

BUSINESS AND MIGRATION

A draft report of the three business and migration roundtables conducted in Johannesburg, London and Los Angeles during 2006 and 2007 by The Hague Process on Refugees and Migration in partnership with Realizing Rights: The Ethical Globalization Initiative.

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1. EXECUTIVE SUMMARY

The link between migration and business is both ancient and complex. This relationship is again emerging as a key component of the contemporary business environment – representing at times a valuable resource, at others a market opportunity and also sometimes a risk to be managed. This is highlighted by the choice of focal areas of The Global Forum on Migration and Development, issues in which business is an intrinsic stakeholder: such as high-skilled and temporary migration, remittances and the understanding of impact on specific communities. This was also the case in the regional hearings of the Commission on International Migration and the principles of The Hague Process on Refugees and Migration upon which the activities in this report drew their impetus.

This draft report represents the beginning of a dialogue with business on international migration and development. It is based on three roundtables held in Johannesburg, London and Los Angeles during 2006 and 2007. There is clearly something additional about understanding the local contexts into which migrants settle. Local actors such as business leaders, migrant communities, local authorities and civil society organisations find they have much in common. Whilst business leaders have been less involved in national or international migration policy, they have been active more locally. The examples contained in this report echo the benefits of a ‘bottom up’ approach to understanding migration and development in which the voice of business is heard.

The feedback from business and civil society at the three roundtables was that we are at the beginning of a curve. Migration has yet to emerge as a key component of business social responsibility but the indications are that it will. Businesses are looking for the principles, tools and specific actions they might take to manage the risks associated with migrants and migration and best realise the opportunity. So too will business have an increasing amount to contribute to international policy dialogues on migration and development. As non-state actors, businesses are looking for the clarity about where their responsibility starts and stops on such a complex and interconnected issue.

Some of the key findings from the Johannesburg, London and Los Angeles roundtables might be summarised as:

- Partnerships between business, government and civil society seem to be an effective tool at the local level to manage the arrival and integration of migrants into society. There are some very tangible examples of business leadership here.
- Businesses have an interest in migrants and migration that goes beyond the employer-employee relationship. The transnational nature of migrant communities is something that international business can identify with but has only just started to engage with. There is now increasing focus on migration as a business opportunity in relation to the provision of financial services, mobile telecommunications or information technology.
- Most mainstream corporate responsibility initiatives have yet to include migration as part of their portfolios. It has been difficult for business to know exactly how and where to engage with such a complex and sometimes deeply political issue. However, this is changing as businesses themselves request the issue be included and the local context provides a very tangible basis for partnership between business and other actors.

- Business has a legitimate interest in international migration policy. Its operations, products and services might rely on migration for their viability or act as a stimulus for further migration. Government interventions in the form of Immigration quotas, green card and temporary migration schemes, security measures, regularisation programmes and bilateral agreements all have a clear business impact. Business actions might also act indirectly to limit or redirect migration through the off-shoring of employment or the localisation of management and employee sourcing.
- There are consequences for businesses if they remain inactive on migration issues. For example, high percentages of the migrant population are dropping out of high school in areas of some major cities. This has a potentially negative effect on both the skills of potential employees but also the social cohesion of the wider environment in which the business is located. Business is good at focusing on the 'voice of the customer' and can do more for migrant customers to help them voice their concerns and needs.
- Industry associations or multi-stakeholder business initiatives can take a strategic view on issues such as paying a 'living wage' to migrant workers whilst individual farm or factory owners less so.

2. BACKGROUND

This paper provides a selection of concrete experiences of how business has intervened in different aspects of the global migration and development nexus. It does not attempt to be representative, rather it hopes to stimulate ongoing discussion through the sharing of a selection of common dilemmas and good practice. The context of increased global competition requires that business leaders now enter into discussion, this is to serve not just the economic interests of business, but the well-being of society as a whole. The examples given in this paper are drawn from three roundtables held during 2006 and 2007 in Johannesburg, London and Los Angeles at which both business and civil society were represented.

Governments have recognised that the orderly management of migration will be one of the major challenges of the Twenty-First Century. Europe, for example, will be significantly demographically challenged by 2050 due to falling birth rates, whilst North Africa will have tens of millions of additional job-hungry citizens. In a global economy the realities are relatively simple, either new jobs are created by and for the people who need them or populations themselves move to find economic and social opportunity or the protection they need. The principles of the Declaration of The Hague and the recommendations of the Global Commission on Migration both recognise the inter-relatedness of all forms of migration (economic, social or humanitarian) and the need for governments and others in society, such as business, to take a comprehensive approach.

For the first time in its history, the United Nations has initiated a High-Level Dialogue on International Migration and Development in which the world's governments have begun to discuss the root causes of migration, such as poverty and the demand for migrant labour. Yet, despite growing attention to migration both domestically and internationally, global discussions rarely include the perspectives of business leaders. Similarly, the international dynamics that propel people to migrate are usually not part of the discussion within corporate responsibility agendas.

