

Talent, Competitiveness & Mobility/Migration



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OUTLINE

1. The essence of competitiveness: Building and utilizing effectively human capital (talent).
2. Selected Migration/Mobility and Demographic data for the East and Southeast Asia Region.
3. Where are we and where are we going with economic stream immigrant selection internationally?
4. As the hunt for talent intensifies, how will the most talented immigrants choose *us*?
5. As mobility intensifies and competition for talent increases, the new policy frontier is the recognition of qualifications and credentials.
6. What the near- to mid-term future is likely to look like with regard to the movement of skilled workers.

PART I

Human Capital as the Ultimate Resource

The Essence of Competitiveness lies in Robust Education and Training Systems that respond to an Economy's Changing Needs

THE INGREDIENTS TO LONG-TERM COMPETITIVENESS

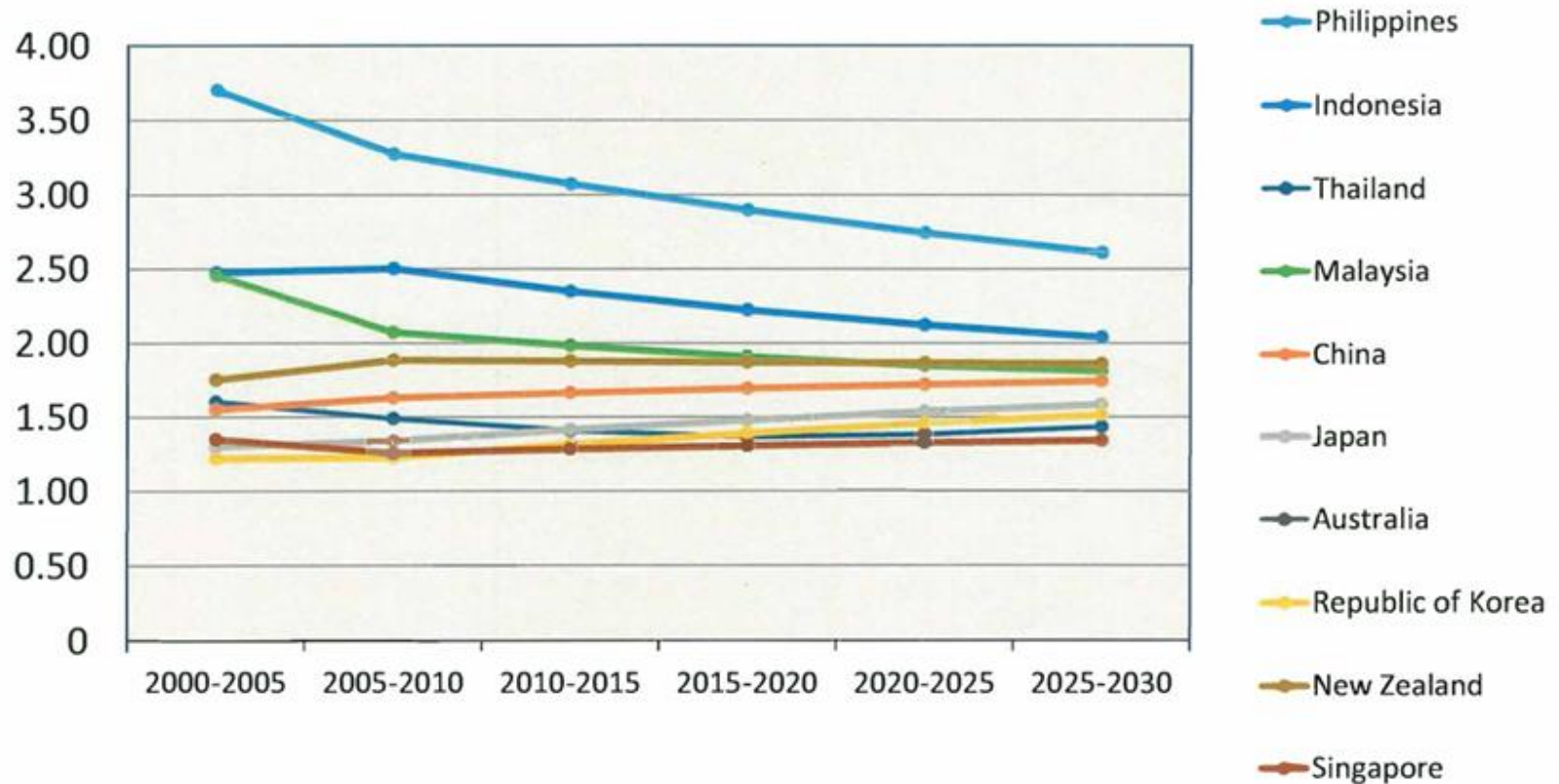
- The choices and investments public and private sector decision makers and individuals make every day about education and training.
- Social support systems that put work front and center.
- Social and cultural norms that value and reward lifetime learning.
- Social institutions (such as schools at all levels, worker organizations, civil society writ large, etc.) that adapt smartly to shifting economic environments.
- Private sectors that understand that investing in their workforces is the key to productivity, innovation and competitiveness.
- Governments that create predictable policy environments and encourage and reward the private sector's socially responsible actions.
- Individuals who constantly invest in themselves and their future.

