired for their specialised knowledge of their home markets, and would have been able to bring

valuable expertise to their new employer while gaining from training at the corporate headquarters almost from their first day. However, a prior-employment requirement resulted in unnecessary delays in integrating these young executives into the enterprise.

### **Recognition of Company Structures**

Highly-skilled workers for a US multinational computer technology corporation recently suffered significant delays obtaining approvals to work in Slovenia, where the Ministry of Labour failed to understand the company's structure. To meet the country's visa requirements, it was necessary to demonstrate a "parent-company" relationship between the US multinational and the related entity in Slovenia. The corporation's structure did not easily match this requirement.

As a result, there was two to three months' delay, with an impact on the client's economic bottom line, and damage to the reputation of both the corporation and the client.

### **Advancement of National Interests**

Many countries see the temporary migration of highly-skilled ICT professionals as a potential threat to employment at the local level. Politicians in particular are eager to be seen as dealing with the employment question, especially in light of the financial and economic crisis.

Given this situation, one ICT corporation in particular has met varying levels of challenges in getting the right person, with the right skills-set, to the right place at the right time, as per their client's request. This corporation noted that in Nigeria, for instance, in exchange for granting visas or work permits to ICT workers, there is often a call for matching investment on the part of the corporation into the local economy with the aim of creating local jobs.

The same corporation has also noted that Canadian authorities are now asking for companies to meet a number of requirements before a visa or work permit is granted. Questions of equivalent qualifications, the carrying out of labour-market tests, and definitions of remuneration are all causing problems in the ICT sector. ICT workers often have specific knowledge about specific ICT equipment or programming, rather than broader academic qualifications. ICT companies also only look for workers with the right skills-set; salary is a secondary question.

One ICT company has also experienced delays and increased costs in the Czech Republic and Spain where local politicians are seeking ways to curb unemployment. Such stances, which misunderstand the ICT sector and its need for a mobile, temporary workforce, cause delays as conversations with decision-makers go back and forth. In one such case, the granting of a work permit took so long that the project for which a highly-skilled ICT professional was needed was abandoned.

### **Recommendations**

The issues described in these case studies interfere with the ability of ICT companies, which contribute significantly to national income, GDP growth and innovation, to perform effectively in a highly competitive global market. Much existing law frustrates the ability of companies to deploy

the best talent where it is needed; migration policy must be adapted to account for the particularities of highly-skilled workers.

Companies that participated in this study suggested the following measures and best practices:

- Flexibility to allow for ICT professionals to work at their own corporate sites, but also at client sites.
- Fast-track procedures for applications involving recognized ICT companies.
- Simple and predictable admission criteria and procedures that are consistent and not subject to frequent changes.
- Elimination of labour-market tests or quotas.
- Reasonable prior-employment provisions for ICT professionals. Highly-skilled and experienced ICT professionals already possess the knowledge needed to carry out their work, even if they do not have seniority with their current employer.
- Multiple-entry possibilities. ICT issues often require updates and further monitoring; ICT professionals should be allowed to re-enter a territory to deal with such requirements.

# Chapter 2: Migration and Competitiveness





Efficient labour markets are an important factor in the competitiveness of nations, as shown by data collected by the World Economic Forum's *Global Competitiveness Report*.<sup>4</sup>

Efficiency and flexibility of the labour market helps allocate workers to the most effective positions in the economy. Conversely, rigid labour markets can have undesirable impacts on unemployment levels, youth unemployment and business operations. Effective migrant labour policies, as discussed in Chapter 1, can help companies apportion the right skills to important tasks. In this way, migration policy has an important impact on the functioning of labour markets and, consequently, on the competitiveness of economies.

More research is needed to understand the impacts of migration policy on national competitiveness. In this chapter, two case studies take a broader view of the role of migrants in the economy and their potential impact on national or regional competitiveness. As both cases highlight, the relationship between migration and economic competitiveness is far from straightforward. For example, political will may be lacking for migration liberalization while the social impacts of proposed measures are not fully clear. Greater cooperation and dialogue on migration, labour markets and competitiveness emerges as a key recommendation for future policy.

## Case Study: Private Sector Role in Migration and Development in Africa

Chukwu-Emeka Chikezie, Director, Up!-Africa, United Kingdom, Member of the Global Agenda Council on Migration

If the mantra that “our people are our greatest asset” is a truism for business, it is even more so for a continent of over a billion people and counting. Companies that treat this as a cliché risk underperformance and failure. For Africa as a whole, the stakes are much higher. Stifling African talent runs the risk of perpetuating misery, poverty, squalor, disaffection, social unrest, political upheaval and all-round decline. The alternative presented here is for more effective forms of collective action – concerted effort by businesses working together; new forms of public-private collaboration around shared interests; and innovative uses of new technologies and the social media to improve the functioning of talent markets in Africa. Having made impressive efforts to improve the general business environment in their territories, a handful of progressive, forward-looking African governments are now turning their attention to the question of enhancing cooperation to boost mobility of talent on the continent. The time is ideal, therefore, to look afresh at this issue and bring some new ideas to the table.

This case study first sets the broad context of Africa's employment challenge, which is inextricably linked with the region's contemporary migration realities. It then examines links between talent mobility and competitiveness in Africa. Following this is a brief examination of business and migration in Africa in order to identify ways to motivate business engagement. Finally, the study concludes with some proposals on who could do what to improve the situation, recognizing that collaboration will be the key to achieving sustainable change.

### The Employment Challenge

By global standards, growth in Gross Domestic Product (GDP) in Africa over the last decade has been relatively impressive and consistently so, even in the face of the global financial crisis. According to the African Development Bank, real GDP growth in Africa averaged just below 6% between 2000 and 2010.<sup>5</sup> Growth of the top performers ran from an average of around 5% for the Democratic Republic of Congo (DRC) to around 13% for Equatorial Guinea (2002-2010). The main drivers for this growth have been:

- oil and mineral exports
- rising prices of key agricultural exports
- growth in domestic demand

This growth focus may help explain the paradox that Africa's impressive growth over the last decade has failed significantly to stimulate employment. Indeed, job growth at 3% trails behind GDP growth (5.4%) and far behind export growth (18.5%). Africa is thus experiencing “jobless growth.”<sup>6</sup>

According to the International Labour Organization (ILO), African countries currently need to create between 8 and 9 million jobs each year just to absorb new entrants into their combined labour markets.<sup>7</sup> This contextualizes the scale of the challenge facing the continent's leaders and policy-makers. Moreover, most African states have youthful and fast-growing populations, emphasizing not only the economic challenge of employment creation but also the risks to equity and social stability if employment is not created.

African leaders are, of course, acutely aware of the employment creation challenge in their respective countries and across the continent as a whole. Clearly, there is no magic bullet: the issue of joblessness is a complex one requiring responses that combine an understanding of the evidence, a willingness to experiment, the boldness to make tough political choices and to follow them through with tenacity and persistence, building institutions, negotiating effectively in the national interest, and monitoring results to make necessary course corrections.

With few avenues for legal migration to wealthier countries, more jobless Africans may be forced into unsafe, illegal channels of migration, with all the dangers this implies. Thus, as the next section outlines, contemporary African migration realities are heavily implicated in the quest for employment in Africa.

### Contemporary African Migration Realities

Characteristics of many African states include: unemployment mostly among the young and, often, the unskilled; emigration of some of the most skilled labour; immigration in response to labour shortages; and policy challenges of developing effective labour markets while better aligning technical vocational education and training with market demands.

Africa's complexity is further compounded by the fact that both the international (i.e. intercontinental) and the intraregional dimensions of migration patterns demand policy-makers' urgent attention. The United Nations High Commission for Refugees (UNHCR) recently reported that a record number – some 1,500, the highest since 2006 – of African migrants died in crossing the Mediterranean Sea to Europe in 2011. Crises in Tunisia and Libya pushed the number of migrants crossing the sea to a record 58,000.<sup>8</sup>

These inflows gave rise to tensions between France and Italy when the Italian authorities granted North African migrants temporary residence permits, which gave them the freedom to circulate freely in Europe, and thus allowed them to enter France too. France then shut its borders to trains carrying African migrants from Italy. Although this move was deemed technically legal under the Schengen "single border" agreement, Italy accused France of violating the agreement. The European Union set out to revise the agreement and the then French President, Nicholas Sarkozy, seeking re-election in 2012, threatened to suspend France's membership of Schengen if the EU did not solve the problem.

Job losses accompanying economic downturns in destination countries generally tend to coincide with increased public and political concern about migration and migrants, which right-wing politicians often seek to exploit. Immigration and the economy correlate quite closely and when an economic upturn begins to create demand for immigrant labour, the rhetoric shifts.

While migration from African to Europe has attracted particular attention in recent years, especially in the aftermath of the so-called Arab Spring, it is worth noting that African migration is actually overwhelmingly intra-African. According to OECD figures, only 1% of people originating in sub-Saharan African migrate to Europe (this contrasts sharply with North Africa).<sup>9</sup> Indeed, 88.4% of West African migrants go to other members of the Economic Community of West African States (ECOWAS). West Africans are six times more mobile than Europeans. And because low-skilled migrants to OECD countries tend to come disproportionately from middle-income countries, as a matter of fact only three per cent of low-skilled foreign-born workers in the OECD come from sub-Saharan Africa. According to the IOM World Migration Report 2010, intraregional migration also accounts for some 75% of migration in East and Central Africa.<sup>10</sup>

While the global economic crisis affected African economies in varying degrees, it does not appear to have resulted in huge disruptions to patterns of migration in Africa. Remittances have also proven relatively resilient. Layoffs in professional sectors such as investment banking and information and communications technology (ICT) are said to have made the prospects of return to Africa for some professionals more attractive. Indeed, it appears that the burgeoning financial and ICT sectors in and around Lagos have benefited from the return of Nigerian professionals from centres such as London and New York.

With a shift in trading patterns within Africa, and between Africa and the rest of the world, patterns of migration are also changing. Former destination countries like Côte d'Ivoire are now sending countries; former transit countries like Morocco are now destination countries. The profile of migrants is also changing – more skilled women who are also married are migrating, for instance. Anecdotal evidence suggests there are a million Chinese living across Africa now at the same time as African traders and entrepreneurs are establishing themselves in trading entrepôts in China.

African students are now opting for higher education in countries such as Malaysia, often at universities that are franchisees of "brand name" universities from the United Kingdom, providing students with the option of a more affordable, world-class education at a time when Britain is making it harder for foreign students to study there. Australia has also stepped up its efforts at diplomatic outreach across Africa and this could well alert students to the appeal of studying there. The relationships – both personal and professional – that ensue from such trends are likely to have huge implications for the trading and business relations between Africa and these regions in due course.