Signs of convergence between Corporate Responsibility and International Migration Policy

The new emphasis on migration within the context of development is one that allows for much greater consideration about the role of business. The nexus between business and development is becoming better

understood and has been focused around standards such as the Millennium Development Goals and the wider objectives of social and environmental sustainability. This interface with business was described by Governments in the Plan of Implementation agreed at the 2002 World Summit on Sustainable Development in Johannesburg as:

*"[In order to change unsustainable patterns of consumption and production governments will] enhance corporate environmental and social responsibility and accountability. This would include actions at all levels to: (a) Encourage industry to improve social and environmental performance through voluntary initiatives, including environmental management systems, codes of conduct, certification and public reporting on environmental and social issues, taking into account such initiatives as the International Organization for Standardization standards and Global Reporting Initiative guidelines on sustainability reporting, bearing in mind principle 11 of the Rio Declaration on Environment and Development; (b) Encourage dialogue between enterprises and the communities in which they operate and other stakeholders; (c) Encourage financial institutions to incorporate sustainable development considerations into their decision-making processes; (d) Develop workplace-based partnerships and programmes, including training and education programmes."*¹

The Special Representative to the UN Secretary General on Migration and Development, himself a businessman, has stressed the importance of continually linking migration to the potential for human economic and social development. Businesses and other non-state actors have been encouraged to be as concrete as possible in identifying the ways in which business is affected by or can affect migration flows. In this way by linking migration development it is also linking it more firmly to concepts of corporate responsibility.

Businesses are also increasingly aware that migration is an important component of the globalizing market places in which they operate. This presents particular challenges but also business opportunities. No phenomenon illustrates this better than the mushrooming interest of the finance sector in providing financial services to diaspora, in particular to facilitate the remitting of money and associated services. This market, traditionally dominated by high-street money transfer shops or less-formal community networks, is now an emerging business opportunity for mainstream banks. Linked to this is the way mobile phones might be used to exchange credit instantaneously across any border, bringing another business sector into the discussion. In this way, the trans-national character of migrant communities is being exploited as a business opportunity, both to realize 'bottom of the pyramid' economic development but also a profitable business venture for both multinational companies as well as local small and medium-sized enterprises.

So, whilst businesses might be slowly accepting that migrants deserve special attention as employees (in terms of business diversity) or as workers in the supply chain, they can also see that migrants might also be valuable potential customers. Migrants, like business, think beyond national borders and are ambassadors of the Global South in the Global North. As emerging economies increasingly dominate global economics, so too will their migrant outposts as has been the case for other diasporas through history.

¹ Paragraph 18, Plan of Implementation of the World Summit on Sustainable Development, Johannesburg 2002.

Business responsibility and business opportunity

Corporate responsibility is guided less by hard legal standards and more by 'soft law' - voluntary codes which are becoming increasingly expected of business. As already stated in a previous section and heralded in the Johannesburg 2002 Plan of Implementation of the WSSD, both the Global Reporting Generation third generation of reporting standards and the work towards ISO 26000 can be seen as progress to globally applicable standards in the field of CSR. It should be noted that the Environmental Standard 14001 is now certified at 110000 business locations globally (and ISO 9000 on Quality Management now at 750,000 sites).²

Whilst there are no 'hard and fast' international standards on business and migration, there are three under-pinning concepts which cut across a range of initiatives and might help the understanding of the business role in migration. The first two of these, 'sphere of influence' and 'avoiding complicity', have been reflected in both the United Nations Global Compact³ and also the work of the UN Secretary General's Special Representative on Business and Human Rights.⁴ The third, 'opportunity for development', has its roots more firmly embedded with the right-based approach to development as an opportunity for business.⁵

The Sphere of Influence of a business

"While the concept of sphere of influence is not defined in detail by international human rights standards, it will tend to include the individuals to whom the company has a certain political, contractual, economic or geographic proximity. Every company, both large and small, has a sphere of influence, though obviously the larger or more strategically significant the company, the larger the company's sphere of influence is likely to be." Understanding a company's sphere of influence can be accomplished by mapping the stakeholder groups affected by a business' operations. A key stakeholder group that will normally lie at the centre of any company's sphere of influence will be its employees. Other groups, such as business partners, suppliers, trade unions, local communities, and customers will follow. The final group will usually be government and wider society.⁶ Businesses should understand where and how migrants might fall within their sphere of influence and the nature of the relationship they have with them. This is particularly the case when business employs migrant workers, or migrant workers are engaged in their supply chain, retailing operations, customer base or are otherwise affected by business operations.

Avoiding complicity

"A company is complicit in human rights abuses if it authorizes, tolerates, or knowingly ignores human rights abuses committed by an entity associated with it, or if the company knowingly provides practical assistance or encouragement that has a substantial effect on the perpetration of human rights abuse. The participation of the company need not actually cause the abuse. Rather the company's assistance or encouragement has to be to a degree that, without such participation, the abuses most probably would not have occurred in the same way."⁷ Within the context of business and migration the principle of non-complicity can relate to businesses precautions with regard to contexts where there is forced migration

² SOMO (2007) *ISO SR 26000 Briefing Paper*, March 2007, Somo: Amsterdam.

³ www.unglobalcompact.org

⁴ www.business-humanrights.org

⁵ Business Leader Initiative on Human Rights (2006) Report 3: Towards a Common Framework on Business and Human Rights, BLIHR: London. www.blihr.org

⁶ UN/BLIHR (2006) *A Guide to Integrating Human Rights into Business Management*, UN: New York and Geneva.