PART II

Migration/Mobility and Demographic Data

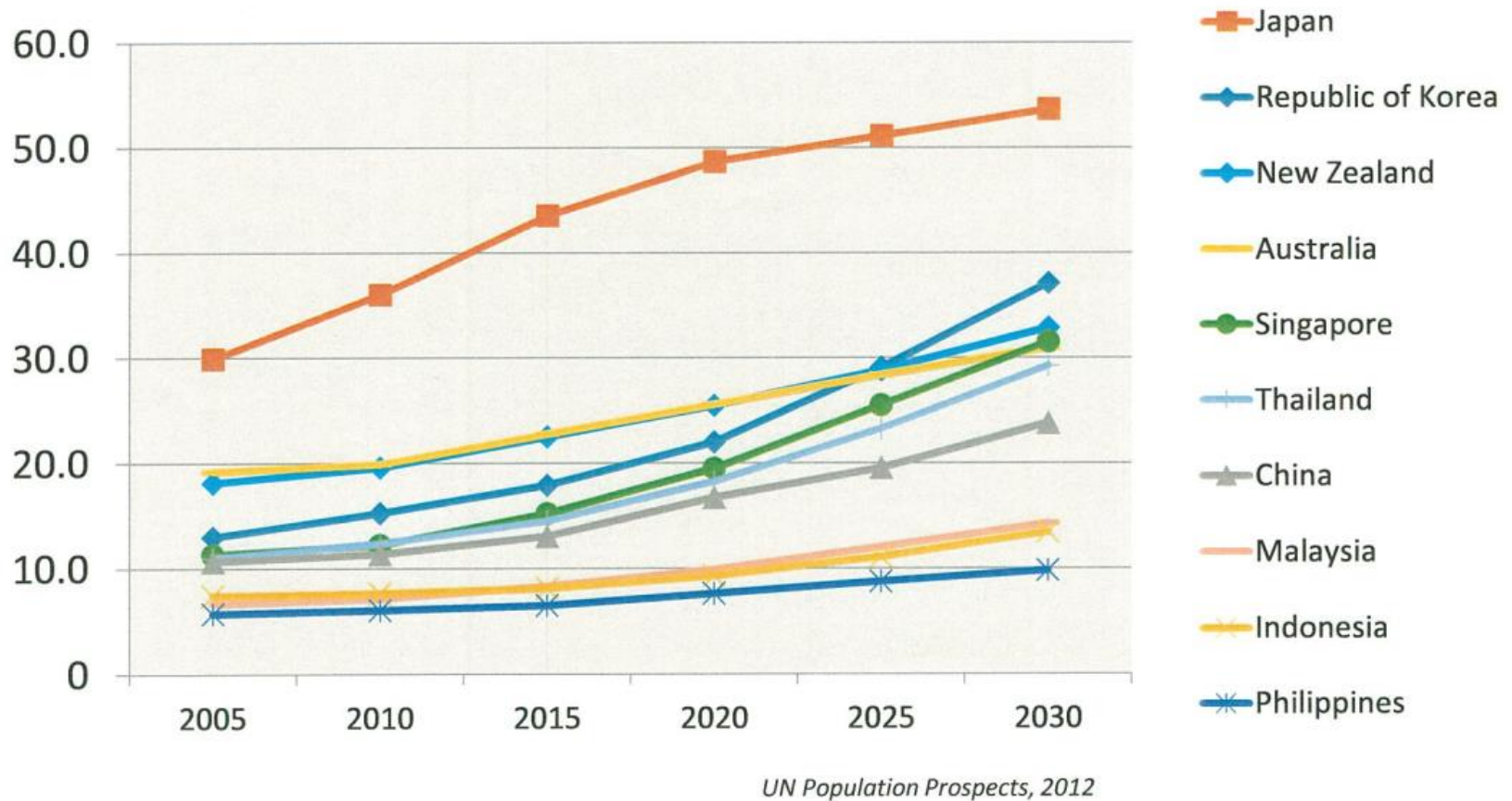
Declining Fertility Rates

➤ Total fertility rates are much higher than European countries, which are well below replacement level, but are expected to decline.



Increasing Dependency Ratios

➤ *Old-age dependency* ratios will increase*



The Demographic “Triple Squeeze”

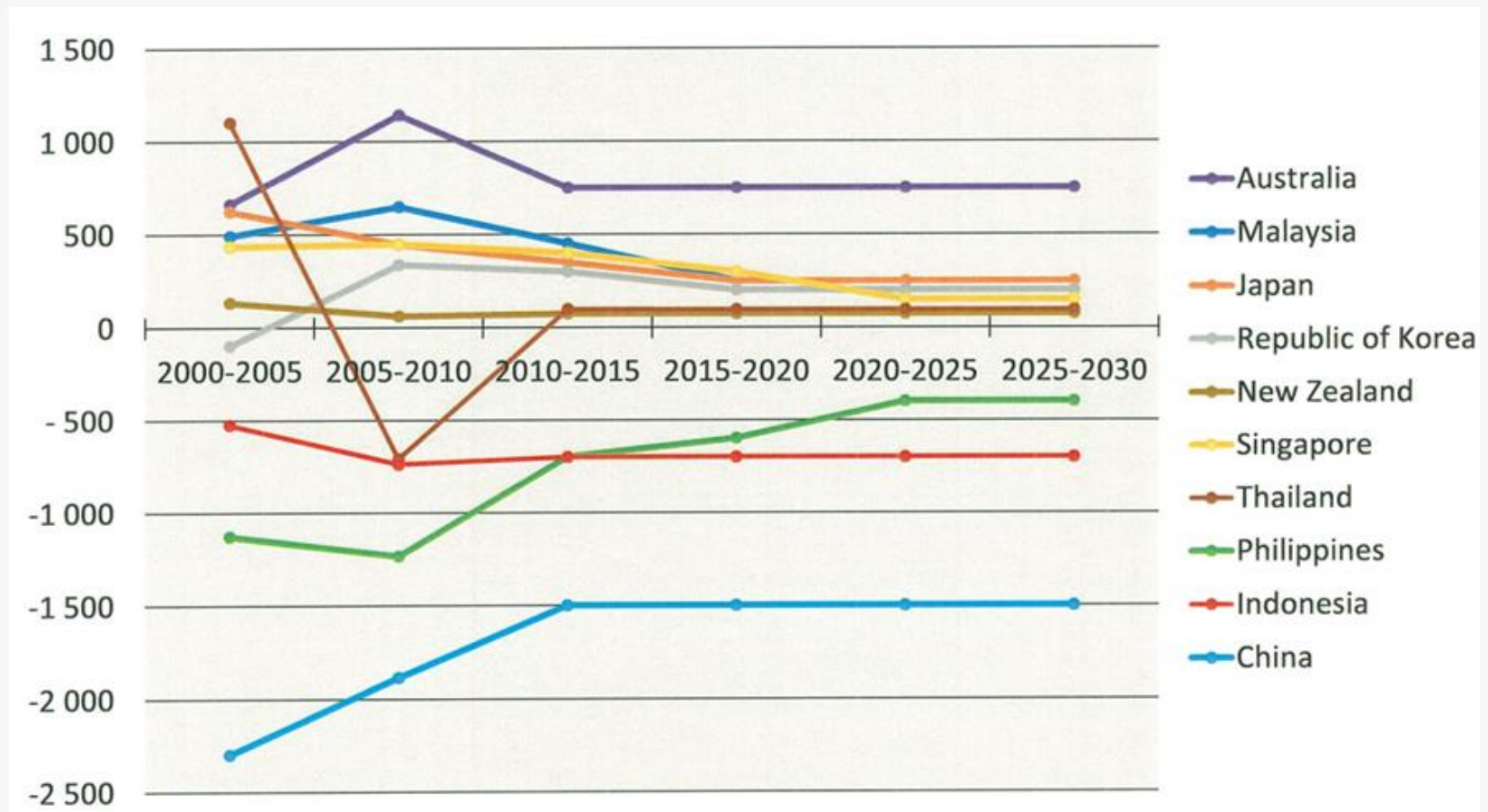
Country	Total Fertility Rate (children per woman) in 2005-2010*	Median Age of population 2005	Old-age Dependency Ratio** in 2005	Old-age Dependency Ratio in 2030	Median Age of Population 2030 (projected)
Japan	1.32	43.1	30	54	51
Australia	1.9	36.6	18	33	39.6
Singapore	1.3	36	11	32	44
New Zealand	2.1	36	18	33	40
Republic of Korea	1.2	35	13	37	47
China	1.6	32.2	11	24	42.5
Thailand	1.5	32	11	29	45
Indonesia	2.5	26	8	14	32
Malaysia	2.1	25	7	14	34
Philippines	3.3	21	6	10	27

