



InternationalLaborMobility

# PAPER TRAILS...

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## Building effective “behind-the-border systems” to manage labor migration: Rationale, must-haves and common challenges

The extent to which developing countries can benefit from greater integration with international labor markets relies substantially on the strength of their domestic institutions, services, procedures and policies to manage labor outflows. Just as trade facilitation systems can play a role in helping countries reap the development benefits of trade in goods and services, “behind-the-border systems” to manage labor migration are essential to take full advantage of the development opportunities offered by cross-border labor mobility. The urgency to find jobs to a growing labor force in a number of developing countries now coupled with fierce and intensifying global competition for limited job opportunities in destination countries implies that labor sending countries need to follow a concerted approach to accessing international labor markets. This approach should aim to combine systematic actions at home, actions in coordination with destination countries, and actions that coordinate amongst public and private actors. This note looks at the rationale to build such systems, the key elements to incorporate and the common challenges to address in order to achieve effectiveness.

## ABOUT PAPER TRAILS

The International Labor Mobility (ILM) discussion note series, *Paper Trails*, provides an opportunity to highlight ongoing work, discuss emerging findings, and share ideas to build stronger migration systems. The series is intended to spur debate and discussion. To share your thoughts, please refer to contacts on the last page.

## Why should sending countries care about managing labor migration?

- To open labor market opportunities for a growing workforce**  
Supporting workers in their search for employment abroad addresses a short term and pressing need in a number of countries that are not able to offer enough jobs to increasing numbers of labor market entrants. Given the size of youth unemployment in certain developing countries, the general response to activate the labor force must integrate all the potential avenues, including seeking employment opportunities abroad for those willing to work temporarily or permanently overseas.
- To ensure that mobile workers remain protected when they cross borders**  
Mobile workers face specific risks and vulnerabilities throughout the migration cycle, from recruitment to employment abroad and potential return. Preventing and mitigating such risks warrants adequate policy interventions at these different stages. Since information asymmetries create room for exploitation in sending countries, it is important that regulations and oversight guard against them. While abroad, relevant support services delivered by sending country representations can significantly reduce migrant vulnerability. Once labor is mobile, social security rights such as pensions and health

## Why should sending countries care, cont'd.

insurance need a relevant legal and institutional basis to become practically portable.

### 3. To use international mobility as a trigger to upgrade skills and training systems at home

International migration can bring significant positive externalities for sending countries, especially for skill acquisition and training standards at

home. Work experience abroad can contribute to skills upgrading and acquisition in key sectors for investment and employment creation in developing countries (e.g. health, tourism, construction). Overlapping labor needs in sending and receiving countries and investment opportunities in these sectors also creates room to explore joint training arrangements with relevant public and private players. It is possible to envisage relevant

cost-sharing mechanisms for the training of migrant workers and therefore make use of international labor mobility to upgrade training standards.

*“The response to activate the labor force must integrate all potential avenues, including seeking employment opportunities abroad.”*

## What key elements are most needed?

### 1. The broader public policy framework: a coherent strategy and institutional architecture

The experience of successful labor sending countries reveals that the benefit of building or upgrading behind-the-border systems for labor migration is greatest if sending country governments are first able to articulate clear and coherent policy objectives for how migration links with national development and employment. National level objectives serve to corral the multiple and complex range of public and private stakeholders involved in labor migration, orient their efforts towards common goals, and clarify roles and mandates of organizations involved in achieving stated objectives. An integrated labor migration strategy allows a government to match high level policy outcomes and objectives with operational policy programs, including: legal frameworks for international recruitment, funding to support migrants across the migration cycle, relevant counseling and training programs, remittance transfer infrastructure, inter-agency or inter-ministerial coordination mechanisms and oversight, a marketing strategy

and communication tools to promote domestic workers abroad and reach out to foreign employers in selected sectors, data management, monitoring and evaluation, etc. Mobilizing relevant data, qualitative evidence and labor market information to inform decisions should be viewed as part and parcel of a coherent labor migration strategy.

### 2. Public functions: effective implementation arrangements and coordination with non-state actors

Implementation arrangements refer to the delivery of services by the agencies in charge of achieving the specific policy objectives set at the strategic level. Effective delivery first requires adequate financial and human resources for these functions. In particular, international labor intermediation requires experienced and competent teams who are sufficiently endowed and empowered to proactively prospect job offers on foreign markets while achieving quality worker selection and preparation at home, often in coordination with receiving country players. In complex institutional environments, effective coordination mechanisms between

multiple agencies on the ground is also essential to screen, select and prepare workers before they leave and ensure adequate protection while they are away. Direct presence in receiving countries is also key both for marketing and protection purposes. Effective implementation arrangements often require partnering up with non-state actors domestically and abroad. Involving private recruiters and training institutes at home can significantly enhance the delivery of intermediation services. Reaching out to diaspora associations and other civil society organizations in receiving countries can facilitate access to information and local public goods and ultimately the integration of newcomers. Finally, the involvement of employers' representatives is crucial to ensure the success of labor mobility schemes.