⁷ *Ibid.*

(refugees, internally displaced peoples), human trafficking and smuggling or the exploitation of migrant workers. In conflict or near conflict situations, international humanitarian and international criminal law might be relevant. Although perhaps of less direct legal effect to business, the 1951 Refugee Convention and the Migrant Workers Convention might also be relevant in understanding moral obligations with regard to migrants.

Opportunity for development

A third concept, which is less developed than the other two, is that of a rights-aware approach in business to achieve positive development outcomes for specific communities. This draws from the 'rights-based' approach now used by some governments, inter-governmental organizations and NGOs in their development work, and encourages business to embed human rights into its own culture and decision-making processes. This approach can then be aligned with development goals, such as the eight millennium development goals, as is the case with some public-private partnerships, particularly those relating to health and education. If human rights and development are embedded in the process, migration and migrants can represent a business opportunity as well. This is clearly the case on remittances and other cross-border financial transactions, and might also be the case for mobile telecommunications, information technology and other industries.

3. HIGHLY SKILLED MIGRATION

The many ways in which migration will increasingly impact on business was agreed to be complex and that focus was needed for greater business involvement in discussions around opportunity. One tactic is to focus on the 'fulfilment of jobs' as the main organising principle and to take an internationalist approach to local labour needs. The "South Asia Business Card" was cited as one example, acceptable for governments and initiated by businesses, which allows for temporary working in associated countries. Another example given was the "World-Wide Workers" labour database in the oil and gas industry. In addition, attempts by multinational companies to invest in local communities in emerging economies were seen as effective attempts at increasing the local benefits of foreign investment and which would inevitably redirect the flow of migrant workers in years to come.

Strengths and weaknesses of existing policies to manage migration

Governments and individual business sectors have occasionally made assessments of labour or skill needs in relation to intakes of specific categories of immigrants (e.g. skills needs in the IT sector in Germany and the issue of green cards). Concurrently, several business-sponsored surveys, including one by Microsoft in 2000, have revealed the enormous financial losses suffered by the EU due to skill gaps (a shortage of 1.7 million professionals and a loss of US\$481 billion for the IR sector alone by 2003).

Technologies are now changing fast, and so are the types of skills needed by business sectors. In the US, business is better equipped to assess their sector specific labour/skills needs and thus to negotiate with government on labour/skills-based immigration. But even in the US there is an unresolved debate on whether and how labour-based immigration should combine specialists with highly specific skills attuned to current technological requirements and those who have adequate broad-based training and human capital qualities to be able to adapt to rapid technological change.

Business view from Los Angeles roundtable:

The representative of one major company commented that indeed migration is now one of their biggest issues, whether it is in the context of the Californian-Mexican border, or internally in China, and found it very encouraging that for the first time the UN is debating migration in this way. 'Business can surely contribute - given the speed at which business can move compared to other actors such as governments. Business can also lend a practical and realistic aspect to the discussion.'

For a global IT company, E-inclusion and digital communities are important parts of the opportunity. The challenges come with the large amount of outsourcing and a large labour force around the world in a first-tier supplier base, some of which will be migrant labour. Can a company maintain flexible contracts with such workers? In relation to labour rights and suppliers, the debate often focuses around the respective role of 'open contracts' versus longer-term contracts.

Brain drain and brain gain

One often discussed example of brain drain is the migration of health workers from Africa to Europe or North America. It is estimated that a country needs at least 2.5 health workers for every 1000 people to provide basic healthcare. Sub-Saharan Africa has less than 1 health worker per 1000 compared to over 10 per 1000 in Europe. This means mothers going into labour without midwives to help them, AIDS patients not being able to see a doctor and children having to live with a curable disease like malaria until it's too late. The UK is the only rich country to have a policy of not actively looking for healthcare workers in deprived countries to staff the National Health Service (NHS). A list of countries, including all those in Sub-Saharan African, has been drawn up by DfID and the Department of Health, to ensure the NHS does not "poach" doctors and nurses that are needed elsewhere. In addition, the Department of Health has secured a groundbreaking agreement for this code to apply to many private healthcare providers so they too do not recruit staff from the world's poorest countries.⁸

Some international companies have taken active steps to limit ex-patriot high-skills migration. For example BP plc:

"In Tbilisi, Georgia, and the regions, we have progressively employed more people since 2001. This has included an increase in both the number of Georgian nationals and expatriates. The expatriates are experienced staff with relevant prior experience, working in short and some long-term roles. As the projects have neared completion we have needed experienced staff of this kind with relevant prior experience, for commissioning and initial operations. The agreements that set out the framework of requirements for our operations on the projects, include preference on the use of local labour in the construction and operating phases. We have exceeded these requirements. We estimate that over 4,800 Georgians will have worked on the BTC pipeline during its construction phase. This will create a legacy of skilled workers for future infrastructure projects in the country. BP Georgia is committed to developing all our staff. As our activities in Georgia move from projects to long-term operations, we are seeking to promote more Georgian nationals to assume leadership positions. In the course of 2005, we implemented a programme to ensure all long-term employees had appropriate development opportunities and launched a Georgia Leadership Development Programme (GLDP), providing briefings, training, career

⁸ Department for International Development (2006), UK Government, London.

planning and succession planning. We also identified the roles currently filled by expatriates, and began succession and development planning to help ensure that the long-term BP Georgia positions are ultimately filled by Georgian nationals.”⁹

Business view from the Johannesburg roundtable:

In South Africa, business felt that the Government needs to shift from ‘controls’ to a more management-oriented approach and that South Africa should sign up to the Migrant Convention. Attention is required to improve policy, but there is a lack of political will to deal with this problem at Government level and rights aren’t extended to all people. It was felt that there needs to be greater coherence between the various Government departments dealing with migration.

