GLOBAL FORUM ON RESPONSIBLE BUSINESS CONDUCT

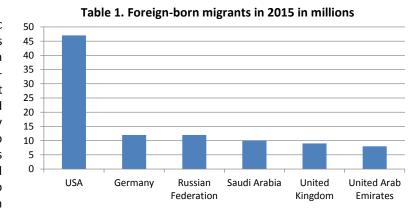**SESSION NOTE**

Responsible employment of migrant workers

Co-organised with BSR
30 June 2017, 9:30-11:00
Auditorium - OECD Conference Centre

Short-term foreign-born workers play an intrinsic role in many sectors and economies. They fill important niches both in fast-growing and declining sectors of the economy, contribute significantly to labour-market flexibility, and contribute to human capital development.[1] Just under 70% of the world's migrants (including both short-term and long-term migrants) are concentrated in 20 countries. In 2015, the largest number of foreign-born migrants resided in the United States of America followed by Germany, the Russian Federation, Saudi Arabia, the United Kingdom and the United Arab Emirates.[2]

Despite the potential economic benefits that temporary migrant workers bring to the economy and that they gain from formal employment, globally low-income, short-term foreign-born migrant workers are often marginalised economically, socially and geographically and therefore are particularly vulnerable to exploitation including low wages, precarious work, harassment, coercion and forced labour, and restrictions on the right to freedom of association. The conditions in which migrant workers are recruited and

Table 1. Foreign-born migrants in 2015 in millions

hired can heighten the above risks. Third party labour recruitment agencies and contractors often facilitate the recruitment and hiring of domestic and foreign-born migrant workers. Such labour brokers often operate in the informal economy without legally enforceable contracts or agreements regarding wages, benefits, provisions of work and without oversight. Migrant workers may also be vulnerable to exploitive debt schemes exacted through the recruitment process. Due to the resulting lack of visibility, illegal subcontracting can increase almost all human rights and labour risks. The circumstances of recruitment, employment and the level of protection afforded to short-term foreign-born migrants are greatly affected by policies in both sending and host countries.

This session will seek to address how companies can carry out human rights due diligence in their own operations as well as those linked to suppliers, such as third party recruitment agencies, in the recruitment and employment of migrant workers. Panellists will discuss lessons learned in applying due diligence to prevent and mitigate risks linked to the recruitment process as well as in addressing potential human rights and labour risks in the destination country. This session will likewise examine the policy tools available to governments to create an enabling environment for responsible business conduct and to protect workers in both sending and destination countries and the roles of civil society and trade unions.

OECD

Box 1. Employment of short-term migrant workers in the construction sector

Although construction output has in recent decades been traditionally most dominant in OECD countries, emerging markets, including the UAE, India and China, now account for over 50% of construction output. [3] A highly labour-intensive industry, the construction sector remains one of the largest employers globally. [4] The industry is partially characterised as seasonal, project-based and tied to specific locations. (i.e. unlike light-manufacturing sectors, construction cannot simply be moved in search of lower costs or cheaper labour). These characteristics contribute to a reliance on foreign-born migrant labour in contexts where domestic labour markets are insufficient. Migrant construction labour networks are both significant and growing and facilitate several million short-term migrants from India, Pakistan, Bangladesh, Nepal, Sri Lanka, and the Philippines, and increasingly from Vietnam, China and other parts of South and East Asia working across Gulf Cooperation Council States and Singapore. [5]

The construction sector presents the opportunity for good employment in the formal economy for many short-term foreign-born migrant workers. However, as is also the case in other sectors, migrant workers in the construction sector are particularly vulnerable to illegal recruitment fees and debt bondage. Debts can be incurred through formal means, such as banks, or informal moneylenders and interest rates are often prohibitively high and require monthly debt payments. Some governments have taken action by prohibiting recruitment fees or setting fee schedules. [6] Similarly, some companies operating in the construction sector have taken measures to prevent human rights abuses by paying fees directly, working with known recruitment agents, and engaging with workers and trade unions to provide access to remedy. [7] However, in both cases of government policies and company human rights due diligence, implementation can be difficult to monitor as payments are often informal.

Resources

- OECD (2016), International Migration Outlook, 2016, OECD, Paris.

- OECD Migration Databases, www.oecd.org/els/mig/oecdmigrationdatabases.htm

- OECD (2017), Perspectives on Global Development 2017, International Migration in a Shifting World, OECD, Paris.

- OECD (2014), *Migration Policy Debates*, "Is Migration Good for the Economy?" UN (2015), Migration Report. New York.

- BUCKLEY, Michelle, Adam ZENDEL, Jeff BIGGAR, Lia FREDERIKSEN and Jill WELLS, Migrant Work in the Construction Sector, ILO, Geneva.

- Building Responsibly, BSR

- The Dhaka Principles for Migration with Dignity, Institute for Human Rights and Business

Notes

---

[1] OECD (2014), *Migration Policy Debates*, "Is Migration Good for the Economy?"
[2] UN (2015), Migration Report. New York.
[3] BUCKLEY, Michelle, Adam ZENDEL, Jeff BIGGAR, Lia FREDERIKSEN and Jill WELLS, Migrant Work in the Construction Sector, ILO, Geneva.
[4] Ibid.
[5] Ibid.
[6] Ibid.
[7] For example, see BSR's working group, Building Responsibly.