

Göran Hultin, CEO Caden Corporation and Vice-
Chair, World Economic Forum's Global Agenda
Council on Migration

Local Content and Diasporas Side Event

IDM 2013 : DIASPORA MINISTERIAL
CONFERENCE

International Conference Centre Geneva (CICG)

18 June 2013

Leveraging local content policies for broader economic development



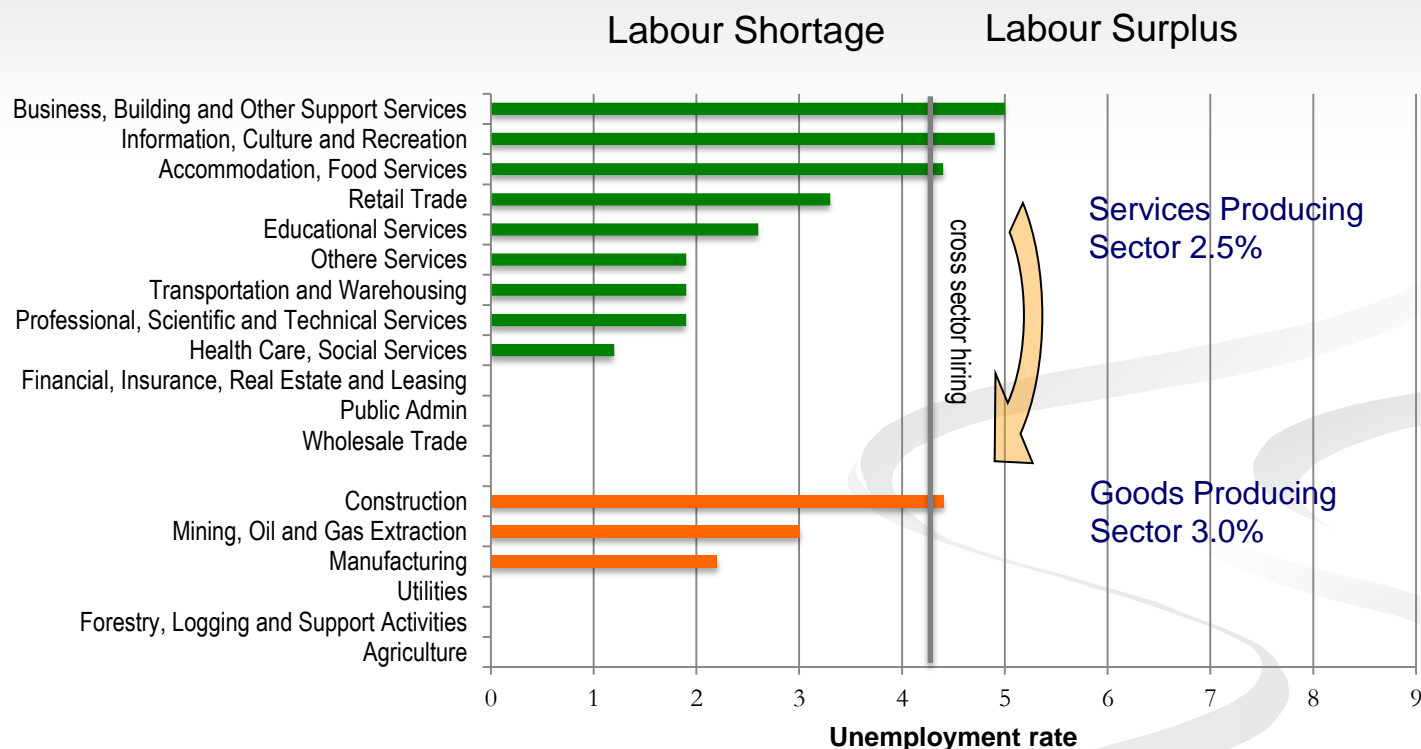
Overview

- High demand for natural resources driving new finds and investment
- Public policy concerns to ensure resource exploitation benefits local economy and citizens
- Risks with some short-term, narrowly defined policy options
- What can go wrong – labour market distortion
- How to get it right - examples
- Conclusion and takeaways

Global demand – boon for raw material rich economies...