Business view from the Los Angeles roundtable:

A representative of a major international retailer related experiences of growing up in Iowa, a State dependent on migrant agricultural labour, and reflected that most of America was not yet ready to acknowledge the contribution of migrants to the US economy. Their CEO had already spoken out on the issue of migration, and more CEOs doing so could have a significant impact on public policy in the USA. However, businesses should look holistically at the issues. For example, the US is not producing enough technical expertise among students in the USA. And many trade unions have reinforced protectionist attitudes around migration in the USA, not seeing how migration can be a source of strengthening unions in the States. If migration is about push-pull factors, then business has also to do more on the push factors - making it economically attractive for migrants to stay in their own countries.

Moves towards off-shoring

The main driver for companies to offshore is cost savings, with some advocates claiming reductions of as much as 70% (although 30%-50% is more realistic). The bulk of off-shored activities includes call centres, IT enabled services (ITES) e.g. software development, and business process outsourcing (BPO) e.g. human resource management, payroll processing, account reconciliation, etc. Increasingly, higher value-added jobs are being off-shored, such as complex financial analysis, technology R&D and innovation. These services can be outsourced to either service providers or company-owned operations in low-cost countries.

At present, 600,000 people in the UK are employed in call centres alone, generating £13.3 billion in revenues annually. By contrast, the size of the UK off-shored services sector is much smaller, representing £240 million in revenues per year. As the trend continues, however, large numbers of jobs are thought to be vulnerable. By 2008 it is estimated that 730,000 financial services jobs will migrate from Western Europe to lower-cost regions. In the US, some 400,000 jobs have already been off-shored, a figure expected to rise to 3.3 million in 2015, a potential 1% of the US population.

The major providers of offshore services are China, India, Ireland, Israel, the Philippines, Poland, Russia and South Africa. Currently, India accounts for 80% of the off-shored jobs, employing 0.5 million people (expected to increase to 1 million by 2008) in the IT and IT enabled services and contributing to 3.15% of GDP. The reasons for this include lower wages (one-third of costs in the US and UK), the widespread

⁹ BP (2006) BP in Georgia, Sustainability Report 2005, London.

knowledge of English and the 2 million University graduates every year who are eager to work in this sector. China is currently the fourth largest offshore provider of software services and is predicted to match India by 2006. Russia is predicted to gain 5% of the market by 2007.

Examples of good practice

At a broad level there was consensus that there was evidence of some good practice within some British companies on actions taken to support migration workers, either directly (such as the policies of some of the Canary Wharf banks relating to living wage issues) or through supplier management (such as the work of some of the companies in the Ethical Trading Initiative in relation to Gangmasters/Migrant Employment Agencies). The Home Office/CBI/TUC partnership was seen as a promising start and participants were interested to see what the tangible benefits of stated commitment had been for migrants themselves. Likewise, the Code of Practice in Northern Ireland (which directly involves many small and medium-sized companies) was seen as a fairly concrete example which could usefully be rolled out into Britain, as could schemes which promoted a living wage for migrants.

In South Africa, businesses felt that employers need to more fully engaged as part of the national Immigration Advisory Board and other Parliamentary portfolio committees; the introduction of points of access for lobbying to ensure discussion between employers and Government; ratification of ILO conventions which protect labourers; involvement of business in policy discussions through the IAB and at the local level; and existing platforms should be used to include all parties, business, government, civil society and local government.

The groups were asked to consider issues of diversity in the work-place and employment of non-South Africans; discrimination and defending the rights of migrant workers; and economic opportunity brought by migrants and integration of migrant workers into Johannesburg. Some of the thematic points raised were that discrimination predominantly affects people in low-skilled sectors; xenophobia is a function of existing inequalities; discrimination is nuanced and depends on where an individual is in the society; foreign workers bring in entrepreneurial skills; the role of the media in this area; and whether integration affects groups other than refugees and asylum seekers.

The groups broadly concluded that they would like to see a follow-through on the constitutional right to choose a profession (which does not apply to migrants). Each worker should have the right to protection under labour laws in practice. Existing diversity training should be extended to cover migrant workers. Business could also create sustainable jobs and reduce competition between South Africans and migrant communities as migrants often have a higher level of education and/or skills. Business should be in dialogue with NEPAD for instance to facilitate trade between South Africa and Mozambique by investing in better infrastructure between the countries.

4. TEMPORARY AND CIRCULAR MIGRATION

Global cities and migration are interlinked in two important ways. They need labour often from both within and outside the country for road repairs and construction work, hotels restaurants and various tourism activities, delivery services and so on. At the same time, the arrival of new workers, including those who come from across borders, place heavy strain on the cities' existing health and social services, schools and hospitals and the transport and communications systems. This creates tension and even conflicts.

