



Defining a Business Framework for International Migration Policy

Prepared by BSR for the Global Forum on Migration and Development

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About BSR

A leader in corporate responsibility since 1992, BSR works with its global network of more than 250 member companies to develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. With six offices in Asia, Europe, and North America, BSR uses its expertise in the environment, human rights, economic development, and governance and accountability to guide global companies toward creating a just and sustainable world. Visit www.bsr.org for more information.

Trends in Supply Chain Labor Migration:

1. Indirect recruitment and employment increase risks of abuse and raise costs
2. Migrant workers are unprotected under many national laws
3. Few workers receive adequate pre-departure or skills training
4. Processes for dispute resolution are often ineffective

[International Labor Migration: A Responsible Role for Business](#), (page 11)

A CALL FOR ACTION: GFMD BUSINESS ALLIANCES ROUNDTABLE TO ADVANCE GLOBAL POLICY ON LABOR MIGRATION

In 2008 BSR launched a two-year International Labor Migration (ILM) initiative funded by the John D. and Catherine T. MacArthur Foundation, with participation from the private sector, to ensure protection of migrant workers in global manufacturing operations in emerging economies. The myriad current policies affecting migrant workers require a clear business agenda and framework for business and civil society to engage on global migration policy. This report provides recommendations for a business framework and action plan to inform the 2009 Global Forum on Migration and Development (GFMD), based on BSR's experience in leading multi-stakeholder efforts to advance sustainable labor practices in global supply chains.

THE BUSINESS CASE FOR ACTION:

“The global economic crisis is posing new challenges for the world's 100 million migrant workers. They may face reduced employment and migration opportunities, worsening living and working conditions and increasing xenophobia. Although no massive return of migrant workers has been observed so far, the crisis is having repercussions on their earnings and the remittances they send home”.

(ILO: <http://www.ilo.org/public/english/protection/migrant/index.htm>)

Not only is there a strong moral case for improved treatment of migrant workers, but a strong business case can be argued as well. In addition to limiting reputation risks, BSR has demonstrated through over a decade of engagement that better treatment of workers improves productivity, worker-management relations and relationships with local stakeholders.

Through enhanced protection and fair payment of migrant workers, the development impacts of migration can also grow significantly. Remittances and the safe return of workers who have acquired skills abroad will contribute to origin country economies. Better treatment of workers in destination countries will improve industry reputations and support the development of healthy industrial relations processes. Improved regulation of recruitment practices may also reduce the number of illegal migrant workers by bolstering the formal migration process, an outcome that would benefit origin and destination countries alike.

The intersection of global migration and business is complex. Yet, the private sector is in a unique position to bring together various stakeholders around common interests that will benefit business, promote economic opportunity and address the needs of the world's migrant workforce. In developing a framework

BSR ILM Focus:

Industry:
Manufacturing

Origin Countries:

Bangladesh
India
Philippines
Sri Lanka
Vietnam

Destination Countries:

Egypt
Gulf States
Jordan
Malaysia

Though labor migrants work in many industries in emerging economies, including agriculture, construction, manufacturing, services and tourism, this report focuses primarily on manufacturing as a starting point for engagement with BSR member companies.

Knowledge, awareness and connections are key at every step of the process: from initial concept to pre-departure, in-factory employment and subsequent return

The voice of the foreign workers and constructive channels with the employer are the fundamental basis on which this work should be built.

to establish common ground between business and civil society, the focus should be on:

- Creating greater transparency of the multiple dimensions and impacts of migration in global supply chains, such as complex recruitment models and lack of basic awareness of worker rights.
- Cross-industry collaboration on key issues through action oriented approaches, such as pilot projects and multi-stakeholder engagement;
- Building synergies between the private sector, governments and civil society to advance public policy dialogue

THE BUSINESS FRAMEWORK FOR ACTION:

Addressing the complexity of issues surrounding migration in global supply chains demands a succinct business framework that incorporates a multi-phased approach, allowing for greater transparency around key issues, that builds pragmatic solutions for business and supply chain partners, and develops a robust network of global stakeholders to address issues systemically in the international policy arena.