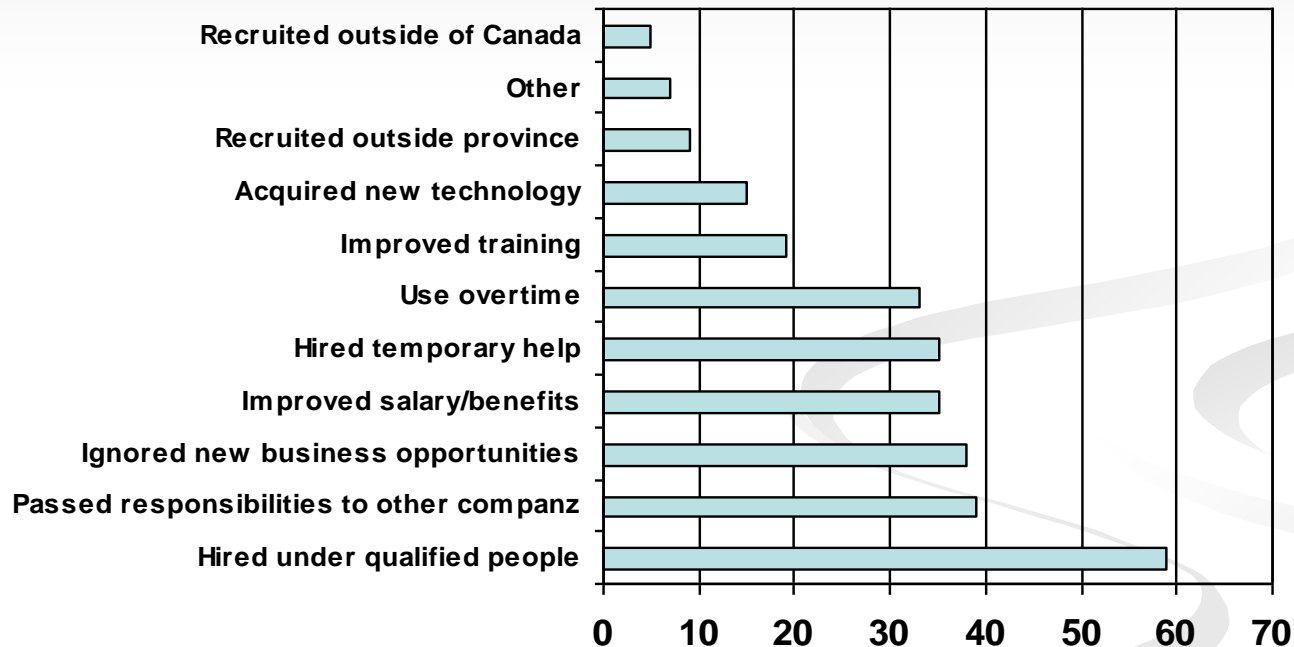
- ...but short term policies lead to labour market distortions and loss of economic opportunity
- Capturing broad based opportunities requires broad based policies
 - for jobs and growth
 - for economywide development
 - for new skills for new jobs
 - to draw talent from the indigenous workforce, diaspora and migrant workers

Inter-sector labour mobility from service to oil & gas Alberta 2006



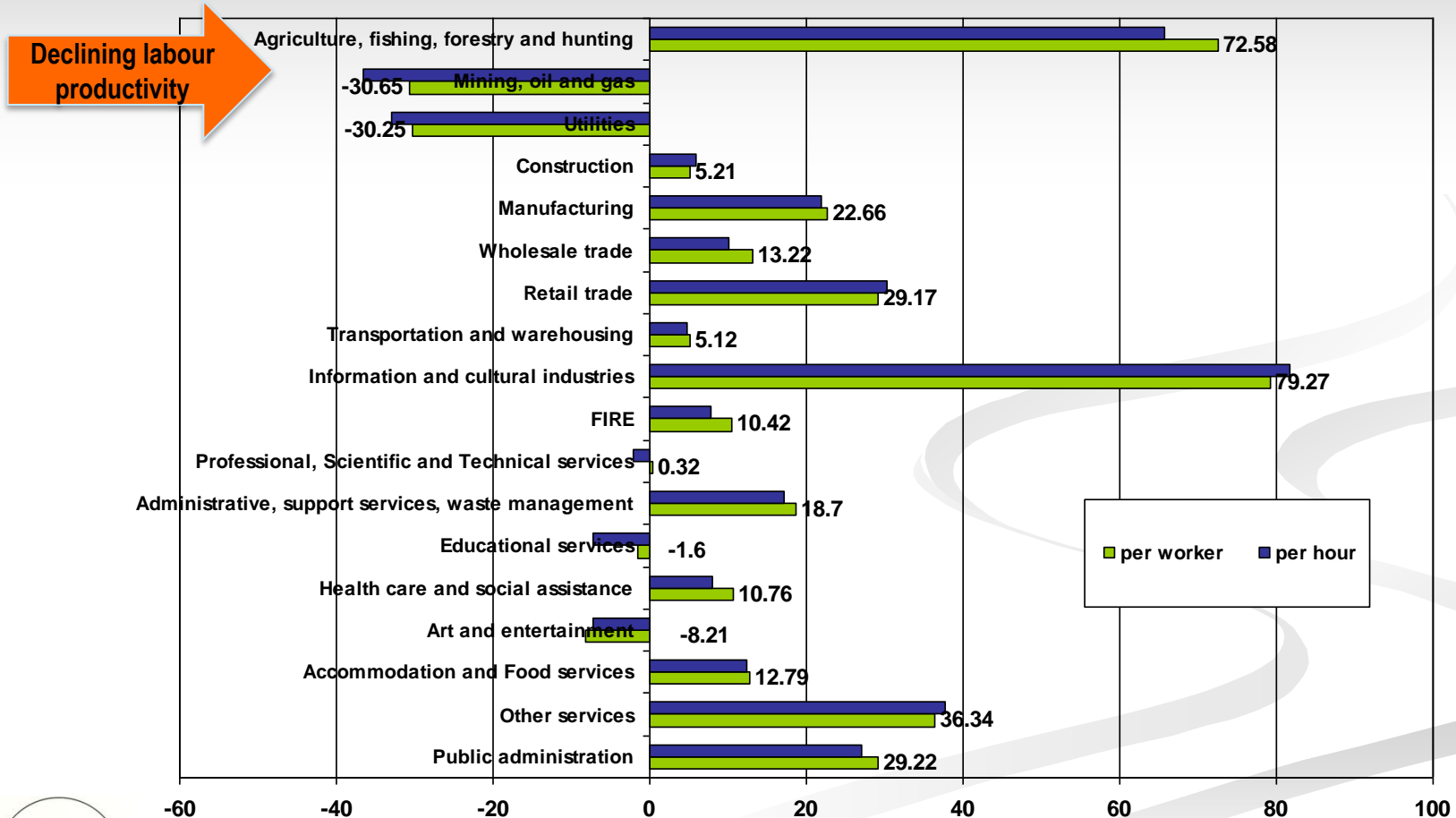
In absence of access to right skills Employers fill jobs with under-qualified staff Alberta 2006