The International Labour Organization (ILO) forecasts that by 2025, 10% of Africans will work outside their country of origin. Thus, today's complexities are unlikely to disappear anytime soon. African governments and the region as a whole are challenged to lead and manage their economies in such a way as to accelerate and diversify broad-based, inclusive growth to create more jobs for their citizens. This sets the context for the need to mainstream migration into private-sector development planning, to increase cross-border cooperation, and to harmonize policies so that labour markets are better integrated. It is also important to align labour market needs with training and education systems so as to facilitate the mobility of Africans in ways that benefit them and their African countries of origin and destination, all the while ensuring that migrants' rights are protected.

### Talent Mobility, Growth and Competitiveness in Africa

The World Economic Forum defines talent mobility as:

"The physical movement of workers within or across organizations, industries or countries, and globally, or the professional movement of workers across occupations or skill sets. Mobility may be temporary or permanent and may also involve moving people from unemployed to employed, moving jobs to people or allowing for virtual mobility."<sup>11</sup>

The Forum has identified four impediments to the development of well-functioning talent markets: widespread unemployability; skills gaps; information gaps; and public and private constraints on mobility. The Forum believes that collaboration among multiple stakeholders lies at the heart of enhancing talent mobility.

But what links talent mobility with growth and competitiveness in Africa?<sup>12</sup> Table 1 captures a review of competitiveness data pertaining to the two pillars of "higher education and training" and "labour market efficiency" to estimate the levels of relative talent mobility for six African countries, using World Economic Forum data. Apart from Mauritius, it is clear that the other five countries perform quite poorly on higher education and training, and even the performance of Mauritius is not stellar in global terms.

**Table 1: Talent Mobility and Competitiveness**

Country	Higher education and training	Labour market efficiency	Overall ranking
Ethiopia	132/142	69/142	106 (2011/12)
Ghana	109/142	79/142	114 (2011/12)
Mauritius	65/144	70/144	54 (2012/13)
Mozambique	138/144	128/144	138 (2012/13)
Rwanda	119/142	8/142	70 (2011/12)
Uganda	125/142	26/142	121 (2011/12)

Clearly, greater attention to education and training is likely to enhance competitiveness in Africa.

### Bridging the Gap between Potential and Reality

In advanced economies, depression, recession or just sclerotic growth has resulted in rising levels of unemployment and a general feeling of squeeze and stagnation. By contrast, as noted above, Africa has enjoyed robust growth, though joblessness – especially among young people – has remained stubbornly high and politically sensitive. Precisely because of failings in the education and training sector, many African economies face the paradox of high demand for particular skills that cannot currently be met by local labour. However, the logical solution of easing restrictions on the hiring of foreign labour is unpopular. Competition for votes in elections and robust challenges from opposition parties have meant that incumbents in Africa tend towards populist responses to these sorts of policy predicaments. The economically rational response is often politically risky.

Even where governments in Africa are willing to bite the political bullet and usher in the sorts of reforms that would boost talent mobility, they often rely upon emaciated, under-resourced and inefficient bureaucracies for implementation. The policy domains that cover better functioning of talent markets demand a considerable degree of not just inter-agency and departmental coordination but also coordination with non-state actors such as employers and educational, training and vocational institutions. This is often a stretch too far for public bureaucracies.

Africa's political realities will not change overnight, so it is unrealistic to expect a radical shift in the situation in most countries any time soon. But there is still considerable scope for progress. African governments are not homogenous: there is an appetite for pragmatic reforms among some of them. The Rwandan government – as befits its already impressive ranking for labour market efficiency – has recently taken bold steps including easing of visa restrictions for African travellers to Rwanda who can now apply for a visa upon arrival.

Furthermore, scope for action exists in new forms of collaboration with public authorities and in taking initiative in areas where business has an obvious comparative advantage.

### Business and Migration in Africa

Once derided by *The Economist* as the "Hopeless Continent," analysts now fête "Africa Rising." The reality is far more nuanced than either extreme suggests, but undoubtedly, many companies have solid reasons for feeling bullish about the prospects for growth in African economies in the years ahead. Indeed, many of the early movers have already done extremely well.

Companies that know Africa well say that talent pools are broad but shallow, so deepening them is a strategic priority for many companies with long-term plans to be in Africa. Doing so means moving African talent around the continent (and beyond) to provide workers with a range of experiences in different markets. Perversely, many companies report that



African governments place more restrictions on the mobility of Africans across the continent than they do non-Africans. Human resources (HR) managers spend an inordinate amount of their time securing work and residence permits and overcoming various hurdles to talent mobility.

Large companies rely on thousands of small and medium-sized enterprises (SMEs) to supply inputs and distribute their products and services. These SMEs also struggle with skills shortages, though they lack the resources or clout of larger companies to solve the problem.

This is the pain point for HR directors of multinationals operating across Africa. No accurate assessment of the cost to business of talent immobility in Africa can be made, but the payoffs from improvements in talent mobility would undoubtedly be significant in terms of competitiveness enhancement and providing higher and more rapid returns on investment across the continent.

### **Who Needs to Do What?**

Many aspects of enhanced talent mobility in Africa require intra-state cooperation, so clearly, a strong dose of political will is needed. Talk of regional integration and free movement of persons has been long on promise and rhetoric but short on delivery across all Africa's sub-regional blocs. As a result, progressive states have taken unilateral and bilateral measures to enhance talent mobility. Indeed, in the face of intractable obstacles, one regional economic community (REC) has explicitly advised its members to seek out bilateral agreements.

Some sub-groupings of like-minded states have also taken steps to cooperate around aspects of talent mobility. An example is the Accelerated Programme for Economic Integration (APEI) that brings together Malawi, Mauritius, Mozambique, Seychelles and Zambia around a set of common interests, which include a proposed programme of intra-African cooperation on the mobility and skills development of service providers.

This is an exciting and ambitious programme that would, in effect, create the equivalent of the EU's Schengen zone for participating countries (others could join later if they agree to abide by the terms of the founding agreement). This proposed programme, which has already benefited from considerable high-level consultation among the participating governments, represents a clear opportunity for businesses to engage as partners in helping to shape an initiative that has the ambition to make doing business easier, attract increased investment, raise competitiveness, and ultimately contribute to jobs growth in the region. It is indicative of a broader mood swing among pragmatic African governments looking to redefine regional cooperation in favour of a multi-speed, multi-tiered Africa that allows different countries to integrate at a pace that suits their own needs and priorities without being held back by countries who may want to join in later.

In parallel to these processes, businesses can focus on more near-term initiatives over which they have more control. Many companies operating in Africa have been very proactive in addressing skills development challenges,

whether through bespoke educational initiatives or in cooperation with existing institutions. Some companies are going beyond investing in the skills development of their own talent to launch initiatives for entire communities. In other words, many skills development initiatives undertaken by companies operating in Africa take the form of public, rather than private, goods.

### **The Challenges Ahead**

While these efforts are commendable, there are three obstacles to business interests that risk suboptimal results. First, policy-makers often lack awareness of the scale and impact of these skills development initiatives undertaken by companies. This in turn leads to a second problem, which is that businesses are largely acting in isolation rather than in concert with other businesses with common interests. Third, businesses are in effect foregoing opportunities to secure political and financial gain from these all-important skills development investments. Returning to the earlier point about the political sensitivities that governments feel around cross-border talent mobility, these investments by businesses in local talent should be matched by concessions from governments, for example, through short-term easing of restrictions on talent mobility to fill immediate skills gaps.

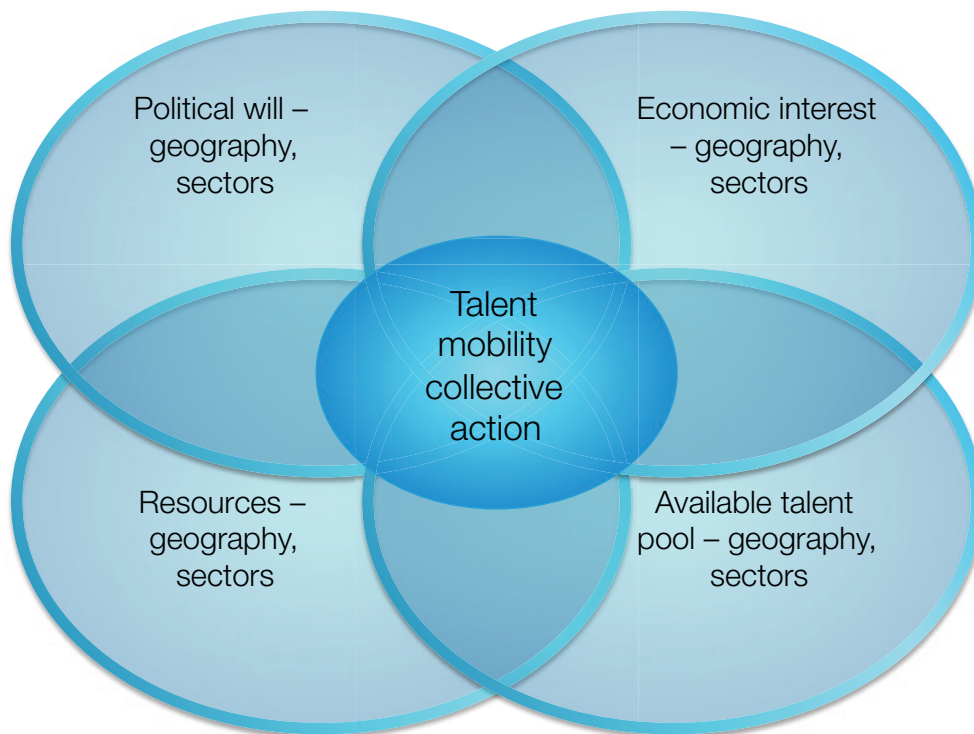
If employer-sponsored skills development investments lead to better labour market outcomes than similar public-sector investments, this makes their investments all the more worthy of incentives by governments, perhaps in the form of tax concessions. This is potentially a triple win: for employers, for the public purse, and for the individuals who benefit directly from the skills development investments.

Another area where business has a comparative advantage over the public sector is in integrating labour markets. At present, even where restrictions do not exist, African labour markets are fragmented and it is difficult for buyers and sellers to meet and do business. This also includes skilled Africans scattered all over the world. Big Data tools, social media and advanced databases can all combine around a clear business need to enhance the effectiveness of talent markets in Africa and at least overcome information asymmetries.

### **From Individual to Collective Action**

In the absence of effective mechanisms to facilitate more concerted action by businesses with a shared interest in enhanced talent mobility in Africa, individual steps are understandable, although the results are likely to be unsatisfactory. Common entry points need to be identified to encourage businesses to engage in collective action. To make a start, the overlap between areas of interest needs to be inferred (see Figure 1).