*About 2.1 needed to keep replenishing a population.

**The old-age dependency ratio is the ratio of the population 65 years and over to the population aged 15 to 64 multiplied by 100.

Source: United Nations, *World Population Prospects: The 2012 Revision*.

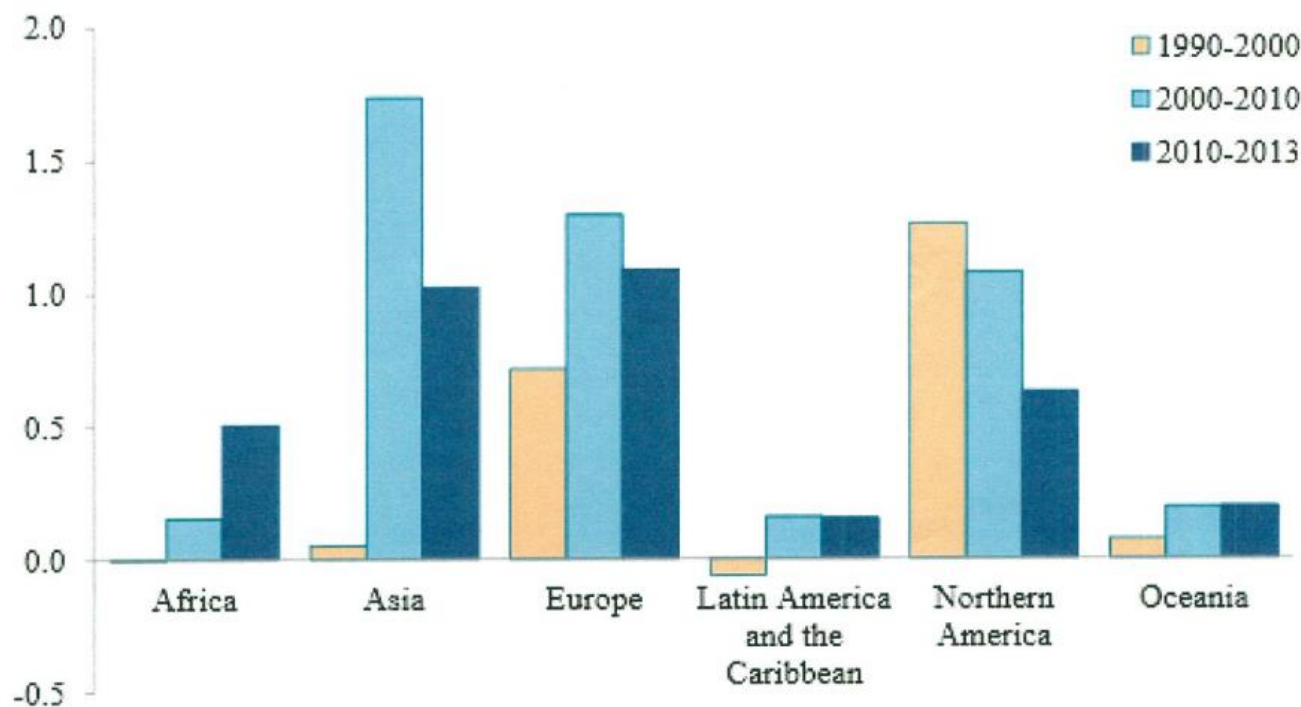
Net Migration Asia Region, 2000 to 2030



Source: United Nations, *World Population Prospects: The 2012 Revision*.

International Migration to Asia Peaked in the Early 2000s

Figure I.3. Average annual change in the number of international migrants by major area, 1990-2013 (millions)



Source: United Nations, Department of Economic and Social Affairs (2013). Trends in International Migrant Stock: The 2013 Revision-Migrants by Age and Sex (United Nations database, POP/DB/MIG/Stock/Rev.2013/Age).

PART III

Building Upon the Human Capital you Have by Selecting and Attracting Foreign Talent

THE MAIN TREND?

Points Selection Systems: A Popular Tool for Selecting Economic Stream Immigrants

- Selecting increasing proportions of immigrants through points systems has been the dominant economic migration mechanism in the last two decades... **but has its time come and passed.**
- A key rationale for points systems is to use migration as a human capital accumulation policy and hence as a key instrument of economic growth, competitiveness, **and integration** (often overlooked by those who simply copy the Canadian or Australian systems).