Some of these basic facts are well known. What however is not always clear is the extent to which the concerns of the cities are factored into the formulation of migration policies. These concerns of course vary from one city to another. If, for example, a city is short of labour, is it a reflection of general labour shortage in the country? Or is it due to low geographical and occupational mobility, including an aversion of the local people to certain types of low-skilled (so-called 3-D) jobs? If a city is suffering from overcrowding, to what extent is it due to excessive inflows of immigrants? Or, as it could happen in a labour-surplus developing country, is the city's overcrowding due the arrival of potential emigrants from the countryside? The immigrant ghettos in suburban areas are often criticised as a source of general decline of cities and rising levels of crime. To what extent is this a reflection of a deficient integration policy?

Adequate knowledge and information are also lacking on several other important areas where migration and business are interlocked. The use of irregular immigrant labour, especially in the underground economy, is a case in point.¹⁰

In the EU there has been a spectacular expansion of the underground economy, accounting for an average of 17 per cent or even more of its GDP, compared to only five per cent in 1970. It employs between 10 and 28 million people, mostly, though not exclusively, irregular immigrants, corresponding to 7-9 percent of declared employment. These irregular immigrant workers are often victims of serious labour and human rights abuses. Activities in the underground economy entail important losses in tax revenues for the governments (Sweden has a relatively small underground economy; even so, it loses between US\$ 2.6 billion and \$5.2 billion every year) and make integration of migrants more difficult, creating a vicious circle of exploitation and rights abuse. As these activities are carried out in defiance of existing fiscal, labour and other social laws and regulations, they lead to a general erosion of respect for the law and a weakening of social values and ethical standards in business.

Employers in the underground economy are often blamed for encouraging inflows of irregular immigrants to save labour costs. This tarnishes the business community's image at a time when business is becoming increasingly committed to playing an ethical role in society. It is important for the government, business and the community alike to know the forces that are driving the expansion of the underground economy. Restructuring or reforming the underground economy is of course a complex task that impinges on multiple policy areas. Experiences in Italy and elsewhere have shown however that a number of these enterprises have the potential to be modernised and integrated into the organised sector. What role can business play, in collaboration with the government, to upgrade the productivity of these enterprises and thus to encourage and enable them to protect the labour and human rights of the migrant workers involved? Both its ethical obligation and its enlightened self-interest in preserving a system of orderly migration impel business to be involved in this task. Information gathering, field investigations and informal consultations with business sectors and all the other stakeholders are an essential preparatory step in this direction.

Informal networks of people migrating to the city grow up through friends and family because people lack information and documents. It is important to remember that formally internationally recognised refugees are also marginalised. The most vulnerable members of society are treated the worst. It was noted that the Police practice racial stereotyping and pick up people based on their appearance, and that migrants suffer harassment from Police if they are found without their documentation. Even individuals coming from countries recognised as sending states are grouped together with the most vulnerable in South African society. Specifically there is prejudice against black migrants; their skills are not recognised

and there are local language barriers. Another dimension to this issue was that the individual migrant is likely to be planning to return home in the future and that they simply came to South Africa for economic reasons.

Business view from the London roundtable:

In the UK, for example, many businesses spoke in favour of The Gangmasters Licensing Act (2004). Brought after the death of 23 Chinese immigrants at Morcombe Bay. This was seen as an example of sensible government intervention in one aspect of business and migration that cannot be left to self-regulation alone. However, even when specific laws are brought in, business must remain responsible to complying with the spirit and not just the letter of such laws. Businesses should continue to develop their understanding of their 'sphere of influence' in relationship to their legal and moral responsibilities towards migrants and to ensure that they are not complicit in any abuse of migrant's rights.¹¹ Several British supermarket chains joined the Ethical Trading Initiative Temporary Labour Working Group, set up in 2002 specifically to address labour conditions for seasonal and foreign labour in the UK Food Industry. The group developed a code of practice and a licence and registration system for temporary labour providers.

Business view from Johannesburg roundtable:

In South Africa It was stressed that the business community would like to see schools promoting tolerance of all cultures, teaching the history of peoples in South Africa and therefore debating the ideological hostility towards foreigners. The legitimisation of "illegals" through amnesty systems or guest worker schemes for the low-skilled was seen as desirable. Also, provision of emergency treatment to all without asking hospitals to report any illegal migrants would ensure a reduction in the spread of diseases such as AIDS and TB. Crime was highlighted as a major issue, with many people attributing criminal acts to "undocumented aliens". There was also deemed to be a significant problem with South Africa's press portrayal of migrant communities.

Business view from Los Angeles roundtable:

An agricultural company representative relayed that the current political environment in the USA had made it really challenging for those who employ migrant workers to take any public position. Businesses are afraid of being made the enforcer of immigration status in the USA. Businesses do not want to be seen as the driving force of illegal migration in the USA - so very few business leaders are willing to take a stand on their own. Immigration, he noted, was one of the top two issues facing his company, but still speaking out was difficult. However, despite these constraints, looking at how the USA will handle the issue of migration and how we craft our future migration policies, 'we are doing ourselves a terrible disservice by not engaging more fully'. Perhaps business associations need also to play more of an active role here.

Products and services for migrant communities

In the USA, Spanish speaking radio and TV shows now outstrip their English speaking equivalents in terms of audience figures within Los Angeles. For Washington Mutual and for other businesses that want to serve

¹⁰ Bhimal Ghosh (2006) personal communications.