BSR Company Framework for Action:



source: http://www.bsr.org/reports/BSR_LaborMigrationRoleforBusiness.pdf

STEP ONE: TRANSPARENCY – EDUCATE YOURSELF

Even in cases where basic rights protections are in place, migrant workers often face additional struggles of isolation or lack information on how to protect themselves. These vulnerabilities present additional supply chain risks in the form of worker relations, compliance and productivity issues, as well as human rights violations.

Business can play a significant role in transparency and education by:

- Evaluating sourcing country data on migration policy and regulation, including the degree to which migrant workers are protected by bilateral agreements between origin and destination countries.
- Mapping suppliers in key sourcing countries using most migrant workers, evaluating origin countries of key sourcing countries.
- Engaging in conversation with suppliers on existing migrant worker practices to determine whether company supply chain policies incorporate migrant worker provisions.
- Engaging with migration experts to gain a comprehensive understanding of the complex dynamics of migration: The results of extensive research and in-country assessments were published in BSR's 2008 report: [International Labor Migration: A Responsible Role for Business](#). BSR facilitates ongoing dialogue with migration experts, such as Dr. Phil Martin (University of California at Davis), and Irene Fernandez of Malaysian women's' and migrant workers rights advocacy NGO, Tenaganita.

Participants

ILM Focus Group:

Apple
Hewlett Packard
Nordstrom
JC Penney

Nike
Burberry
Thai Garment Export Co.
Limited
Esquel Group
Hytex Apparel
United SweetHeart
Garments
South Island Garments
Avery Dennison
Western Digital
STATS ChipPAC Malaysia
Sdn
Federation of Malaysian
Manufacturers
Malaysia Packaging Industry
Berhad
Malaysia Employers
Federation
Tenaganita
Monitoring the Sustainability
of Globalization
Malaysian Bar Council –
Human Rights Committee
SUHAKAM - Human Rights
Commission of Malaysia
Refugee and Migratory
Movements Research Unit
Dhaka University
Malaysia Trade Union
Congress

STEP TWO: ENGAGE WITH YOUR SUPPLIERS

Partnerships between companies, suppliers, and civil society in key product sourcing countries is an effective strategy to jointly address and resolve concerns and issues. Suppliers will benefit from a more direct recruitment model, for example by directly hiring workers in the country of origin, and from a better informed migrant workforce, by training workers on their basic rights and setting up adequate factory mechanisms and systems to address migrant worker issues. Civil society has the local knowledge and issue expertise that can play a key role in understanding and addressing specific migrant worker issues in receiving countries.

Equally, there is opportunity for business to include specific language in codes of conduct that addresses migrant labor and communicate company requirements clearly with suppliers. The Gap, Nike and Apple have all explicitly called out their supply chain policies around migrant labor and are working to integrate migrant worker protection in their existing supply chain programs.

The role of business in supplier engagement is important to:

- Develop a corporate supply chain policy that integrates migrant workers issues and includes this language in internal and external auditing protocol; One of the outcomes of the ILM focus group is a set of monitoring tools for companies to protect migrant workers in global manufacturing facilities. Business can add supplier requirements that include provisions specific to a migrant workers, such as ensuring migrant workers receive an employment contract in their home country, and that this contract is provided in their own language, and provisions to ensure that suppliers work with recruitment agencies that do not charge recruitment fees in excess of legally permitted fees.
- Communicate policies and requirements directly to suppliers and foster a collaborative approach to dealing with issues, avoiding a top-down, compliance led approach. The case study on page 4 highlights the pilot initiative of the ILM focus group, that is underway in Malaysia and that is aimed at moving from dialogue to action by implementing pragmatic tools to ensure protection of migrant workers in global manufacturing operations. The outcomes of these initial pilot projects will provide essential learning that would be most effectively applied on a wider scale, in other manufacturing operations in both sending and receiving countries of migrant labor.
- Partner with civil society and other relevant stakeholders and facilitate worker training and capacity building for migrant workers to enhance awareness and education on migrant workers' basic rights. Successful engagement with civil society helps to break down real and perceived barriers to collaboration. BSR's facilitation of private sector partnership with Tenaganita to implement capacity building training programs in Malaysian factories has helped to establish greater mutual understanding and more targeted results. The case study on page 4 describes the benefits of this partnership.