- From considering the main points systems in Canada, Australia, New Zealand, Hong Kong and Denmark, relative newcomers like Austria, the now highly streamlined UK system, and a proposed partial such system in the United States, certain measurable attributes come through as “upper-,” “mid-,” and “lower-” tier.

UPPER-, MID, AND LOWER-TIER ATTRIBUTES

➤ **Upper-Tier Attributes:**

- Job offer and/or work experience in the destination country
- Education (increasingly, science and technology education received in the destination country)
- Language
- Age

➤ **Mid-Tier Attributes (gaining fast in importance):**

- Outright employer selection
- Occupation in Demand
- Other Labor Market-Related Elements (targeted skills/sectors)

➤ **Lower-Tier Attributes:**

- Region of Proposed Residence/Employment
- The Presence of Close Relatives
- Investment with Job-Creation Responsibilities
- Partner Characteristics
- Previous or Proposed Earnings

THE COUNTER-TREND (Gaining Fast)

Demand-Driven and Employer-Led Systems

- Interest in demand-driven and employer-led selection systems has also been growing steadily in recent years, in step with the changed economic and jobs environment.
- Sweden, Spain, and Singapore are among the protagonists of this counter-trend, though the United States is by far the dominant player.
- This reflects a rehabilitation of policies using migration to explicitly meet labor market needs. (The until recently observed “tolerance” toward illegal immigration could be seen as a form of the same “policy” – and so can “rolling” regularization programs.)