Figure 1: Finding the “Sweet Spot” for Collective Action around Talent Mobility



Finding the “sweet spot” for collective action around talent mobility

### Conclusion

Unlocking talent mobility in Africa is instrumental to improving competitiveness, profitability, jobs growth and indeed economic transformation across the continent. There is real potential for a “triple win” for governments, companies and workers in enhancing talent mobility. Historically, progress has been stymied because of a lack of political will in the face of real and imagined risks and uncertainties as well as rising populism among governments. Collective-action problems, including among employers who have generally taken the easier route of individual effort, have also harmed the cause.

But things are changing. Like-minded, progressive governments in Africa – frustrated at the slow pace of regional integration – are devising newer configuration for intra-state cooperation. An intriguing initiative is the APEI by Malawi, Mauritius, Mozambique, Seychelles and Zambia, which is country-led and not driven by donors or outside interests. The programme seeks, among other things, to address talent mobility. Moving African talent around Africa is more of a headache for HR directors than moving around

non-African talent. Many companies’ efforts on talent mobility benefit not just them but society as a whole. Yet, for the most part, companies seem not to have been able to leverage much benefit from governments, whether in the form of incentives or concessions that only governments can provide. At the same time, areas where businesses could collaborate without requiring policy shifts – to make labour markets work more efficiently, for instance – merit a fresh look.

Africa’s greatest assets – its people – deserve no less than a new concerted push by all concerned to unleash talent mobility. The continent’s future depends on it.

## Case Study: The Economic Contribution of Immigrants in the United States

Randel Johnson, Senior Vice-President, Labor, Immigration and Employee Benefits, US Chamber of Commerce, USA, Member of the Global Agenda Council on Migration

The US Chamber of Commerce, representing more than 3 million businesses of every size and from every sector and region of the country, supports an overhaul of the existing US immigration system because, simply stated, immigrants have always been a key to the success of the US economy. Immigrants not only fill jobs, but also create jobs, helping the economy expand. Immigrants have been an effective solution to workforce shortages and will inevitably continue to be so. New immigrants into the US come from nations around the globe to work in the full range of occupations, from construction workers and cooks to computer engineers and medical doctors.

### Growth, Demographics and Employment Trends

The most important trend shaping global labour supply over the next two decades will be slower growth in the size of the labour force.<sup>13</sup> The annual growth rate of the global labour force will decline from about 1.4% annually between 1990 and 2010, to about 1% in 2030.<sup>14</sup> The US population is projected to grow much more slowly over the next several decades due to lower birth rates and less net international migration.<sup>15</sup> As a result, the population aged 65 years and older is expected to more than double between 2012 and 2060, from 43.1 million to 92.0 million, as the baby-boomer generation enters the traditional retirement years.<sup>16</sup> In 2056, for the first time, the older population, aged 65 and over, is projected to outnumber the young, under-18.<sup>147</sup> Further, the working-age population (18 to 64 years) is expected to increase by 42 million between 2012 and 2060, from 197 million to 239 million, while its share of the total population will decline from 62.7% to 56.9%.<sup>18</sup>

Over the decade 2010-2020, total employment is projected to grow by 14.3%, resulting in 20.5 million new jobs.<sup>19</sup> About 54.8 million total job openings are expected during this time.<sup>20</sup> While growth will lead to many openings, more than half (61.6%) of job openings will come from the need to replace workers who retire or permanently leave an occupation.<sup>21</sup>

These demographics show that the US is facing a long-term worker shortage, an issue that goes well beyond the boom-and-bust cycle of the economy. Immigrants can help counter these future worker shortages; projections demonstrate that immigrants will continue to play a large role in US population growth.<sup>22</sup> One such reality is that immigrants tend to be younger than natives (typically under 35) with higher fertility rates. If integrated into the country, they could help slow the pace at which the population ages.<sup>23</sup>

### Education, Social Mobility and Workers' Productivity

Immigrants can also increase the aggregate economic productivity of the host country through their work.<sup>24</sup> The evidence suggests that immigrants complement the job prospects of US-born citizens and overall do not cause any

decrease in the wages and employment available to US citizens at the local level.<sup>25</sup> Further, immigrants do not crowd out US-born workers in either the short or long run,<sup>26</sup> and can actually have a positive effect on the income of US-born workers.<sup>27</sup> Additionally, "Immigrants in the short to medium run are absorbed through an expansion of the economy. The receiving community increases in size, maintaining wages and employment of US-born citizens and increasing somewhat aggregate productive efficiency."<sup>28</sup>

Moreover, successive generations of native-born workers are becoming better educated. Today, not only is the proportion of the native-born labour force aged 25-44 continuing to fall, but the proportion of native-born workers with a high-school diploma or less is also falling.<sup>29</sup> For example, "The percentage of adults (persons age 25 and older) with more than a high school education has gone up from 5.3% in 1950 to nearly 60% today."<sup>30</sup> Thus, the number of adults with a college degree in 2010 was almost 160 million, more than 25 times as many as the number in 1950.<sup>31</sup> The trend towards a more highly-educated, native-born workforce is a positive development. However, it presents a serious challenge to those sectors of the economy that employ workers with less education.<sup>32</sup>

Further, due to globalization of production and falling transportation costs, many low-skilled sectors face more domestic and international competition. Changes within the US mean fewer low-skilled native workers are available or interested in these less-skilled positions. Economic development and changing cultural norms make some blue-collar jobs less attractive, and falling fertility and rising educational attainment mean there are simply fewer low-skilled Americans in the workforce.<sup>33</sup> As a nation, we have made it a priority for our workers to move into higher-paying, higher-skilled jobs. In turn, immigrant workers are filling gaps by taking many less-skilled jobs that American workers are either unwilling or unable to take up.

On the other side of the spectrum, by 2018, the US economy will generate rising demand for highly-educated workers and, as more baby-boomers retire, there is risk of substantial skills shortages.<sup>34</sup> Based on current patterns of educational attainment and demand growth, employers in advanced economies could face a shortage of 16 to 18 million college-educated workers in 2020, despite rising college-completion rates.<sup>35</sup> Advanced economies could avoid a shortage of highly-skilled workers by allowing more of them to immigrate.

### Foreign Workers and the US Economy

Foreign-born workers make extraordinary contributions to US businesses and universities, providing skills that are not widely available in the US economy (or in some cases, are not available at all). For example, immigrants comprise one in four doctors, two in five medical scientists, one in three computer software engineers, and one in five post-secondary teachers.<sup>36</sup> The 2000 census indicated that immigrants constitute approximately half of the scientists and engineers in the US with doctorates, "a remarkable statistic given that they otherwise represent only 12% of the US population."<sup>37</sup>



Further, of the 22 occupations with the highest projected annual growth to 2018 and beyond, the occupation classification with the second-highest demand for workers is expected to be computer science, the fifth-highest demand area is life and physical science occupations, and the thirteenth-highest growth area is architecture and engineering.<sup>38</sup> Currently, international students earn about half of all Master's level degrees from US universities in fields corresponding to natural sciences and engineering occupations.<sup>39</sup> Since a large segment of graduate students in these fields are not native-born, the US Chamber supports reforms that will enable employers to hire the staff needed in these areas of expected growth.

### **US Immigration Policy Reform**

As described by the above statistics, immigrants, through their youth, geographical mobility and complementary skills will help fill future labour shortages and expand the US economy. A major failure of our existing immigration system, which has a detrimental impact on US businesses, is that employment-based visas are not allocated based on market needs.<sup>40</sup> As a result, the US Chamber advocates for work-visa programmes for both lesser- and higher-skilled immigrants which would be reflective of both current and future needs of the market.

Additionally, the Chamber supports another large aspect of reform: legalization of the undocumented for economic, security and workforce-stability reasons. There are over 11 million undocumented people residing in the US, of whom over 7 million are employed. Neither deportation nor self-deportation of this large undocumented population is realistic, and finding a solution has been difficult. The Chamber believes that criminal background checks must be completed on all the undocumented persons currently in the US, as is required for all legal immigrants. Then, under specified and strict conditions, including payment of a fine and taxes, and confirmation of progress towards English proficiency, those that qualify should be granted a permanent legal status.

Immigration reform that legalizes currently undocumented immigrants would raise the "wage floor" for the entire US economy – to the benefit of both immigrant and native-born workers.<sup>41</sup> Taking the experience of the passage of the 1986 Immigration Reform and Control Act as a starting point, it is estimated that comprehensive immigration reform would yield at least US\$ 1.5 trillion in cumulative gross domestic product over 10 years.<sup>42</sup>

Moreover, legalization of the undocumented would alleviate many problems from an employer perspective. US employers are required to verify that each employee is eligible to work in the US, but by law employees get to choose which documents to present to the employer in support of their claim that they are authorized to work. Often these documents look valid on the face, but may be legitimate documents belonging to relatives or friends of the employee, or fraudulent. By law an employer has to accept these documents, and asking for additional documentation because someone may look or sound foreign is potentially a violation of that person's civil rights under both immigration and employment laws of the US.

Due to the prevalence of these practices in the employment authorization verification process, most employers do not know if their employees are undocumented. Sometimes, employers learn of their employees' lack of authorization only after an Immigration and Customs Enforcement (ICE) raid. The result is that the employer must dismiss such employees, if they have not already left in fear of deportation. This in turn creates instability in the workplace. Legalization of the undocumented through a working federal employment verification system would maintain workforce stability and put all employers on a level playing field.

Finally, legalization of the undocumented has enormous national security benefits for the US – surely, the country is more secure by allowing these individuals to come out of the shadows and putting them through a screening process to weed out criminals or terror suspects.<sup>43</sup> At the very least, this process will "shrink the haystack" and allow law enforcement officials to focus resources on true criminals and threats to security rather than wasting limited fiscal resources on economic migrants.

Maintaining the status quo is a losing proposition. Increased and improved immigration has the potential to solve many current and future economic problems because immigration is essential to the economy, the country, and the American way of life. The US Chamber views immigration as an opportunity to fundamentally improve the US's global competitiveness, attract and retain the world's best talent and hardest workers, secure our borders, and keep faith with America's legacy as an open and welcoming society.

# Chapter 3: Migration Generates Business Opportunities



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Migrant markets are proving to be important opportunities for industries as diverse as financial services, telecommunications, media and entertainment, travel and tourism, consumer goods, and hotel, restaurant and catering. Migrant consumers shopping for specialized services, such as telephone cards, or goods such as familiar cooking spices, have found more and more businesses willing to meet their needs. There are worries that companies may have an outsized advantage over their more vulnerable migrant client base. However, more and more companies targeting migrant markets are developing innovative relationships with their customer base, as illustrated by the next two cases. Univision, and the Philippine Long-Distance Telephone Company and SMART Foundation, provide models for strengthening the relationships between migrants and the businesses that serve them.