BSR Case study – ILM Pilot Initiative Malaysia 2009:

Efforts to improve the situation of foreign workers in Malaysia should center on:

- Improving worker awareness
- Communication mechanisms
- More direct approach to recruitment.

ILM Focus Group Launches Pilot Project and Establishes Social Dialogue in Malaysia

The *ILM Focus Group* and Malaysian employers, international brands, civil society and unions met for two days in Kuala Lumpur, Malaysia, to find ways together to build greater protection for migrant workers in Malaysia.

Objectives and Goals:

- Build knowledge, understanding and relationships;
- Agree on key areas of collaboration for a pilot project in two factories in Malaysia;
- Develop an ongoing stakeholder forum to continue the social dialogue in Malaysia.

Core Areas of Collaboration for the private sector and civil society:

1. RECRUITMENT SYSTEM: recognized as a critical challenge for workers, international, and local stakeholders, there was agreement that more direct forms of recruitment are needed to create greater transparency in upstream challenges and potential impacts in the existing recruitment models. On page 3 the case study on recruitment outlines challenges and suggested approaches to more ethical recruitment forms.

2. WORKER ORIENTATION & WORKER RIGHTS AWARENESS: the root cause of issues related to the poor protection of migrant workers can often be attributed to poor preparation of workers on basic rights and responsibilities before they arrive in Malaysia.

3. FACTORY MANAGEMENT MECHANISMS: upon arrival in the destination country and during employment, foreign workers experience poor communication due to language issues and lack of infrastructure for grievance, as well as insufficient communication with factory management. A two-pronged approach, working with local partner civil society organization, Tenaganita, to address both worker rights as well as factory management systems, is being implemented as a pilot initiative in Malaysia.

4. GOVERNMENT FRAMEWORK/REFORM: the Malaysian government is seen as a key stakeholder in the migration process in Malaysia, as in most migrant worker origin and destination countries. A key focus of the continuing social dialogue in Malaysia is to ensure engagement at the national level and to find ways to inform national regulation and policy. Ongoing social dialogue thorough multi-stakeholder dialogue and

Outcomes and Solutions:

1. Pilot Project: implemented by partner organization Tenaganita, focused on **worker capacity building** and **factory management processes/mechanisms** in two manufacturing sites in Malaysia.
2. Continuous **Social Dialogue:** to build on an initial multi-stakeholder meeting in



As key drivers of global labor demand, companies are in a unique position to have far-reaching impact on how international labor migration between emerging economies is viewed, legislated and managed.

STEP THREE: EXPAND YOUR INFLUENCE – OPPORTUNITIES FOR BUSINESS TO ENGAGE IN GLOBAL POLICY AND DIALOGUE

Efforts to expand influence beyond individual supply chains will achieve more significant and sustainable impact if coordinated with industry partners and other peer companies. A strong and unified company voice can drive significant change and allow business to be more active in the global dialogue on migration.

KEY STAKEHOLDERS - OPPORTUNITIES FOR ENGAGEMENT

Partnership in addressing labor migration issues in global supply chains is essential in ensuring systemic improvements in migrant workers' working environment, such as strengthening regulatory frameworks, proactively managing migration flows, increasing the positive developmental impacts of migration, and providing resources for migrant workers.



1. Engage with International Organizations, Dialogues and Taskforces:

Below are key opportunities for business to engage on global dialogue by finding synergies and alignment with corporate supply chain policies and programs that (aim to) incorporate migrant labor provisions.

- GFMD is introducing a groundbreaking business framework to forge closer collaboration between the private sector and civil society during its third convening in November 2009.

- The Colombo Process brings together 11 Asian labor origin countries. In 2005, the process was expanded to include eight destination countries as participatory observers. The principal aims of the Colombo Process are to share experiences, lessons learned and best practices in overseas employment policies and practices.

Role for business: provide pragmatic solutions and proposals for action to advance the dialogue, for example through pilot initiatives.

- The International Organization for Migration (IOM) helps facilitate safe migration at all levels and serves on the advisory committee for the Colombo Process and other cooperative regional and bilateral dialogues, and engages in capacity-building activities with governments to improve migration policies and implementation. IOM regional offices also initiate local projects, including migrant resource centers and training programs. The IOM has a Business Advisory Board with members from the private sector and civil society.