THE WAY FORWARD

Convergence Toward **Hybrid Selection Mechanisms**

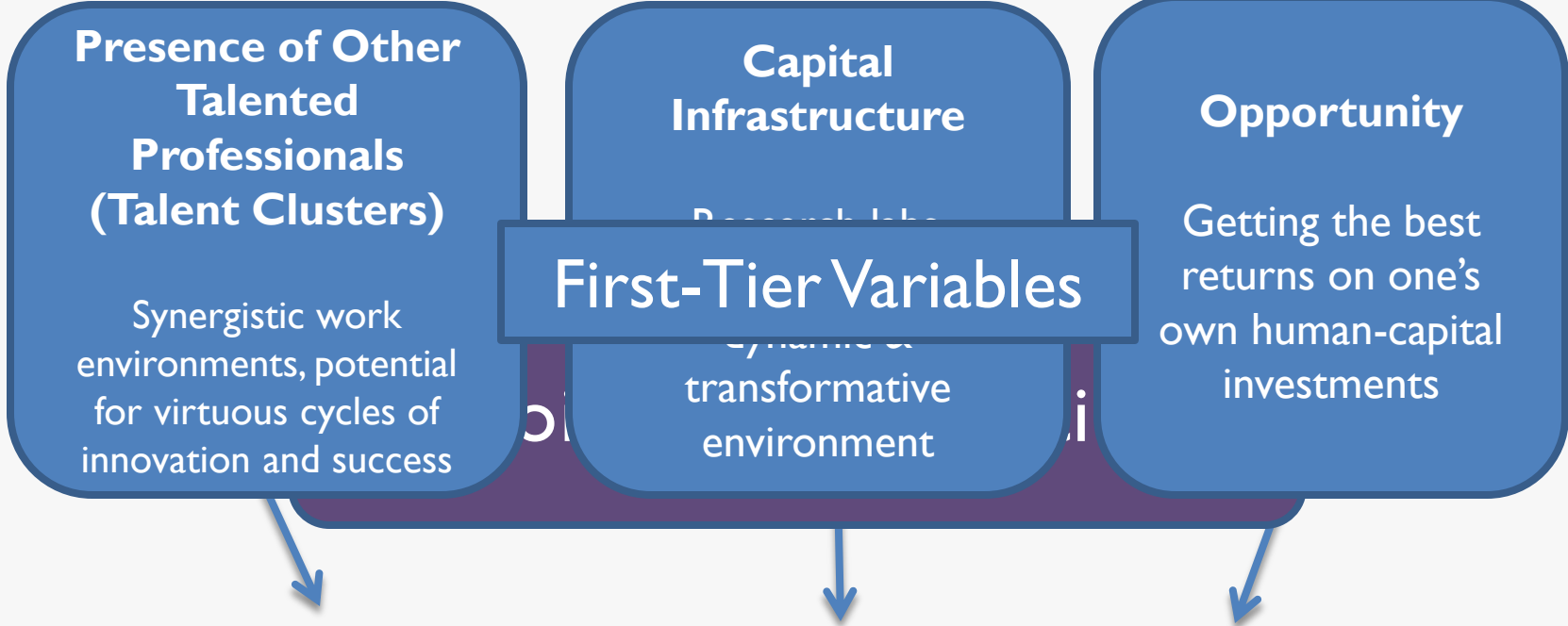
- Points systems that pay much greater attention to employer needs, and thus look more like demand-driven systems— typically by requiring, or offering a significant share of total points for, a job offer and host-country work experience.
- Employer-led systems that are supplemented with open-ended or points-like systems, such as self-immigration for the very talented or those in strategic growth sectors.
- Experimentation with explicitly **temporary-to-permanent** worker programs (“transitional,” “bridging,” or “provisional permanent” programs) and **circular migration** ideas whereby circular migrants become a pool for selecting permanent immigrants.

INTERIM CONCLUSION:

Interest in talent will continue to be robust, but interest in the **most talented** will grow even faster.

PART IV

...But how will the most talented choose among those who may court them?



First-Tier Variables

Presence of Other Talented Professionals (Talent Clusters)

Synergistic work environments, potential for virtuous circles of innovation and success