## Case Study: US Hispanic Immigrants – A New Reality in the Media

Stephen Keppel, Director, Financial Content, Univision Communications, USA, Member of the Global Agenda Council on Migration

The rise of Univision goes hand in hand with the rise of Hispanic immigrants in America. The better our audience does, the better we do as a company and together we are reshaping America. This case study takes a closer look at how Univision has grown along with its audience and how it has changed to fit the needs of US Hispanics.

Univision Communications is the leading media company serving Hispanic (Spanish-speaking) America. Univision's mission is to inform, entertain and empower its audience. Univision Network is the most-watched Spanish-language broadcast television network in the country, reaching 97% of US Hispanic households.

Thanks in part to the strong growth in the number of US Hispanics, Univision is one of the top five networks in the United States (US) irrespective of language. In July 2013 (the summer-sweeps month), Univision rated, for the first time ever, as the most-watched network in the country.

The Univision audience is large and growing. The 2010 US census showed that Hispanics surpassed 50 million in number. They are the fastest-growing demographic in the country and have accounted for more than half of the 27.3 million population increase in the last decade. Univision believes in a new American reality, where Hispanics are becoming part of the mainstream and contributing positively to society.

### How Businesses Can Interact with Migrant Communities: The Univision Experience

Univision's interaction and relationship with Hispanics from Mexico, Central America and South America who have immigrated to the US, and their families, is central to its business. As a company, Univision sees it as its responsibility to empower each and every person who interacts with the brand, ensuring that the future will be better for everyone.

While the business opportunities are important to take into account, the media can also play a key role in educating, informing and empowering immigrant communities. Often immigrants face significant linguistic and cultural barriers that prevent them from fully enjoying the rights and opportunities provided by their new country. Media in their own language, representative of their own culture, can act as a bridge to the mainstream.

Univision is dedicated to maintaining and strengthening the connection and giving Hispanic America the required information, tools and resources. Univision does this by operating a number of robust social initiatives which target the key needs of the Hispanic community by providing information and outreach on education, voting/citizenship, healthcare and financial empowerment.



## Education

In February 2010, Univision launched a comprehensive, multi-year national education initiative called *Es el Momento* (*The Moment is Now*) in partnership with the Bill & Melinda Gates Foundation, the US Department of Education, as well as educators and leaders of civil society and Hispanic communities from around the country. The *Es el Momento* initiative is aimed at improving academic achievement among Hispanic primary-through-secondary school (K-12) students, with a specific focus on high school graduation and college readiness. Univision's award-winning news anchor and author Jorge Ramos serves as its ambassador.

During the first year, Univision donated more than US\$ 21 million in public-service announcement (PSA) airtime and has produced special programmes and monthly educational vignettes that have aired across Univision's multi-media platforms. As part of the grassroots efforts, numerous local events have been organized, including educational fairs and town hall meetings. Thousands of active subscribers and users receive bi-weekly educational text messages and have connected to [eselmomento.com](http://eselmomento.com) for information and resources on scholarships, college-readiness, mentoring and more.

In 2011, Univision News hosted a historic education town hall meeting with President Barack Obama, and kicked off “¡Educate! *Es el momento*” (Educate yourself, the moment is now), a seven-day effort aimed at further increasing Hispanic educational attainment and helping foster a college-bound culture. The weeklong line-up of activities featured a first-of-its-kind town hall meet with key leaders; exclusive programming across Univision Network's signature shows; integration on digital platforms including social media; special segments on Univision Local Media TV and Radio stations around the country; and workshops and call centres in several cities.

The response from participants has been extraordinary. There are some encouraging findings about college enrolment and high-school completion. According to a Pew Research Center analysis of new data from the US Census Bureau, a record 7 in 10 (69%) Hispanic high school graduates in the class of 2012 enrolled in college that fall, two percentage points higher than the rate (67%) among their white counterparts. This is up from 49% for Hispanics in 2000.

Pew also points out that the positive trends in Hispanic educational indicators extend to high school. The most recent data show that in 2011, only 14% of Hispanic 16- to 24-year-olds were high-school dropouts, half the level in 2000 (28%).

## Voting/Citizenship

The Peabody award-winning ¡*Ya es Hora!* (It's Time!) initiative is a national civic-engagement campaign developed to inform, educate and motivate Hispanics to participate in the American political dialogue, by leveraging the power of a coalition of the nation's largest and most established Hispanic organizations and the country's largest Spanish-language media companies. Since January 2007, the multi-

layered campaign has mobilized and assisted millions of Hispanics to pursue naturalization, participate in the 2010 census, register to vote and make their voices heard in elections. Through coordinated media outreach, information dissemination and direct community engagement – which took the form of the 888-*Ve-Y-Vota* bilingual civic engagement hotline, the [www.yaeshora.info](http://www.yaeshora.info) portal, distribution of brochures across the nation, citizenship workshops and local events – the campaign played a critical role in record naturalizations among the Hispanic community.

This campaign has had a direct impact on the engagement of the Hispanic community with US politics – in the 2012 presidential elections, Hispanics voted in record numbers and are largely credited with helping Barack Obama win a second term.

Another key focus of our efforts is citizenship. Univision News has been an advocate for new immigration laws that legalize the immigration process and create a path to citizenship. A reform of the current immigration system is expected some time before the end of President Obama's term, and Univision will play a key role in making sure its viewers have all of the information they need to properly register for the process.

## Health

Our health initiatives are designed to raise awareness, increase knowledge and encourage positive health-related decision-making. The programme leverages Univision's diverse media assets to educate its audience on health issues to promote primary prevention, habits of healthy living, access to care and disease-specific prevention and treatment. Key health issues addressed include: asthma, cancer, cardiovascular disease, diabetes, sexual health issues – including HIV/AIDS and other sexually-transmitted diseases – immunization, prenatal care, infant mortality, tobacco cessation, obesity, physical activity and nutrition.

Univision, in partnership with community, health and physician organizations, provides informational media messages and programming via PSAs, vignettes, news and dedicated health programmes featuring nationally-recognized Hispanic celebrities, medical experts as well as testimonials.

This year, Univision is focused on two main topics: access to health care and preventive health. The implementation of the Affordable Care Act (“Obamacare”) will have a strong impact on Hispanics. Around 60% of the uninsured in the US are Hispanic, and Univision has launched an expansive public-service initiative to create awareness about the new law and the benefits it will bring to them.

## Financial Empowerment

Seeing an important need for more information about personal finance and access to the banking system, Univision launched *Plan Prosperidad* in 2012. The campaign will focus on addressing the financial issues that matter to our audience and also on providing our community with the information and resources that will help them live a successful life. The initiative will focus on key topics like

accessing the financial system, building credit, avoiding fraud and starting or expanding a business.

As the fastest-growing ethnic group in the US, the financial well-being of Hispanics is critically important to the overall success of the national economy. The “Great Recession” had an outsized impact on the Hispanic community, which has been particularly hit by the housing crisis.<sup>44</sup> More readily accessible and understandable information about the financial system and good financial practices could have prevented some of the pain caused by the housing collapse.

According to the Pew Hispanic Center, in 2012, Latinos were more downbeat than the general public about various aspects of their economic lives. For example:

- Personal finances: Just 24% of Latinos rated their personal financial situation as excellent or good, compared with 38% of the general public.
- Unemployment: Some 59% of Latinos said someone in their household had been out of work and looking for a job during the last year, compared with 51% of the general public.
- Homeownership: Some 28% of Latino homeowners said they owed more on their home than they could sell it for, compared with just 14% of homeowners among the general public.

Despite economic challenges, Hispanics in the US have proven to be hard-working and entrepreneurial. The 2010 census showed that there were more than 2 million Hispanic-owned businesses in the country creating jobs and generating nearly US\$ 275 billion in revenues. According to the Kauffman Index of Entrepreneurial Activity, Hispanics are the most entrepreneurial ethnic group in the country. Between 2009 and 2010, their business-creation rate was the highest ever recorded. Hispanic purchasing power is more than US\$ 1 trillion today and is expected to reach US\$ 1.5 trillion by 2015 – larger than the economies of Canada and Spain. Clearly, the economic and financial potential of Hispanics is high. Hispanics are actually now more optimistic about their finances and the direction of the country.

Univision’s plan and vision are to maximize the Hispanic opportunity in America by promoting good financial practices, providing resources to improve personal finance and bolstering the Hispanic entrepreneurial spirit.

## **Recommendations**

### ***Provide Information and Be a Bridge to the Mainstream***

Working with a market that includes a diverse range of migrants (some that have come to the country recently, others that have been in the US much longer) has its benefits and challenges. Private companies and especially media companies can play an important role in meeting the needs of migrant communities. Information is key for migrant groups, especially information in their language.

One way that Univision has been successful is in fully engaging with the audience by providing the information that immigrants need to live a successful and safe life in the US. We highlight voter registration and the legal paths to citizenship, provide information on individual rights, and keep our audience updated on how new laws will impact them and their families.

### ***What’s Good for Your Customer is Good for Your Business***

Univision firmly believes that what is good for your clients is good for your business. We act on this belief through both the non-profit space and as part of our profit-making business. Univision has been successful at creating unmatched brand loyalty and trust. It has found that it is important to show the true nature of migrant communities going beyond the common stereotype, which is often discriminatory. This is important especially when the discussion on migrants is heated and filled with rhetoric.

Univision aims to tell the story of the “New American Reality” which involves an increasingly diverse and vibrant America, where immigrants are contributing to society in many ways.

## Case Study: Phones for Overseas Workers – Migration and New Markets

Maria Esther Santos, President, PLDT-Smart Foundation, Philippines, Member of the Global Agenda Council on Migration

The Philippine Long Distance Telephone Company, commonly known as PLDT, is the largest telecommunications company in the Philippines. PLDT is also the largest company in the Philippines, ranked 1,138th in the April 2009 update, and 1,080th in the April 2010 update, of Forbes' Global 2000 list. Smart Communications Inc., the mobile phone network subsidiary of PLDT, is also the country's most extensive cellular phone network, with almost a million subscribers among local and overseas Filipinos.

Aside from landline telephone services and mobile communications, PLDT and Smart also offer fixed-line (broadband) and wireless Internet connections, which now form a major backbone of the telecommunication and Internet infrastructures of all kinds of Philippine businesses, from small family-owned enterprises like cyber cafes and restaurants to large operations like business process outsourcing (BPO) centres, banks and other major corporations.

The sophisticated telecommunications industry in the Philippines has significantly improved not only economic conditions (through improved connectivity in telephone and Internet connections between businesses and individuals) but also social aspects of Philippine life. This is most certainly remarkable among families that have connections with family members that are migrant labourers and professionals based outside the country (also known as Overseas Filipino Workers, or OFWs). Through affordable long-distance connections, live video chats and social networks, OFWs are able to reconnect with family, easing the burden of homesickness and the pressures that come with adapting not only to the requirements of their jobs and professions, but also to the cultures and lifestyles that their countries of destination subject them to. On the other hand, migration has been a source of innovation for PLDT and Smart as they strive to serve their migrant customers better.