Role for business: align corporate programs with IOM activities and initiatives in designated countries and ensure adequate representation in the business advisory board.

- The ASEAN Taskforce on the Protection of Migrant Workers has engaged in consultations with national and regional trade unions and civil society organizations since its inception, as well as the UN and the IOM to propose the implementation of a civil society Framework Instrument on the Promotion and Protection of the Rights of Migrant Workers.



Better Work

Best Practice in civil society and business partnership to build sustainable supply chains

Better Work is a unique partnership between the International Labour Organization (ILO) and the International Finance Corporation dedicated to reducing poverty and providing a fair framework for globalization in developing countries. Business plays an integral role in promoting more sustainable supply chain practices in key sourcing regions through participation in an international Buyers Forum, providing buyers with an opportunity to provide feedback into Better Work expansion plans and tools, and to engage in constructive dialogue with relevant stakeholders including national governments, unions, and manufacturer associations.

<http://www.bsr.org/consulting/working-groups/better-work.cfm>

BSR partnered with Tenaganita to develop worker training and set up factory management mechanisms in two Malaysian factories. The NGO takes both a strong advocacy approach – exposing issues publicly – and a partnership model for working with companies. The local knowledge and intimate knowledge of the migrant worker of Malaysia greatly enhances the credibility and success of the project.

An excellent example of effective trade union engagement to protect migrant workers is demonstrated by union activities in Jordan following the allegations of widespread abuse of migrant workers in export processing zones in 2005. The General Federation of Jordanian Trade Unions (GFJTU) has since worked to achieve better conditions for migrant workers, and to improve channels for legal redress when maltreatment occurs.

Union View, #07, December 2007, ITUC CSI IGB.

Role for business: companies operating in and/or sourcing from ASEAN countries should find synergies with these ongoing consultations and be aware of its progress.

- ILO International Migration Programme: The International Migration Programme (MIGRANT) is the mainstream unit responsible for labor migration in the ILO, undertaking a number of activities on priority areas of labor migration. It provides advisory services to member states, promotes international standards, provides a tripartite forum for consultations, serves as a global knowledge base, and provides technical assistance and capacity-building to constituents. ILO has recently developed a multilateral framework on labor migration to guide its constituents in labor migration policy.

Role for business: companies looking to protect migrant workers in their supply chains align their supply chain policies, audit protocol and language with the ILO's core principles on migrant labor.

- Partnership with Local Civil Society Organizations can be critical to international companies seeking to further understand the presence of migrant workers in their supply chains, the conditions under which they work, and how best to improve their protections. Local organizations have on-the-ground staff, most often speak the languages of the migrant workers, and can be trusted allies for workers. Proactive, ongoing relationship building and engagement with key civil society groups is crucial to improved management of labor migration in supply chains. Relationships with civil society can significantly enhance formal monitoring by companies. Moreover, supporting a robust civil society network helps businesses ensure that workers have a voice, thus mitigating the risk of cases of abuse going unreported. When incidents of maltreatment do arise, strong relationships with civil society create the potential for disputes to be settled out of court.

Role for business: companies can partner with civil society organizations to design and implement management trainings and awareness-raising campaigns among migrant workers.

- Global and national trade unions have increasingly prioritized involvement in migrant worker rights issues.¹ While the union movement went through a period of some reluctance to engage with migrant workers, there is now a strong conviction among organized labor of the importance of including migrant workers in their efforts. Many international unions have active programs focused exclusively on addressing the needs of migrant workers. Unions are also working to include the important dimension of gender in the migration dialogue.

Role for business: Companies can cooperate with organized labor to improve worker protections through existing advocacy efforts and outreach programs. For example, in 2006, the National Labor Committee and the United Steelworkers of America created flyers to inform migrant workers of Jordanian Labor Law and resources for assistance. The flyers were translated into Bengali and Chinese and distributed in Jordan's FTZs. Companies could utilize existing outreach materials for distribution in their suppliers' facilities.²

2. Leverage existing business initiatives on migrant labor to advance private sector – civil society partnership:

In November, the GFMD will initiate a potential framework for business alignment with civil society to advance development and protect migrant workers. In doing so the goal should be to leverage existing efforts that include the business voice.