¹¹ Sainsbury plc (2006), Sustainability Report 2005, London.

this market it is in businesses own best interests to understand and embrace the immigrant community. Therefore Washington Mutual is developing products and programmes from a community perspective.

A central part of these financial services for migrants are the wire transfer programmes for remitting money to home countries. Some banks now recognise the 'Matricula Card' in order to encourage non-documented citizens to use financial services. A recent article in *American Banker* commented on the effects of some legislators in southern California trying to block the recognition of these cards, and therefore inhibiting the provision of services to the migrant community.

Community engagement is also seen by the bank as an important way of helping to educate future workers. Currently Washington Mutual is engaged in twelve schools in the Los Angeles area - each with a heavy Latino population. Even in Orange County (not renowned for its migrant community) there are similar business taskforces. Corporate America is already doing a lot for migrants behind the scenes beyond giving jobs, including funding some of the NGOs supporting the rights of migrants. Significantly this also means extending services to long-standing resident communities who might be most impacted by the arrival of migrants, such as African Americans in South Central Los Angeles.

Some other examples of involvement from around the USA were given, such as Spanish Harlem (New York) where Washington Mutual is giving loans to the newly arrived Mexican community undergoing something of a 'culture shock' in what is traditionally a Puerto Rican community, or for East Europeans now arriving in Chicago.

Protecting the rights of migrant workers

One very relevant case study is the establishment of the 'Centre for Reflection and Action on Labour Issues' (CEREAL) in Guadalajara, Mexico, as a conflict-resolution centre on labour related issues amongst suppliers based near the US-Mexican border. HP was able to leverage the wider membership of the Electronics Industry Code of Conduct (EICC) in support of the centre, and the number of labour-related complaints in relation to key suppliers has since dropped significantly. Clearly many of these workers are migrants from elsewhere in Mexico (and beyond), and such an initiative by a business in an important migrant-sending and migrant-transiting country is significant.

Further afield, HP has been engaged in similar activities in Central and Eastern Europe - such as Hungary and the Czech Republic - where there is a flow of migrants from neighbouring countries to the East. Migrants can be associated with dramatic abuses of overtime, for example an employer might happily allow their workers to work the annual limit of 4,000 hours in a year, but within a four month time-span.

Of course one of the largest migration phenomena of all time is the migration of over 300 million rural workers into the urban centres of China, many housed in huge dormitories. Here some of the associated issues for HP's suppliers are fundamental, such as access to basic services and gender discrimination.

Coming back to the US, these examples from around the world highlight the need for a more holistic approach involving both sending and receiving countries. Currently of concern to international business based in the US is the fragmentation in the US public policy in this area, with different States taking different initiatives.

Examples of Good Practice

Barclays Bank announced Rentokil Initial had won the contract to clean its new headquarters in Canary Wharf in London, set to open next January. But in a move that has far-reaching implications elsewhere, the contract also includes minimum standards (for its mainly migrant workforce). As well as a rate of £6 an hour, after six months service cleaners get sick pay for up to 15 days; a pension with a 4.5 per cent employer contribution; and 20 days annual leave in addition to eight bank holidays (cleaning companies typically include bank holidays in the 20-day minimum under the Working Time Regulations).

In South Africa, businesses felt that a tripartite multi-stakeholder dialogue could be organised on this subject at a regional level and inform Governments of the work; undertake a skills audit - identify gaps for economic growth in the country, count people required and utilise them. Since Johannesburg is such a vibrant diverse city it could develop a programme of integration for the city which could be replicated elsewhere. Migration could be included in the school curriculum to encourage students to consider their environment and their history. Further, the HRC could do work to develop a charter of rights accessible to all in several languages. Rather than a campaign based on the negative aspects of this debate such as Rollback Xenophobia, a campaign is needed which concentrates on the positive aspects. Finally, it was suggested that the IOM's initiative in Geneva with a business advisory board could be localised in South Africa.

There is a need to examine this problem by learning from others close by. It affects Trade Unions, businesses and employees; the Government should develop a migrant integration support centre and international organisations could support Governments by implementing existing laws and assisting with capacity building. The Office of the Mayor could coordinate for the media and the Government to work together so the media can promote awareness.

During 2002-2003 work permit holders from 66 different countries came to Northern Ireland, the most numerous being from the Philippines, India, Ukraine, the USA, China, Bulgaria, Romania, South Africa, Canada and Malaysia. Among the European Economic Area countries, Portuguese nationals are the largest visible group. The OFMDFM sponsored study into migrant workers in Northern Ireland showed that migrant workers mainly work in nursing, food processing, agriculture, service industries/catering, further education and construction. There are an estimated 20,000 plus migrant workers in Northern Ireland - this is considered a conservative estimate. Of these, 10% have problems getting paid, 22% have experienced harassment or discrimination in the workplace, with some complaining of unfair dismissal. Qualifications and skills are not taken into account, leaving migrant workers in low-paid, low-skilled work. Issues faced by migrant workers include rights, housing, language, access to and information about public services, health, employment, immigration, education, recognition of qualifications and racism. BitC's response so far has involved consultation with over 50 employer and statutory agency representatives in September 2004, a conference focusing on building best practice in employing migrant workers in March 2005, developing a Code of Practice on employing migrant workers, which has just been published, and establishing a migrant workers award category in the BitC annual awards. Elements of the Code of Practice deal with recruitment, travel and accommodation, integration into the host community, providing for the needs of those who speak little or no English, meeting the cultural needs of minority ethnic people, preventing and addressing racial discrimination and harassment in the workplace and treatment of workers.¹²

¹² Business in the Community (2005), Northern Ireland.