### Migration and the Philippines

Since the early 1900s, successive waves of Filipinos have migrated to other countries in search of employment opportunities. Early waves of Filipino migration occurred in the 1960s, comprising largely professional workers – nurses, doctors and medical technicians who filled in skills gaps in the US, Canada and European countries. The phenomenon of sending of overseas contract workers (OCWs) became rampant in the 1970s to 1980s when Filipinos began to leave the Philippines in ever larger numbers to fill labour shortages in rich and industrializing countries as construction workers, nannies, domestic workers, nurses and entertainers, which continues to this day. Filipino men filled in labour shortages in the construction industry of the Middle East. Filipino women, on their part, took care of children and performed domestic work like housekeeping and nanny services in booming economies in the Middle East and East and Southeast Asia.

The increasing revenues that these migrant labourers provided to the Philippine economy through foreign exchange remittances, coupled with the widespread unemployment and underemployment in their country of origin, have provided a strong incentive to systematize the export of Filipino labour. Medical professionals like doctors, nurses, physical and occupational therapists and the like, have taken advantage of the opportunity to be regularly employed or even taken the chance to become naturalized citizens in their countries of destination, such as the US and Canada. Muslim Filipinos (whether born or converted) have got permanent residencies in the Middle East or North Africa through marriage with a local or a fellow Filipino. Around 8.6 million to 11 million overseas Filipinos are estimated to reside worldwide – about 11% of the total population of the Philippines. 70% of these migrants are women.

Filipino migrant workers contribute significantly to the Philippines economy. Remittances sent by OFWs to the Philippines were valued at more than US\$ 10 billion in 2005. This makes the country the fourth largest recipient of remittances, with India, China and Mexico at the top of the list. OFW remittances represent 13.5% of the country's GDP, the largest in proportion to the domestic economy among the four countries. By 2009, about US\$ 17.348 billion in remittances were sent to the Philippines by overseas Filipinos, higher than in previous years. Migrant workers are hailed as “new economic heroes” as their economic contribution provides much-needed stability to the ailing Philippine economy.

A promising initiative by the Philippines is a provision in the Migrant Workers and Overseas Filipinos Act of 1995 that requires the government to set up a Resource Centre within Philippine embassies. This centre not only offers advisory programmes to migrant labourers, but also provides counselling and legal services, and welfare assistance. The decision of the Philippine government to conduct bilateral talks with destination countries that continue to open up employment opportunities for OFWs is considered to be a factor for growth in remittances. Also, the government intends to facilitate the hiring of workers displaced by the global economic downturn. However, in terms of development and poverty alleviation for the Philippines, it is the monitoring mechanisms for remittances that are of key importance.

Remittances sent by family members who are working overseas can significantly ease the financial burden on a household. It is the main source of income for a large proportion of Filipino families, and contributes significantly to the country's financial health. For example, in 2006, remittances sent by Filipino migrants worldwide totalled US\$ 22 billion, or 125% of the country's budget for that year.

But these inflows spawn a culture of dependence on remittances, which can cause delay in necessary reforms in governance and income distribution through direct measures. Quoting Stella Go, president of the Philippine Migration Research Network (PMRN), on findings from Surveys on Overseas Filipinos (SOF) by the National Statistics Office, the scholar Jeremiah Opiniano writes that the economic benefits of international labour migration “have



not trickled down to the poor and less developed regions in the country.”<sup>45</sup> In fact, the poorer segment of Philippine society is not participating in migration opportunities, whereas “regions with the lowest poverty incidence” have the highest number of migrant outflows. Here is one of many examples from the SOF findings: 12.3% of the country’s total OFWs come from Mindanao, which has a 44.6% poverty incidence rate, but 53.2% of OFWs come from the provinces of Luzon, which has a 30.1% poverty incidence rate.

PLDT and Smart recognize the immense contributions of OFWs, whose primary motivations are the improvement of the economic lot of their families by providing a secure means of income that will sustain the needs of those they “leave behind.” In a survey conducted among OFWs based in Saudi Arabia, almost all answered that their main reason for working abroad is to provide a better future for their families through opportunities to earn and learn. Working abroad for them means getting better compensation than the jobs they have previously done in the country. It also provides them an opportunity to earn more and spend less, especially in countries where there is a high standard of living or strict social/religious regimentation, which limits their chances of spending for pleasure or entertainment. Many respondents also feel that working abroad arms them for better work opportunities, as more and more companies seek workers with good employment histories and acquired skills.

It is also worth mentioning that Filipino professionals and skilled workers are in demand because of their command of the primary language of their country of destination, be it English, Arabic or Japanese. The Filipinos’ ability to easily adapt to new cultures and therefore new languages gives them an edge. Also, many employers outside the Philippines value OFWs for their famed hospitality, compassion and dedication to work.

### **Filipinos Abroad and the Telephone**

Despite easy adaptation to their destination countries, it is very natural for overseas Filipinos to connect with their relatives and friends back home. In fact, an average OFW would spend around 10% to 30% of their income on means to contact and communicate with their families – through long-distance calls, social networks like Facebook and Twitter, and live audio or video chat.

Through products and services that cater to the overseas Filipinos’ telecommunications needs, PLDT and Smart make available to them and their families back home the chance to reconnect and rebuild family ties. One of these services is the SMART Pinoy Store, where they get to participate actively in their families’ lives by carrying out online purchases of goods and services that directly benefit their loved ones back home. Through the SMART Pinoy Store, one may buy products like appliances or electronic gadgets online for family members in the Philippines without having to pay the freight charges that usually apply when sending “*balikbayan*” boxes. Migrants can also subsidize their families’ daily needs through online payment of utility bills or through direct purchases at family-owned *sari-sari* and neighbourhood thrift stores, which sell basic

commodities like food, beverages and mobile phone electronic loads. This service gives the recipients back home the chance to manage the economic aspects of their lives through individual entrepreneurship, which is psychologically rewarding to the OFW who has worked hard in order to improve their family’s economic condition.

Another service that overseas Filipinos can avail of is a seamless mobile phone connection through the SMART Pinoy mobile virtual network operator (MVNO) system, where PLDT buys minutes of use (MOU) for sale to its own subscriber base from established mobile operators in countries where there is a significant number of Filipino workers, such as Singapore or Hong Kong. The MVNO setup provides wide coverage and excellent call quality, accessibility to mobile commerce and remittance services, flexible prepaid payment options and access to round-the-clock customer service and value-added services. It also provides the OFW with a SMART mobile number to sync with the mobile phone operator in the country where they are based, with the effect that they can have two numbers (a Philippine number and an international roaming number).

Mobile commerce also provides the OFWs the opportunity to process electronic transactions through electronic loading of their mobile phones, airtime sharing and mobile remittance through SMART Money and SMART Pinoy Remit. PLDT-Smart Foundation is also working to develop e-money savings and livelihood products for OFWs and their families in the Philippines.

Through their corporate social responsibility arm, the PLDT-SMART Foundation, PLDT and Smart aim to fully integrate OFWs with their families in the Philippines through awareness campaigns and customer education. Some of these endeavours include free counselling to OFWs and their families concerning business, entrepreneurship, and legal, financial and labour issues that affect them; provision of donation boxes in the event of disaster-related events in the Philippines or in countries where there is a Filipino community; and by making monetary donations to a cause for every amount transacted by the OFW.

# Chapter 4: Demographics, Migration and Business



Demographic trends such as ageing, birth rates and population growth have an impact on – and, in turn, are impacted by – migration. The ageing of the global population, in particular, has multiple implications for migration and policy-making. In the next 40 years, the percentage of the global population aged 65 and above is expected to grow from 8% to 22%, from 800 million to 2 billion people globally.<sup>46</sup> Ageing will affect advanced economies and emerging economies equally, though with differing particularities. Many nations are already planning for future skills shortages as workers retire, or are reforming social security systems to accommodate growing numbers of retirees.

As the following case study illustrates, the interplay of ageing with migration results in a diverse set of implications with important connotations for business. On the one hand, ageing presents job opportunities for migrants: as ageing workers retire, many economies attempt to fill skills shortages with migrant labour. But as it turns out, ageing can also be a market opportunity in and of itself for migrants. The needs of the ageing diaspora abroad are perhaps best met by the skills of migrants who resemble them. On the other hand, migration can prove costly for businesses, who must address the special requirements of their employees, or compete with a grey labour market.

## Case Study: Care for Senior Citizens – How Migrants Are Shaping the Business of Ageing

Paul Hogan, Chairman and Founder, Home Instead Senior Care, USA; Member, Global Agenda Council on Ageing

While much attention has been directed to the macro social, cultural and economic consequences of global migration, it is unfortunate that the impact on business is less prominent in the minds of those who study the topic. But it should be, since migration touches the very basics of business, creating opportunities and challenges alike.

Consider Home Instead Senior Care as an example. The company was founded by Paul and Lori Hogan, who began serving seniors in Omaha, Nebraska, USA, in 1994. It was Paul Hogan's own experience of caring for his grandmother that made him realize the need for non-medical home care and elder companionship services to help seniors live independently at home.

In June 1995, the company began franchising. By 1998, Home Instead Senior Care had grown to 99 offices and was recognized by *Entrepreneur* magazine as one of the 100 fastest-growing franchise companies in the US. In 2000, Home Instead Senior Care began international development with the opening of an international partner relationship in Osaka, Japan, with Duskin Corporation.

Today, the Home Instead Senior Care franchise network is the world's trusted source of companionship and Alzheimer's and home care for seniors, with 1,000 franchises in the US, Canada, Japan, Portugal, Australia, Ireland, the United Kingdom, New Zealand, Taiwan, Switzerland, Germany, South Korea, Finland, Austria, Northern Italy, Puerto Rico and Mexico. The network employs 65,000 trained caregivers who provide 50 million hours of elder care services annually.

This service is designed to meet the needs of a global senior population that some have called the "silver tsunami" in view of its overwhelming size and continuing growth. In fact, worldwide, the senior population is rapidly growing and is expected to continue to grow faster than any other age group. Within the next 25 years, the number of people aged 65 years or older will likely double, significantly increasing demand for ways people can maintain good health and live longer as engaged and contributing members of society.

The world will soon have more than 100 million individuals over the age of 65, and Home Instead Senior Care is positioning itself to help them through its non-medical home care services.

Meeting the demands of this ever-expanding senior market presents new challenges and opportunities for providing the solutions that will allow the world's rapidly ageing population to age happily and independently in their homes.