Capital Infrastructure

Research labs, professional growth, dynamic & transformative environment

Opportunity

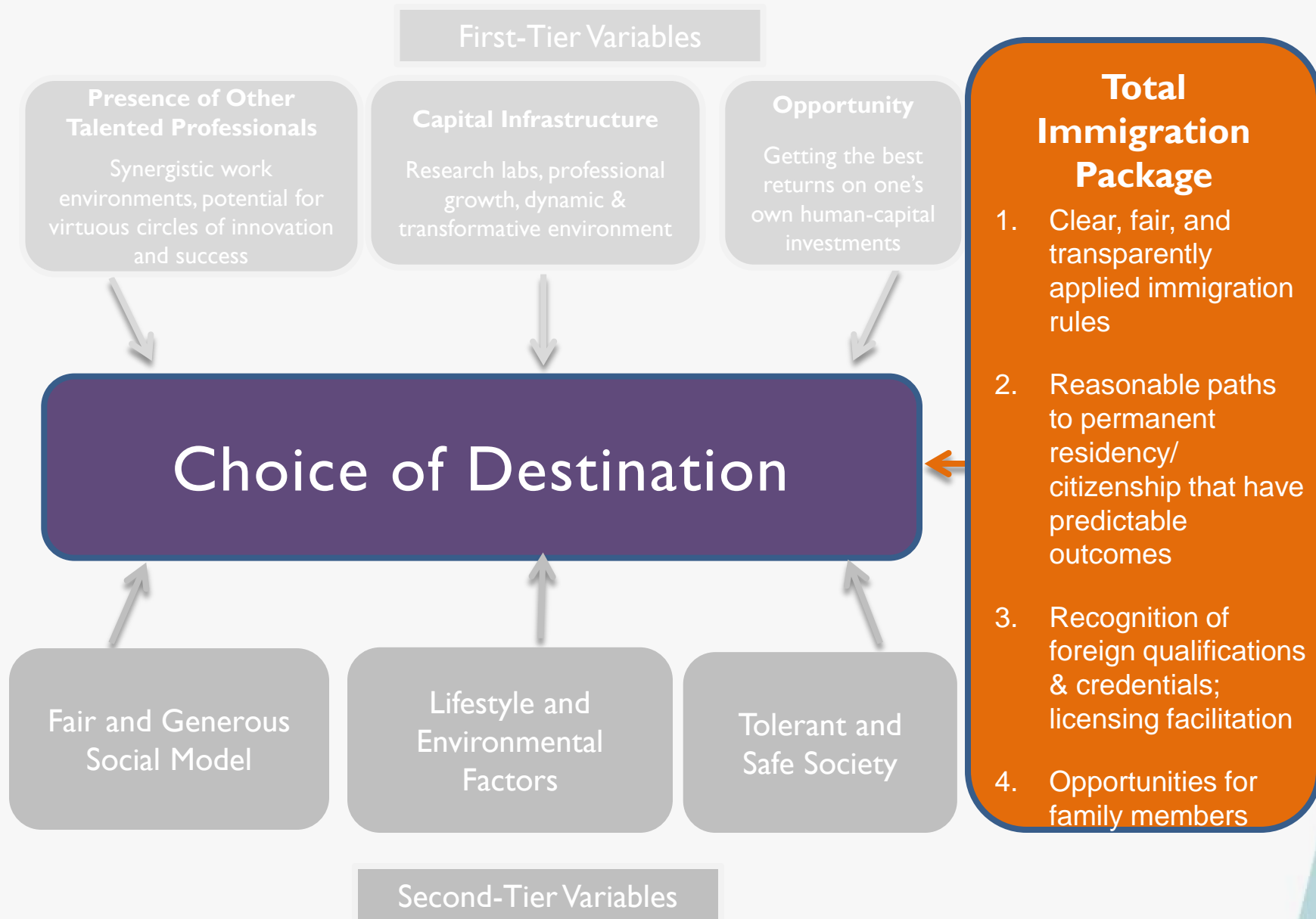
Getting the best returns on one's own human-capital investments

Choice of Destination

Fair and Generous Social Model

Lifestyle and
Second-Tier Variables
Factors

Tolerant and Safe Society



PART V

Mobility's "New" Frontier: Recognizing Qualifications and Credentials

RECOGNIZING QUALIFICATIONS & CREDENTIALS

“A BRAIN IS A TERRIBLE THING TO WASTE”

Core Issues in the Recognition of Qualifications/Credentials

- The difficulty with recognizing qualifications is not just a technical or “occupational protectionism” problem; there are genuine differences in what different professionals must know to practice their profession.
 - The challenge is thus not determining what qualifications **are** equivalent, but what to do about qualifications that **are not--** and how to close gaps fairly and efficiently (additional education, training, mentorships, apprenticeships, etc.).
- Recognition of a school diploma is not the same as recognition of qualifications or the right to practice in regulated occupations.
 - Licensing in regulated occupations tends to require work experience, not just diplomas. Recognizing work experience is much harder since the differences in training are often greater and the learning outcomes harder to judge.