Business in South Africa thought that more research is required into the different types of migration policies and more input from Trade Unions is needed to see how to reduce exploitation. There is also a need for better data on skills provided by migrants and to consider the transfer of skills of temporary migrants to local workers. There should be no trade off between national integration and migrant integration since this results in exclusion. A more flexible labour market is required as migrants bring all types of labour skills and there should be easier facilitation and verification of degrees since it is difficult to employ migrants whose qualifications cannot be accredited.

5. DEVELOPMENT OPPORTUNITIES

Bilateral agreements

One example is the role on international business in Jordan, recounted during the Los Angeles Business Roundtable. In October 2000, the US signed a Free Trade Agreement with Jordan. It requires that each country uphold International Labour Organization (ILO) standards. While the Jordan-US FTA failed to include the protection of migrant workers' rights and to specify clear enforcement mechanisms, it did explicitly list, among other things, the right to association, the right to organize and bargain collectively, and requirements on acceptable conditions of work.

For Jordan, the agreement brought preferential access because of the Free Trade Agreement and the Qualified Industrial Zones (QIZ) program, which grants export approval for companies that comply with QIZ eligibility requirements. QIZs in Jordan expanded from one in 1997 to 13 in 2006, accommodating over 110 companies. It is estimated that exports to America increased twenty fold between 2000 and 2006.

Working conditions offered in the QIZ factories were too low to attract a sufficient number of Jordanians, and some companies sought out migrant workers. People from China, Bangladesh and other countries were given visas by the Jordanian government specifically to work in the QIZs. By 2006, QIZ factories employed more than 54,000 workers, of which at least two-thirds are foreigners. A report from July last year from the American Chamber of Commerce in Jordan noted that over 80 percent of QIZ investments are owned by companies from China, Taiwan, Hong Kong, the US, Pakistan and elsewhere.

Under Jordanian law, residents who are not Jordanian citizens, including those with work permits employed in the QIZ factories, are excluded by law from union membership, which obviously limits their ability to negotiate collectively in demanding enforcement of labour rights.

Civil society groups, later supported by members of the US Ways and Means Committee, became aware of appalling workplace violations within many of these factories, particularly for migrant workers. The most common complaint was exceedingly long workdays, workers not being paid for months, and inadequate and unsanitary working and living conditions. Because these factories employed so many migrant workers, arrangements had to be made for housing. Dormitory facilities were substandard, often unsanitary or unsafe.

The US-based National Labor Committee began a thorough investigation. They found substandard conditions in at least 25 of the 100 garment factories in Jordan, and released a report in May 2006. Once the issue became public, the Jordanian government acknowledged the problems and responded with their own investigation. Violations were identified, penalties were issued, some establishments were closed, and other measures were taken. Discussions continue with the ILO. In September 2006, the AFL-CIO and the National Textile Association, a trade group of American textile mills, filed a complaint under the

labour chapter of the US-Jordan FTA. It was the first time a business organization had filed a worker rights complaint under a trade agreement.

Just as these violations became public knowledge in the US in May 2006, many companies confirmed the problems, while others emphasized that they did not themselves own or manage factories there. The trend to sub-contracting has not been matched by sufficient attention to how to apportion company obligations to respect labour and other human rights in international supply chains. But with the increasing ease of international travel, growth of the internet, and most importantly the search for implementing shared international standards on human rights, the situation of workers in supply chains increasingly will come under sustained scrutiny. Because migrants are a particularly vulnerable population, they are among the groups most likely to be exploited.

In this case, the governments of both the US and Jordan were clearly responsible, but the companies were being held responsible as well, even if they were not directly employing the migrant workers, and the violations were taking place in a foreign country. This illustrates some important reasons for companies to develop a sound understanding of the situation of migrants in their international supply chains, and aim to ensure their well-being is not overlooked. A company would do well to pay attention for a variety of reasons: to ensure the stability and sustainability of its supply chains; to protect its reputation among consumers; to uphold the law, and in particular international labour standards; or simply to 'do the right thing'.

Enhancing the positive impact of remittances

There was a general feeling during all three roundtables that there needs to be more clarity regarding the services available to migrants. Banks, for example, are only starting to see migrants as consumers. At present it is not possible to open a bank account in South Africa without identification documents which many migrants lack. There needs to be a celebration or tolerance of diversity - businesses are used to selling to a diverse range of customers so they can reach all people in the society by marketing their image in the best way.

One company representative noted that only 7% of the population have access to internet technology in South-Central Los Angeles and therefore investment in Learning and Technology centres was vital. Partnerships are key here, such as the collaboration between the IT company and the local gas provider. The message was that business should make interventions, but not in a vacuum. Fundamentally it is also seen to be about people's safety. The collaboration between several corporations and MALDEF was cited as an example of partnership that could be built upon. Another example of partnership in Los Angeles is that between a major bank and the garment workers union to deliver reading literacy and financial literacy in the Compton and North-East Valley areas. Further examples are the 'Unity Platform' working on migrant education, and the work of The Urban League.