But in meeting these needs, the reality of migration impacts the Home Instead Senior Care business in six very important and distinct ways:

- changing care needs
- domestic business development opportunities
- global business development opportunities
- cultural integration issues
- global sourcing opportunities
- challenges stemming from migration

### **Changing Care Needs**

Consider the fact that as global migration is taking place, it has created new and very specific care needs for Home Instead. Now clients' cultural backgrounds and language limitations drive the selection and assignment of caregivers for the business. For example, Hispanic immigration to the US from Mexico and other Central and South American countries has created a new and unprecedented need for caregivers with Spanish-language skills and cultural sensitivities.

Operationally, migration touches every part of the business. Marketing materials and strategies must be adapted to account for language and cultural differences. Employees – both caregivers and office staff – must be recruited with multi-cultural considerations in order to facilitate the delivery of home care services and, in many cases, to simply address the basic need to communicate with clients. Training materials and classes must be translated for the caregiver staff, often at considerable expense. In addition, sales and supervisory services may require multilingual personnel.

But beyond this, the migration-driven cultural shift has altered the basis upon which the business was built. These changes present opportunities and create challenges.

Some migrant populations, notably Asian, come to the US as multi-generational units. As a result, they are a sort of self-contained care system. When the matriarch or patriarch reaches an age or state where senior care is necessary, more often than not there is a family member available and predisposed to offer that care. This diminishes the need for services such as those offered by Home Instead. It also alters the calculations used in awarding franchise territories. Since Home Instead sets territory size by the number of seniors residing in an area rather than a specific geographic area, this extraordinary family support system can and does alter the opportunity within any specific territory.

On the other hand, however, around the world it is becoming increasingly common for a migrant to leave an ageing family member behind in pursuit of opportunity. And, Home Instead's international network is well-positioned to respond to these international care needs. It is quite common to receive special requests from a primary family caregiver – that would likely be a son or daughter – residing in a new country to request care services to be delivered for an ageing parent in their home country.

Even domestic US migration is impacting the Home Instead business. In the US, there is a developing two-step phenomenon which we call "reverse migration." Here's how it develops: First, as they pass into retirement, many "younger-old" – newly retired or healthy, independent –

seniors migrate from the cold northern states to the warmer sunbelt (Florida, for example). This separation from families – the natural care providers – is more than satisfactory for a time. Then, however, when health declines or finances become strained or older friends pass, the "younger-old" who are now the "older-old" may choose to migrate back to the state or area of origin. This is "reverse migration," and it triggers special and often unanticipated care needs for families and communities.

It also creates a business opportunity for companies such as Home Instead, as families who are unprepared for and unaccustomed to providing care for an ageing relative suddenly find themselves thrust into a position of having to do so. This migration trend also places unanticipated pressure on local communities which had not anticipated a return of this older population and may be ill-prepared to accommodate their needs.

### **Domestic Business Development Opportunities**

As a franchise network, Home Instead Senior Care has seen professionals and other highly-skilled immigrants come to the US to take advantage of franchise opportunities and build very successful businesses far from their home countries.

To cite one example, a US-trained pharmacist and her husband, a technology professional, both migrated from Iran and then completed their college education. They now own and operate one of the largest and most successful domestic businesses in the 1,000 Home Instead office franchise network. Incidentally, their international experience provides an extra measure of understanding for their clients and for employees of their Arizona-based business – a state where migration is a powerful force.

But it's not just international migration which has played itself out in positive ways for Home Instead. Of the 6,000 domestic (US) and 300 international inquiries about franchise business opportunities received each year, most are looking for something in or close to their current homes. Yet, even so, it is common to find individuals willing to migrate in pursuit of an opportunity.

### **Global Business Development Opportunities**

Home Instead's global network has also benefited from migration in which very capable and highly-educated entrepreneurs successfully developed some of the most dynamic global markets for Home Instead. For example, the master franchisor for Switzerland migrated from Austria, and the very successful master franchisor for Australia was from the United Kingdom. Both brought considerable business experience and cultural understanding to their markets.

### **Cultural Integration Issues**

If there is a standout case study about the impact of migration and its effect on the Home Care business, it would be Canada, which may be the most culturally diverse country in the world. People and families from all over the globe have been encouraged to migrate to Canada, with several resulting impacts on the senior-care business there.

For Home Instead, many local businesses are owned and operated by franchise owners who have migrated to Canada, where they purchased and built successful businesses. These businesses service a culturally-diverse

population in which language and cultural accommodation are extremely important. In fact, sensitivity to these migration-rooted differences is essential to building a successful business there.

Effectively serving this multi-cultural population requires a caregiver network which represents a broad base of language capabilities and cultural sensitivities. For example, to effectively meet the needs of his clients, the Home Instead franchise owner in Windsor, Ontario, has recruited 329 caregivers of which 135 originate from 38 different countries and speak 27 different languages. Far from being a “nice-to-have capability,” these language skills are essential for serving his client base. In fact, he specifically recruits caregivers to meet specific language and cultural needs.

By doing so, the franchise business is equipped to serve a 70-year-old Italian woman who lived her entire life within Windsor but never learned to speak any language but her native one. Since there are a dozen or more dialects of Italian, a caregiver who speaks the correct dialect was recruited.

Or, consider the special migration-related linguistic and cultural needs associated with a family from China which required a caregiver who speaks Cantonese and knows how to prepare Cantonese meals. Fortunately, with a caregiver network drawn from a diverse and migration-driven population, this is possible. Unexpectedly, it is a migration-driven need that is likewise satisfied by migration. To be able to meet needs such as these is a distinct competitive advantage.

### **Global Sourcing Opportunities**

Finding caregivers may be the biggest challenge to operating and growing a home care business. In periods of low unemployment, the shortage of workers and the competition for those who meet stringent recruitment standards makes for an expensive and arduous task. Yet there is no allowance for taking shortcuts or accepting any but the most-qualified caregivers, especially given the nature of their work with some of the most needy and vulnerable people. In spite of the challenges, caregivers must meet rigorous standards, including passing criminal background checks.

As a result, global sourcing of caregivers who meet Home Instead’s standards is becoming one solution. One US franchise owner is “importing” caregivers from Guam, and women from the Philippines are being trained to fill caregiving roles for operations in Asia. These caregivers often prove to be the most reliable and effective, although meeting their requirements as employees brings its own set of challenges.

An important example of private-public cooperation to meet the need for caregivers can be found in Canada. There, Home Instead franchise offices are taking advantage of a work programme developed by the Canadian government in cooperation with Jamaica and Ireland: these countries train caregivers, after which employers in Canada (Home Instead, in this case) agree to hire them and provide an agreed-upon number of work-hours over a specified period. The result: all participating countries benefit.

### **Challenges Stemming from Migration**

While there are certain advantages resulting from migration, it must be pointed out that disorderly migration does create challenging circumstances for businesses such as Home Instead. For one, the influx of Eastern European workers into Western Europe (often with the passive acceptance of Western European governments) creates competitive challenges for home care businesses.

With the market flooded with cheap caregivers, local families are often confronted with the choice of taking the risks associated with paying for the services of unscreened, untrained and unsupervised immigrant caregivers (often referred to as “gray market” providers) or choosing the higher-cost but more reliable services of a caregiver who is specially selected and trained and whose services are supervised by a home care company. The financial case often wins out, but at some risk as the victims are too often some of the world’s most vulnerable people: older adults.

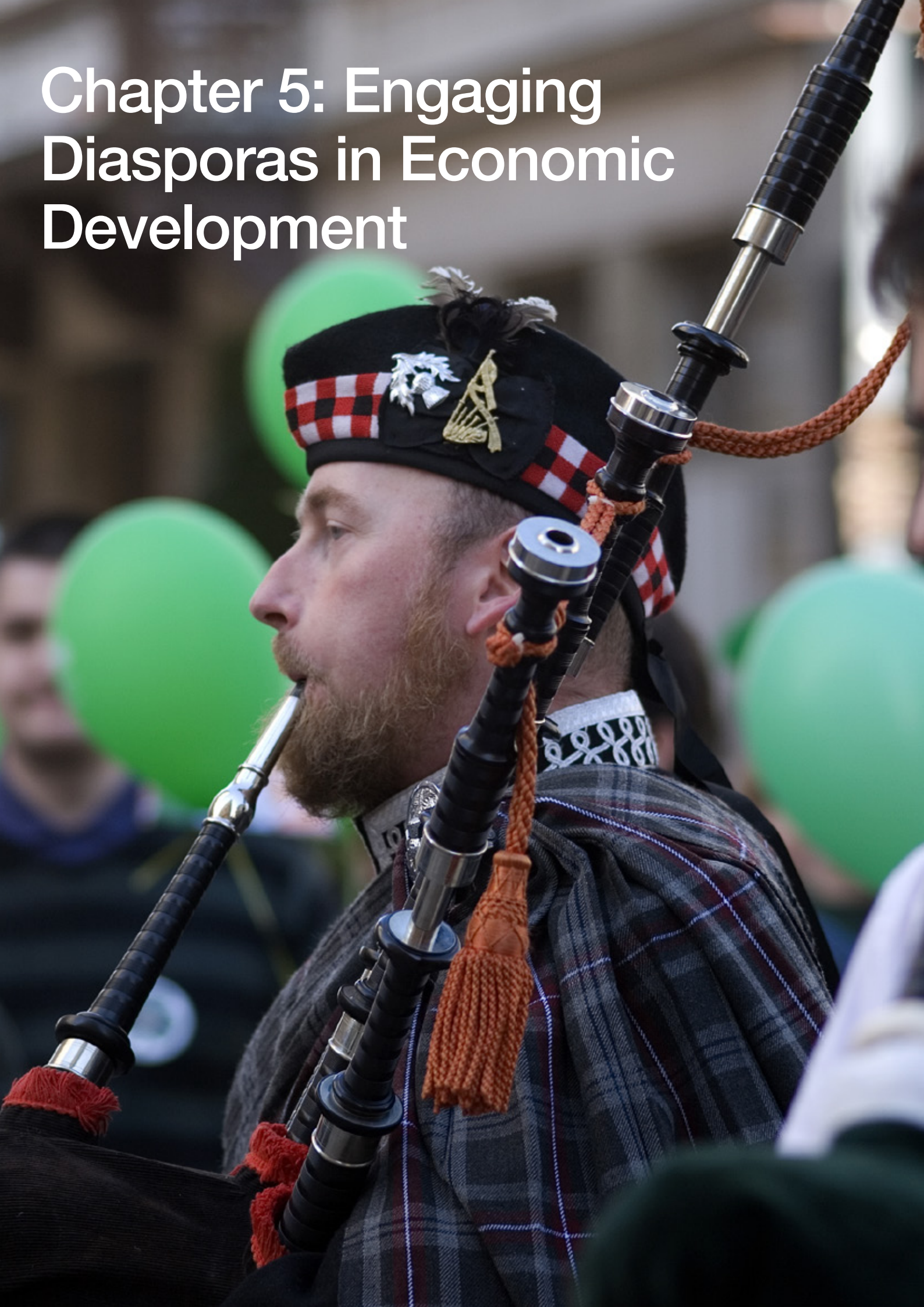
The competitive situation is often made more complex as the legitimate home care business adheres to complex labour laws regulating pay, benefits and hours worked. And, in addition to meeting high minimum wage regulations, strict benefit requirements and long-term employment commitments, a Value Added Tax is also to be paid. The combination makes it very difficult for businesses such as Home Instead to compete with the gray market.