¹ "Freedom of Association in Practice: Lessons Learned," International Labor Conference, 97th Session, ILO, 2008.

² Business for Social Responsibility (BSR) "International Labor Migration: A Responsible Role for Business." 2008, page 29.

Key conclusions from the Athens business roundtable, August 2009:

- Low-skilled workers are especially prone to unemployment and job loss during downturns
- Rigid legislation in destination countries to limit migration is counter-productive
- Employers prefer demand-driven immigration systems, but policymakers are typically unwilling to allow employers to regulate themselves
- The business community could demonstrate greater sensitivity to social consequences of immigration
- All stakeholders would benefit from being more cognizant of each other's concerns: economic and social arguments must go hand in hand.

Complete overview of roundtable conclusions:

[“The Private Sector and International Migration Policy”](#)

A selection of international business initiatives focused on migration and aligning the private sector and global policy that can form a basis for further constructive private sector and civil society partnership are:

- [Business for Social Responsibility \(BSR\)](#) – BSR has developed a framework for business action and engagement that provides three tangible steps including: 1) Education around migrant labor; 2) Engaging with suppliers through pilot initiatives; and 3) Expanding influence by engaging with stakeholders to influence global dialogue and change.³
- [The Hague Process](#) – The Hague Process has convened a number of meetings between the private and public sectors to discuss the relationship between migration and business human resources policies. In the Netherlands, this discussion highlighted the benefits migrants bring, identified barriers for migrants to succeed and ways to mediate these challenges.⁴
- [International Business Leaders Forum \(IBLF\)](#) – The IBLF has also recognized the need for businesses to play a constructive role around international migration. IBLF has developed the Business and Migration programme to focus on awareness and capacity-building to influence policy through practical approaches, such as raising standards in the supply chain to working to improve the regulatory framework.⁵

CONCLUSION – A CALL TO ACTION

On the eve of the third annual global forum to discuss migration and development the pendulum must swing from pure dialogue to a more pro-active commitment by the private sector, civil society, and governments, to collaboratively implement a framework for action that reflects targets and solutions for greater protection of migrant workers in global supply chains:

- **Increase transparency and prioritize business focus.** Understand the key dimensions of the migration landscape for the private sector, and prioritize the most important issues according to their relative business importance.
- **Build partnerships and align efforts** around those key issues that are most important and that can be approached collaboratively, such as BSR's collaboration with TenagaNita in Malaysia to build transparency and capacity in factories. Partnership models enhance credibility and outcomes and provide an important lever for closer collaboration between business and civil society. A pro-active approach to engagement with business in their key sourcing countries will allow civil society to have a more systemic impact on companies' policies.
- **Set collaborative goals and targets for ongoing improvement** in key areas of focus and for key initiatives. Monitoring progress of initiatives, particularly pilot projects, allows for ongoing assessment and more successful future efforts. Prior to launching the pilot project in Malaysia, BSR set targets and agreed on goals for execution of the project. Interim progress will be shared and evaluated with the stakeholders in Malaysia, as well as final deliverables (tools) and outcomes, that will be implemented by the participating companies and suppliers.

[The Business Roundtable in Athens](#)⁶ late August 2009 provided an important platform for initial dialogue by the private sector around the most important migration issues in preparation for the GFMD. The Business Alliances roundtable at the GFMD can play a key role in evaluating the synergies between the issues and set a collaborative business-civil society agenda that will influence policy and set a clear direction for business to engage.

³ Business for Social Responsibility (BSR) "International Labor Migration: A Responsible Role for Business." 2008. http://www.bsr.org/reports/BSR_LaborMigrationRoleforBusiness.pdf

⁴ The Hague Process on Refugees and Migration. "Business Sector and Migration."

⁵ International Business Forum. "Corporate Social Responsibility Investment and Responsible Business Practices." <http://www.eiodqa.eiod.org/UploadedPdfFiles/MENA%20CSR%20Conference%20Mar09.pdf>

⁶ MPI, IMEPO, MacArthur Foundation: <http://www.gfmd2009.org/UserFiles/file/MPI-IMEPO%20Athens%202009%20Business%20Roundtable%20SUMMARY.pdf>