6. LOOKING AHEAD: BUSINESS AND MIGRATION PARTNERSHIPS

Summary of findings from the Johannesburg Roundtable

Several speakers in Johannesburg emphasised the importance of recognising the historical context in South Africa whereby prior to the 1990s attitudes towards migration were determined by racial prejudices. After 1994 the response of the Government has been seen to be to ensure less migration by imposing more controls - transferring the onus to the employers to report illegal migrants, with the result that civil

society reacted violently towards illegal migrants. Businesses and civil society now work to help the South African population to understand the issue of migration and to recognise that there must be a free flow of labour between neighbouring countries to allow the South African economy to grow. As the population of Johannesburg increases, the debate has moved in emphasis from “they take our jobs” to “how can we ensure proper provision for migrants in this city?”

The key recommendations were:

- There is a need to include more people already based in the country in anti-discrimination programmes run by business. Business should partner with NGOs to ensure all voices are heard. Businesses should open up to this debate and continue the discussion with business people (the National Business Initiative was suggested as a possible forum). Business should also recognise the vulnerability of migrants particularly as a result of HIV/AIDS and to engage with the media.
- The migration agenda should be aligned with other business responsibility activities already in place (e.g. JIPSA, ASSISA, NBI, NEDLAC) and a holistic approach should be taken so as to involve all stakeholders.
- Businesses in South Africa reported that there is a need to address the unstable economic environments outside South Africa and look at what role there is for business in this in terms of trade and investment. Business environments outside South Africa should be strengthened to be able to make long-term investments.
- Business in South Africa needs to be more ethical in its operations with difficult economies outside South Africa. Bilateral agreements between countries need to be more ethical so that one country pays for the costs of training in another. All countries in the region should document all migrants. There needs to be effective regional consultation between Governments on the needs for particular skills (a discussion between the Governments of the DRC, Zimbabwe and South Africa looking at what skills are needed and what skills could be offered).
- Business should fund information points at strategic places in partnership with the IOM and others and training and research programmes on the rights of migrants, in partnership with other actors particularly civil society with the aim of producing data for use by other businesses. Business should support existing programmes on HIV/AIDS, particularly on intervention issues and offer more support to local communities through corporate responsibility programmes. Businesses should also support small businesses established by migrants themselves.
- Businesses should take their leadership forward into the legislation debate to make legislation more appropriate.

Summary of findings from the Los Angeles Roundtable

A key missing link is the need for an ‘Enabling Environment’ for businesses to become more involved in local migration policy. There is the need for greater congruity within public policy at the local level, and there is a need to find ways of removing the cloud of fear that business leaders have that they might be prosecuted for the use of illegal labour.

There are some fundamental societal challenges related to some migrant communities. 50% of the population are dropping out of high school in some migrant areas of the city. Business is good at focusing on the 'voice of the customer' and can do more for migrant customers to help them voice their concerns and needs.

Business and industry associations could potentially play a key role in giving a voice to business leaders who feel unable to speak out directly. Industry Associations can by definition take a broader view. For example a lot of farmers feel they cannot take a more progressive position and pay a 'living wage', but an industry association could take more time on this in raising the bar. What kind of a message should business be sending? With greater advocacy there is also the fear of greater responsibility. Business does not want to become the 'enforcer' on the issue and so is cautious as to how much it can say.

Within the US public, there is a very deep-seated ambivalence about globalisation. There was a perceived lack of will to try to get the public's arms around the debate, although most statistics show the changes associated with migration were positive.

However, one view was that events of September 11 2001 have now forced the issue. It has become a political agenda, spreading to Latino migration. To get to the point where we get meaningful leadership, we need someone with the passion who can speak *for* that the community, *from* that community - leaders need to step up for their own communities. Business has had a long and an often quiet role in supporting community leaders, from Chavez to Martin Luther King. Yet again the leadership needs to come from the people most affected - the migrant communities themselves.

The key recommendations were:

- There are consequences for business if there is inaction on migration issues.
- There is clear evidence of successful local partnerships in Los Angeles and beyond which can be shared and built upon in order to build the capacity of migrant communities on issues like financial literacy and health care.
- It is within the sphere of influence of many businesses to engage with their consumers on this issue.
- Within a public policy context, there is a need to re-brand the whole migration discussion and here business can work alongside civil society, trade unions and local authorities to do so.
- Individual companies are fearful about taking public positions alone, and so business and industry associations should be encouraged to do so.

Summary of findings from the London Roundtable

- The UK Government needs to create a cross-departmental formal body to drive migration issues in the UK and take more responsibility both for issues of control and cost, as well as balancing the language and education support that both migrants and the marginalised poor in the UK require to fulfil their own potential as well as filling skills gaps;

- Both business and government should take an active interest in integrating migrants into mainstream British society. However, Governments should be careful about what they expect from specific companies here through sponsorship schemes etc. What might be possible for a multi-national company will certainly not be possible for small or medium-sized enterprises. The UK Government should retain the fundamental responsibility for ensuring good integration of migrants into British society;
- A code of practice between Government, Business and Trade Unions is a good idea but (it needs to have some “teeth” behind it and also to be clear as to which aspects are mandatory and which are voluntary. The inspiration from Northern Ireland shows what businesses of all sizes can sign up to start to implement. All efforts should be made to disseminate this and other models.