Unfortunately, it also closes job opportunities for many native Western Europeans, all the while creating serious entrepreneurial challenges for those who would establish businesses providing care for older adults.

In summary, the home care business is substantially impacted by migration. There are benefits, and there are challenges. Migration is challenging Home Instead Senior Care to develop new markets, enhance the skills of its employees and innovate to adapt to clients. On the balance, the benefits of migration outweigh the risks.



# Chapter 5: Engaging Diasporas in Economic Development





There is great excitement about the potential of migrant diasporas to contribute to the development of their home communities. Through remittances, investments, scholarship programmes, import-export operations and the like, diasporas have demonstrated their potential to contribute to the prosperity of their native countries. More needs to be done to realize this potential, while also respecting the rights of migrants.

Harnessing the resources of migrant individuals or communities abroad is a new frontier for migration and development policy. Starting and running a successful business is hard enough; connecting businesses to diaspora investors, or to diaspora markets, only heightens the challenge. Equally, where effective, the benefits can be enormous. The case study presented here considers how India, a nation which counts migrants in the millions spread across the globe, has created a public-private structure to engage, support and harness the business potential of its diaspora.

## Case Study: The Overseas Indian Facilitation Centre (OIFC)

A. Didar Singh, Secretary, Ministry of Overseas Indian Affairs (2009-2012), India, Member of the Global Agenda Council on Migration

India is one of the pioneers in recognizing the importance of its overseas population and establishing an institutional framework for sustainable and mutually-beneficial engagement with its diaspora. By creating an independent and effective Ministry of Overseas Indian Affairs (MOIA), India has officially acknowledged the importance it gives to the very large overseas Indian community.<sup>47</sup> The MOIA is a unique experiment in diaspora engagement; in fact, India is only the 11<sup>th</sup> country in the world to have a separate ministry for its diaspora. The MOIA was established in 2004 to “promote, nurture and sustain a mutually beneficial and symbiotic relationship between India and overseas Indians.”<sup>48</sup>

Estimated to be the second largest diaspora at over 27 million spread across 189 countries, overseas Indians are today recognized as the “knowledge diaspora.” Their presence across sectors and in most parts of the globe makes them a strategic resource. India recognizes the need, therefore, to bring a strategic dimension to its engagement with its overseas community. Taking a medium- to long-term view, it is attempting to forge a partnership that will best serve India as a rapidly-growing knowledge economy – by driving innovation and entrepreneurship – while meeting the aspirations of the overseas Indian community as a significant constituency.

One of the foremost expressions of this engagement strategy is an annual diaspora conference organized in India every January since 2003, the “Pravasi Bharatiya Diwas” (Indian Diaspora Celebration). It has emerged as one of the most effective forums for diaspora engagement, and its model has been adopted by several countries including Jamaica, Cyprus, Armenia, Ukraine and South Africa.

The development potential of the overseas Indian community, which includes expatriate Indians as also those of Indian origin born abroad, is considerable. It can be catalysed into action on the ground across key sectors: Industry, Investment and Trade; Technological Innovation and Entrepreneurship; Skills Development; Social Sector Development; and Arts and Culture. This would, however, require an appropriate policy environment conducive to enabling and facilitating their engagement through an effective institutional framework. Creating such a framework while maintaining the necessary conditions for a robust, sustained and mutually-beneficial engagement has been the Indian strategy.

Following suggestions made at Pravasi Bharatiya Diwas conventions, an Overseas Indian Facilitation Centre was set up in 2007 to facilitate economic engagement of overseas Indians and persons of Indian origin with India. The OIFC has been recognized as a focal point, particularly for professionals and small- and medium-sized entrepreneurs, to expand their economic engagement with India.

The OIFC has been mandated to:

- Promote overseas Indian investments into India and facilitate business partnership.
- Establish and maintain a “Diaspora Knowledge Network”.
- Function as a clearing-house for all investment-related information.
- Assist Indian states to project investment opportunities to overseas Indians.
- Provide advisory services to persons of Indian origin and non-resident Indians.

The OIFC has a two-tier management structure – a governing council and an executive directorate. The governing council provides the broad policy framework for programmes and activities in consonance with the centre’s objectives. The executive directorate evolves strategies and implements the programmes and projects. The MOIA Secretary is the chairman of the governing council while the Director-General of industry chamber Confederation of Indian Industry (CII) is the co-chairman. In all, there are nine trustees – three eminent overseas Indians, three representatives of the Government of India and three members of Indian industry.

Since its inception, the OIFC has been responding to the needs of overseas Indians in a number of ways, which can broadly be categorized into two types: provision of information and facilitation.

A significant component of OIFC services has been answering queries in areas as varied as foreign investment consulting, regulatory approvals, market research, joint venture partner identification, project financing, accounting, taxation, law, portfolio investments and banking. This it does with the help of its experts or “Knowledge Partners” such as banks and private-sector firms specializing in areas of NRI investment, market entry, taxation and so on. OIFC’s Knowledge Partners also provide end-to-end facilitation services which include handholding investors, helping chalk out projects and actually starting their businesses. The OIFC provides its query-answering and facilitation services free of cost. The Knowledge Partners charge a fee for their facilitation services.

OIFC’s website, [www.oifc.in](http://www.oifc.in), is a business networking portal with elements such as an “ask-an-expert” facility, live online facilitation, facility to connect with other users through online investment groups, sector-wise updates, information on state investment projects, news updates and more. All this is provided at no charge to subscribers.

The OIFC provides opportunities for face-to-face connect through its Diaspora Engagement Meets. These meets are organized in regions with a sizeable presence of Indian diaspora with the aim to apprise non-resident Indians and persons of Indian origin of opportunities for investment and business engagement in India, while providing a platform for business facilitation. The centre has established contacts with over 6,300 overseas Indians through various road shows and business forums conducted in the Caribbean, Europe, North America, Middle East, South Africa and South-East Asia.

The second type of service is provision of relevant and timely information. OIFC’s monthly e-newsletter, *India Connect*, reaches over 26,000 professionals, entrepreneurs and executives of Indian origin. The newsletter features economic developments, news and policy announcements.

Other OIFC publications serve as handbooks for overseas Indians. These include a recently-released handbook entitled “Returning Indians – All that you need to know,” which is a one-point reference source for handy information to overseas Indians planning to move back to India, from rules and regulations to softer aspects like culture.

The OIFC has brought on board state governments as partners so that the diaspora can have a single point of contact through the OIFC when making decisions relating to doing business anywhere in the country and to apprise them of the special facilities offered by various states. The state governments of Assam, Bihar, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Odisha, Punjab and Rajasthan have joined the OIFC as state partners.

With a network of 10 state partners, nine knowledge partners, five diaspora associations and two media partners, the OIFC is actively servicing the Indian diaspora. The success of this strategy has led to other developing countries seeking to learn from and adapt such initiatives. Study visits have recently taken place from Vietnam, Georgia, Kazakhstan and Jamaica.





# Chapter 6: Cities, Migrants and Integration





Studies demonstrate that well-integrated migrants are comparatively more successful in their host societies.<sup>49</sup> Speaking the local language, understanding the local administration, and developing contacts and support networks are vital skills for migrants seeking employment or starting businesses. Irregular migration or poorly planned migration policies can undermine the integration of migrants, which may fuel anxieties that contribute to anti-migrant sentiment. While most governments recognize the importance of integration, often integration policies do not receive sufficient attention. Many migrants are left to their own devices in unfamiliar lands.

This is where local governments and the private sector can play a crucial role. Research indicates that the employment environment is a site of critical learning, networking and knowledge transfer for migrants, not just about a particular trade or business, but also about the host society. The next case study explores the experience of several cities in the US which, in partnership with local businesses, have pioneered migrant-friendly policies and integration efforts.

## Case Study: The Role of Cities in Immigrant Integration

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Immigration is often, and mistakenly, looked at as solely a national issue. In the US, the federal government rightfully has jurisdiction over who enters and leaves the country, but cities and states also play a crucial but often overlooked role in creating domestic policy towards immigrants.

State policy-makers clearly have an interest in the local nature of immigration policy. Since 2007 – when the last major congressional attempt to pass immigration reform was made (prior to this year) – and through the end of 2012, state legislatures enacted 1,229 immigration-related laws. This is just a fraction of the 8,357 bills and resolutions that the National Conference of State Legislatures estimates were introduced in state capitals over that time period. In the majority of these bills, state policy-makers sought to set the policy on issues such as language acquisition, employment, education and healthcare for immigrants, with the majority of legislation seeking to restrict immigrant access.

However, local interest goes beyond legislators' attempts to restrict, or in some cases increase, access to public services. Indeed, it is local leaders who are increasingly at the forefront of innovative immigrant integration policies. Their interest is simple: greater incorporation of immigrants into the economic and social fabric of communities yields positive short- and long-term economic benefits for all.

The result is that immigrant integration has fundamentally become a local issue. The federal government can facilitate the integration of new arrivals, but it is city leaders – both from the public and the private sector – who are on the frontlines of crafting policies that best understand their particular immigrant populations. Local leaders can uniquely create policies to ensure that their communities are truly maximizing the potential contributions of an increasingly diverse and innovative labour force.

Mayors, whose charge is to put in place policies to create local jobs, are also at the forefront of recognizing the role of the nation's over 40 million immigrants in their future economic competitiveness.

This includes city leaders in states that have passed well-known restrictive legislation. In Arizona, home to SB1070, the strictest anti-illegal migration legislation in the US in recent history, Phoenix Mayor Greg Stanton has called for giving young, undocumented immigrants "full license to lead our city in the near future" in his State of the City speech this year. In Birmingham, the largest city in Alabama, Mayor William Bell has spoken out against that state's restrictive immigration law, the HB 56, comparing it to the statutes that once recognized racial discrimination in his state.

Mayors, especially in medium to large population centres, often buck restrictive-leaning state legislators because their job is laser-focused on economic development, and immigrants play an outsized role in revitalizing their communities.