RECOGNIZING QUALIFICATIONS & CREDENTIALS (Cont.)

Mutual Recognition Agreements (MRAs)-- Lessons Learned

- Involve practitioners in the technical analysis of qualifications **and** in the negotiations: they have the real knowledge. Moreover, practitioners understand the training process and what the crucial vs. dispensable requirements are.
 - In unregulated occupations, employers simply won't trust statements of "equivalence" that aren't credible.
 - In regulated occupations, professional bodies or even national regulators that are skeptical about other workers' qualifications may be reluctant to implement MRAs in good faith.
- Facilitating MRAs requires **persistent political will** above all. This is needed to bring on board the people who will ultimately implement the rules, and to ensure follow-through in a process that is technically demanding, labor intensive, and sometimes politically difficult.
- Improving credentials recognition is (a) a long-term process, (b) needs to have a built-in mechanism for updating requirements, and (c) works best when it takes place in steps--starting with low-hanging fruit and moving to higher effort and impact.

PART VI: Conclusions

Looking Ahead: Demand and Supply Issues

DEMAND AND SUPPLY

More rather than less mobility and migration is in the cards in the next two decades, **but destinations will gradually change**

- The mobility/migration pipeline will remain robust for the next two decades.
 - The BRICs, Turkey, Mexico, South Africa and an increasing number of other African countries as well as most East and South East Asian countries, will all be fishing in the same talent pool as high-income countries do now– and increasingly they will do so with big, industrial-sized fishing fleets, rather than mere fishing hooks.
- When strong economic growth in high-income Western countries returns, the demand for immigrants across **the entire** skills continuum will return because of:
 - **Demographics:** The “one-two punch” of the birth dearth and the increasing share of the elderly population (*higher dependency ratios*)– and their tax and social support implications.
 - **Economics:** Increasing skill mismatches **and** worker shortfalls (led by the elder-care sector) and an emerging narrative that basically says that “there is no such thing as having too much human capital...”.
 - **Humanitarian Impulses:** “Rights-based” advocates will continue to argue for stronger immigration streams (families and asylum/refugee resettlement).

DEMAND AND SUPPLY (Cont.)

- Today's relatively **small migration “players”** (see previous slide) **will continue to grow in importance** and will become large players both as senders and receivers of immigrants within and beyond their immediate regions.
 - The policy holy grail: **Positive circularity.**
- Watch out for China as it moves inexorably toward becoming an older country, with 250 million Chinese over 60 years old by the 2030s-- the first country in history not to enjoy fully the demographic dividends that come from a long demographic transition.
- **Migration from high-income countries to emerging economies will rise** geometrically, led by the **return migration** of some of their nationals (including talented professionals) and by **counter-colonial emigration.**

DEMAND AND SUPPLY (Cont.)

But what about the supply of skilled workers?

- Unless high **and** middle income countries tackle the needed reforms of their education systems successfully, the supply of skilled workers will begin to lag behind the demand for them sooner, rather than later.
- As ever more emerging economies grow at rates that begin to emulate those of the BRICs, skilled workers may find it less and less necessary to look for opportunities outside their borders.
- And to paraphrase the former ADB President Haruhiko Kuroda, “This is all plausible, not pre-ordained” (“An Asian Century?” Remarks at the Emerging Markets Forum, Tokyo, Aug. 2011).

FINAL THOUGHT

Mobility and Migration: The two core and somewhat competing concepts in the movement of talented people in the future.

- The two flows will likely intersect by the end of this decade with mobility gaining the upper hand as migration (especially to the middle income countries) is neither likely to be permanent nor citizenship-bearing.

For More Information

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