Attempts to solve hiring difficulties



Oil & gas leads in economic growth but not in labour productivity

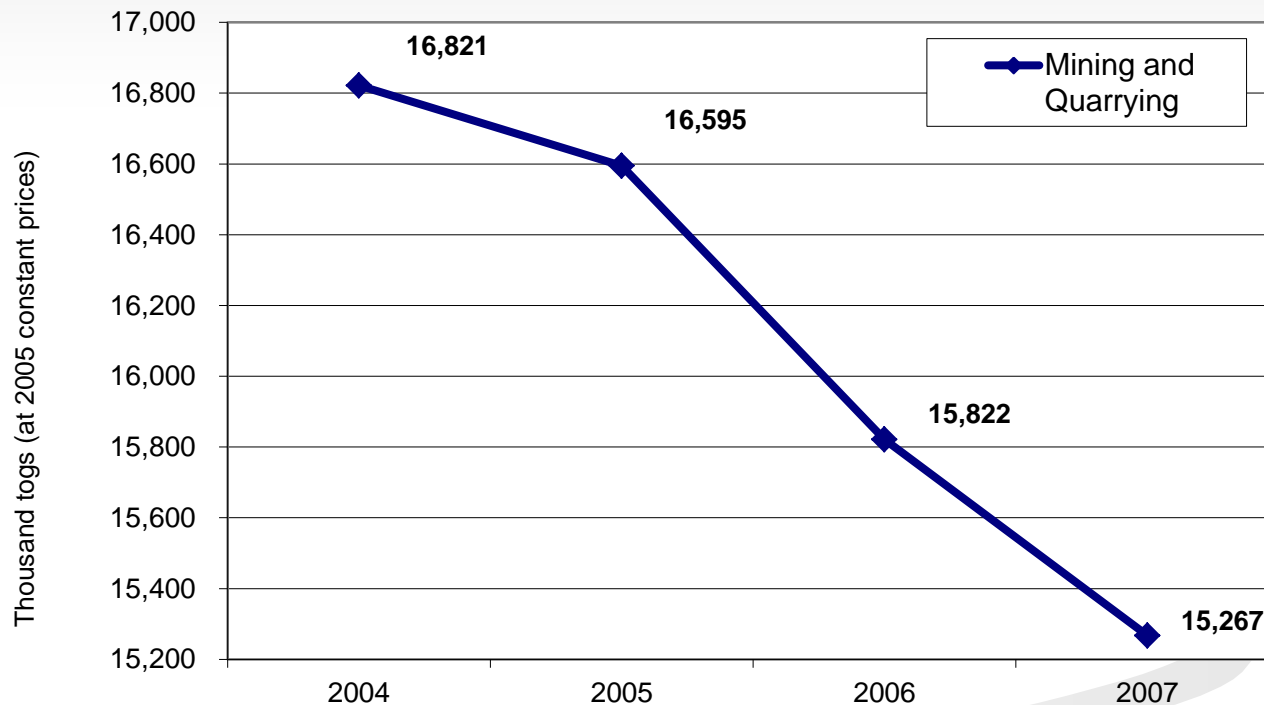
Alberta 2006



Oil & gas leads in economic growth but not in labour productivity

Mongolia 2007

Labour Productivity, Mining Sector Mongolia



Conclusion

- Capturing broad based opportunities requires broad based policies...
- ...and understanding
 - cross-sector economic and employment linkages
 - the transition from project activity to ongoing operation
 - how to respond to short-term specialty skill needs while building skill base for a longer term economy wide development

Takeaways

- **Mainstream migration in development:** use “local content” to drive diaspora engagement (skills and investment)
- **Policy coherence:** diaspora ministers need to be round table with colleagues devising comprehensive solutions to development challenges
- **Work with private sector and diaspora:** find durable solutions
- **Think outside national box:** regional approach to supply side local content challenges?