In fact, across the US, immigrants are critical drivers for the economy, helping to start new businesses, boost tax revenue, keep down the prices of goods, and provide a much-needed inflow of new labour as baby boomers retire. Immigrants and their children have founded 40% of Fortune 500 companies, employing more than 10 million people.<sup>50</sup> In 2011, immigrant-owned businesses employed one in ten US workers; importantly, these firms are more resilient during economic downturns and report a higher rate of exports than businesses owned by US-born individuals.<sup>51</sup>

At the same time, despite a 7.4% unemployment rate (July 2013), employers can find it challenging to find qualified workers, and struggle to hire for certain positions. Millions of jobs go unfilled each month. In fact, according to ManpowerGroup, 49% of employers in the US find it difficult to fill mission-critical positions – 15 percentage points higher than the global average.

### Cities and Migration Today

Increasingly, immigrants are moving not only to traditional gateway cities like New York City, Chicago, Los Angeles and Miami, but, just like US-born individuals, to where they can contribute to burgeoning or prospering economies.

This is the story across the South. In the city of New Orleans, for example, immigrant population dramatically increased as part of the rebuilding process following Hurricane Katrina in 2005. In Atlanta, the construction boom following the 1996 Olympics attracted a much-needed labour force to build an annual average of 71,414 homes in the subsequent eight years throughout the state of Georgia.<sup>52</sup> The immigrant population in Charlotte tripled in the 1990s and rose by another 80% in the following decade; many were attracted by the city's need for both highly-skilled immigrants as well as those that form a part of the essential economy. In these and other cities, the Council of the Americas is working with local public- and private-sector leaders to look at ways to effectively incorporate immigrants into local economic development plans.

### The Pivotal Role of Cities in Integration

But this is far from a southern phenomenon. Across the country, scores of cities are banking on immigrants for their future. Many metropolitan areas are on the cutting edge of formulating policies that maximize immigrants' economic contributions while taking into account the sensitivities of particular immigrant populations.

In the city of Minneapolis, a historically important gateway for northern Europeans, the composition of the immigrant population changed dramatically in the last two decades, with proportionally more Asians and Africans immigrating into the state of Minnesota. But more immigrants – a 130% increase in population in the 1990s, followed by an additional 49% growth through 2011 – and new sending countries presented a complex set of questions. Top of the

list was how to facilitate opportunities for the many new Muslim immigrant entrepreneurs who operate their business under Sharia law, which puts restrictions on loans that collect interest.

Immigrants represent 18% of small business owners nationwide – exceeding their share of the overall population (13%) – and are more likely than those born in the US to start a business. Finding a solution that would allow for the provision of loans was a top priority. The answer: beginning in 2006, the city of Minneapolis, in partnership with the African Development Center, began giving out loans at a fixed rather than variable interest rate so that the loan mechanism would be compliant with Islamic law. The length of the loan and the interest over the borrowing period is determined prior to issuing the loan, with that amount then added to the original total loan cost. This makes the loan Sharia-compliant, while giving small business owners the necessary funding to expand and create more American jobs.

Minneapolis is not alone in its leadership among new gateway cities. In Nashville, which saw its foreign-born population increase by 88% in the last decade, Mayor Karl Dean understood that an English-only proposal – which voters ultimately rejected in a January 2009 special election – would have had far-reaching consequences for his city's ability to conduct business with diverse populations. He also noted that always having to conduct business in English would “negatively impact” efforts to lure foreign companies to the city. But Mayor Dean, besides his leadership on language access, has continued and expanded the outreach of the city's El Protector police programme, a nationally-acclaimed outreach initiative that educates the Hispanic community about local laws and public safety issues. The programme strengthens police-community relations and partnerships, which has led to greater communication with law enforcement and an overall safer city.

Harnessing the contributions of immigrants involves cross-agency coordination and collaboration, and cities are increasingly setting up offices of immigrant affairs to coordinate immigration policy across city government agencies. In 2011, Seattle established its own Office of Immigrant and Refugee Affairs and Chicago opened an Office of New Americans. More recently, in March, Philadelphia Mayor Michael Nutter created that city's first Mayor's Office of Immigrant and Multi-Cultural Affairs. These are just a few cities that now have offices dedicated to enhancing immigrant integration by providing facilities such as language access, education, civic engagement, police-community relations and business creation.

New York City is a leader in this field. Approximately 37% of the city's population is foreign-born and almost half of New Yorkers (49%) speak a language other than English at home.

Nearly 30 years ago, in 1984, before the nationwide immigration boom of the 1990s, Mayor Edward Koch established an Office of Immigrant Affairs in the Department of City Planning; six years later, the office gained greater prominence when it was moved to the mayor's office. Since



then, it has evolved to become the lynchpin for ensuring that the city does everything possible – from ensuring city service access to providing other agencies with technical assistance on how to craft immigrant-friendly programmes – to lay the groundwork for the success of New York’s immigrant population.

In New York, the success of immigrants is fundamentally linked to the success of the city: nearly half of New York’s business sector is supported by immigrant-owned enterprises.<sup>53</sup> New York’s Office of Immigrant Affairs is increasingly recognizing the need for sharing its best practices across the US and provides strategic guidance to city leaders who seek to learn from and adopt what has been achieved in New York City.

### **The Business Case**

Promoting immigrant integration – and the vital economic role immigrants play in cities across the US – is not just a concern for city leaders. Future US economic growth depends on immigrants. With an ageing population, by 2030 the US will need to add 25 million workers to the labour force to sustain current levels of economic growth.

For employers, immigrants bring skill-sets that are critical for projected growth industries in the US economy. Today, the foreign-born represent 25% of the US’s scientists and engineers – professions vital for the information economy. At the same time, immigrants make up 28% of the in-home healthcare workforce who tend to the country’s elderly population. The Bureau of Labor Statistics projects that construction will add 1.8 million jobs by 2020. Nearly 60% of Latino immigrant construction workers arrive in the US with a deep and sophisticated knowledge of the trade.<sup>54</sup>

Besides the vital role of immigrants in the labour force, immigrant integration benefits the corporate bottom line. For employers, more effective integration increases worker loyalty, reduces employee turnover and absenteeism, and boosts worker productivity and motivation, thereby increasing businesses’ efficiency and competitiveness.

At the same time, a diverse workplace is simply good business. New ideas are generated when employees from different backgrounds come together to find innovative solutions to challenges or new approaches to get ahead of their competition. In the service industry, especially hospitality, many hotel chains recognize that guests are more loyal to a hotel where the staff reflect the diversity of their customers. A similar story is true for the restaurant industry.

Other benefits of a more integrated immigrant population include strengthened social capital, greater opportunities for upward mobility, and increased income and purchasing power that is injected back into the economy.

The private sector plays a key role in integrating the country’s large pool of immigrants. Similar to city agencies, workplace integration programmes are best designed when reflecting the particular nature of employees. Whether it is highly-skilled immigrants or those who support the essential economy, the workplace is often the starting point for

providing the tools for immigrants to feel welcome in their communities. At larger corporations, employee resource groups provide mentorship opportunities or may hold social events – often including opportunities to sample traditional food – that educate fellow employees about their particular background. Annual employer-sponsored diversity fairs are fun opportunities for employees and their families to be exposed to the rich array of backgrounds of their colleagues.

For immigrant workers in the essential economy, employers can provide a critical link to the broader community. Many of these workers may not have access to the same financial or educational resources as those in the highly-skilled tier. For them, access to English and financial literacy classes, or information on home ownership and citizenship, can play a pivotal role in their future success. Employers have the option of either offering classes on-site – either during lunch break or before or after a worker’s shift – or partnering with a community group to offer instruction off-site. While there is a cost to providing these opportunities, the return for the company in terms of worker loyalty – and thereby reduced turnover – generally outstrips upfront commitments.

### **A Way Forward**

Our work over the last six years has clearly shown that cities are the epicentres of innovative solutions to ensure that immigrants maximize their contributions to the economic and social fabric of communities across the US. Local policy-makers can embark on this journey alone and local business leaders can do the same, but the greatest impact is seen when public- and private-sector leaders collaborate to ensure that their city is a welcome destination for immigrants – and one that ensures their full economic participation. Community groups that serve immigrant populations are a critical component of local immigrant integration policies, as they are the most intertwined with the community.

All politics is local – and that holds true when it comes to immigration policy. The federal government has a clear role and responsibility to design an immigration system that ensures the US has the workers it needs while continuing to be a beacon of hope for migrants across the globe. It is the unique position of municipal leaders to create policies and programmes so that their cities have the workers needed today and in the future. With an ageing population, more of the workers needed for the future economic vitality of the United States will be immigrants, and these immigrant workers must be welcome.



# Conclusion





This short publication cannot pretend to be comprehensive. It has provided some insights into the linkages of migration with talent, competition and markets as drivers for economic growth, but each of these linkages requires much further discussion and research. For example, how can qualifications from different national systems be equated? How can small enterprises be convinced that protecting migrants' rights does not undermine competitiveness? How do niche ethnic markets affect the integration process?

Equally, the business case for migration relies on more than just the linkages explored here: innovation, entrepreneurship, employment generation and investment are all examples of activities that can gain from migrant involvement. Also, the focus of this report has largely been on economic growth in destination countries, not countries of origin.

Still, the experiences presented here form the core of the business case for migration. It is an unexceptionable fact that well-managed migration policies can contribute to national, regional and global economic growth. Migrants at both ends of the skills spectrum can play a role – by doing work that locals are unwilling to do (even during recession), as well as doing work that locals cannot do because they lack the skills.

The competitiveness of companies, on which most modern economies depend, can clearly be enhanced by migrants and migration. Restrictive and inflexible government policies put companies at risk of losing out in the global competition for limited skills and can undermine their overall competitiveness. Moreover, migrants are big business – both as entrepreneurs who create work, and as consumers who create demand.

Yet the value of this publication is not just in beginning to make a business case for migration. It also provides a clear reminder of the importance of cooperating with the private sector on migration policy. Migration was once understood as a relationship between an individual and a state. Today, it is better understood as a relationship between an individual and an employer, mediated by the state. The private sector employs (and may exploit) migrants; it facilitates global mobility within corporations; it trains migrants; it buys from and sells to migrants; and it understands migrants as workers and consumers better than any other actor in the economy. This is not to argue that the private sector should determine national migration policy, or even have a more significant voice than other stakeholders like civil society, but certainly it should be consulted.

The World Economic Forum's Global Agenda Council on Migration provides a microcosm of how a coalition can be developed to promote migration. The private sector has interests in accessing talent from around the world and developing new markets. Governments, in the interest of business competitiveness and economic growth, need to change the tone of the debate and make the case for migration. Civil society and the international community, as guardians of decent work and migrants' rights, must see themselves as partners of the private sector. Bringing together these stakeholders, along with migrants themselves, for an honest and objective debate is imperative to establish effective migration policy.



# Appendix

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