### 3. Private services: adequate regulation, monitoring and enforcement mechanisms

In parallel with public services for overseas employment, sending country governments should also consider the potential value added of allowing private agencies to provide interna-

## What key elements are most needed, cont'd.

tional labor intermediation services, especially when the numbers of emigration candidates become high. When private agencies are allowed to operate, introducing safeguard mechanisms to prevent worker abuse and exploitation becomes necessary in an environment of information asymmetries. These can include eligibility requirements such as registration fees or financial capacity and deposit requirements restrictions, and rules for recruitment such as limitations on the fees perceived from workers or the use of compulsory standard contracts. However, if too stringent, such regulatory constraints can undermine the commercial viability of certain recruiters, especially smaller

agencies facing severe resource constraints in the early stages of market development. It is therefore important to balance commercial viability with worker protection concerns when adjusting the regulatory parameters. This requires a sound understanding of the market place and workers risks, which implies frequent consultations with private recruiters, NGOs and workers representatives. Developing relevant monitoring and enforcement mechanisms according to government capacities and resources is also essential to ensure the legitimacy of the law. A balanced mix of negative and positive incentives can help ensure compliance: major labor sending countries seek a dual

approach of applying penalties on recruiters who resort to illegal practices and rewarding those who comply with established standards.



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## What are the common challenges to address?

The earlier section has pointed towards a range of institutions and capacities that sending countries need to develop in order to take better advantage of international labor mobility for employment and human development purposes. Such institutions are most often missing or embryonic. The evidence collected in different country contexts reveals common challenges that public and private stakeholders involved in international labor intermediation have to tackle to reach their intended objectives. This brief review should help anticipate and address some of these challenges.

### 1. Developing a well documented and commercially oriented approach

*i. Devising and implementing effective marketing strategies:*

Labor sending countries often lack the scientific labor market analysis to identify job opportunities and devise a targeted market access strategy in destination markets based on their sectoral advantages. Once employment opportunities abroad are identified, a further difficulty is to develop effective mechanisms to assess and bridge the language and technical training gaps domestically to meet foreign standards. Another challenge for sending countries is to build direct prospection and marketing capacities in the destination markets. Limited presence on the ground in receiving countries limits their ability to maintain direct and regular contacts with employers to explore sectoral opportunities and match foreign demand with domestic supply of labor. It also limits the understanding of labor needs, training standards and the performance of domestic workers in foreign markets.

*ii. Screening workers and building the skills and reputation of a mobile workforce:*

Adequate capacities for a rigorous selection and preparation of mobile workers can take years to develop, especially for the lower skill levels. This requires an adjustment to international employers' standards in screening procedures, language training and soft skills needed to facilitate worker adaptation at the workplace. Reaching the expected levels of screening and worker preparation therefore implies close and regular consultations with foreign employers in select sectors over the years. The reputation of domestic workers among foreign employers in these sectors is at stake. Piloting labor mobility schemes at the bilateral level can help build such a reputation by creating a demonstration effect with a first group of employers.

## What are the common challenges to address, cont'd.

### 2. Ensuring effective multi-stakeholder coordination within and across borders

#### *i. Coordination between public agencies domestically and bilaterally:*

International migration is a cross-cutting policy area by nature and therefore requires aligning the efforts of a diverse range of public agencies (employment, social protection, foreign affairs, etc.) in order to increase placements abroad and protection of migrant workers. The lack of coordination and synergies between sending country representations abroad and the different agencies in charge of labor intermediation and training at home is often problematic and deserves special attention. Inter-agency coordination at the bilateral level is a further challenge, especially when it comes to implementing effective job matching and cost-sharing mechanisms for private beneficiaries (workers and employers). This requires exchanging information and sharing responsibilities between administrations that often deploy several agencies respectively.

#### *ii. Coordination with employers and other private actors:*

Bilateral cooperation between public agencies is necessary but not sufficient to build effective job-matching mechanisms. Involving employers at all stages of recruitment is essential to ensure demand-responsiveness and adequate recruitment and training processes. A first challenge is to run targeted information campaigns and hold regular consultations with employers in select sectors. Further efforts are required to directly involve employers in the implementation of labor mobility schemes, from worker screening and selection to

recruitment and training at the workplace. Coordination with diaspora associations and other non-state actors is an additional challenge to address for sending country governments to strengthen their labor intermediation processes and facilitate the integration of newcomers in destination countries. In particular, setting up clear communication channels is a key condition of trust that is often missing between sending country governments and their Diasporas.

### 3. Building relevant incentives for and partnerships with private intermediaries to improve the delivery of international employment services as a whole

#### *i. Adjusting regulatory constraints to the realities of the market and to create positive incentives for compliance:*

Striking the right balance between the regulatory constraints imposed on private recruiters and incentives for them to increase placements on foreign markets depends very much on the specificities of the market place - i.e. size and nature of labor outflows, skill levels, main destination markets, number and types of intermediaries, main risks and vulnerabilities reported, etc. The key challenge here is to acquire a detailed understanding of these realities in order to adjust critical regulatory parameters. Regulatory frameworks in sending countries often lack the requested positive incentives for the private sector to comply with the rules and increase levels of placements. Positive incentives can include: the extension of licenses or waiver of renewal requirements; tax benefits; return of some of the deposit after an initial block of time; invitation to participate in marketing missions in destination countries;

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labeling or creating a public list of trustworthy agencies; etc.

#### *ii. Working towards relevant partnerships between public and private agencies:*

The core challenge for sending country governments is to play a role of facilitator or market enabler to support the private sector in increasing the levels of placements in the early stages of market development, while ensuring that workers are adequately protected against potential abuses. The sectoral training services that private intermediaries sometimes offer to their candidates can be delivered in partnership with sending country governments to facilitate skill recognition at home and abroad. Synergies can also be found on some of the marketing efforts of that public and private intermediaries deploy to open new job opportunities in destination markets.

## More Information

### Contacts:

For more information on this topic or the International Labor Mobility Program, please visit our website ([cmimarseille.org/migration](http://cmimarseille.org/migration)) or email us at [ilmpprogram@worldbank.org](mailto:ilmpprogram@worldbank.org).