

How to Stay Ahead in the Global Race for Skills

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Speaking Notes

Introduction

1. The policy debate over skilled migration is characterized by a generally positive response to migration, by objective debate, and by forward-looking policy-making. This is unlike virtually all other areas of contemporary migration policy.
2. Although it is a widely-used term, we need to be careful with the idea of a 'global race for skills'. First, it's not really a global phenomenon, although it's becoming more so. There are still relatively few skills suppliers, and relatively few countries competing for these skills. Neither is it necessarily a race. This isn't a head-to-head competition for a share of a scarce commodity – the global pool of talent is increasing, there are ways to share foreign talent (for example via temporary and circular migration), and there are alternative sources of talent (for example home-grown). Finally there is no clear agreement on what we mean by 'skills' – some people include students (although foreign students are better viewed as pre-socialized future skilled migrants), the development literature focuses on the health and education sectors (and is concerned about the negative consequences of skilled migration on origin countries), much of the literature on skilled migration is concerned with experts in science and technology, while for some commentators the critical people to attract are the 'thinkers' and 'innovators'.
3. While this presentation mainly focused on states (and cities) and business, it's important not to lose sight of the migrants involved nor their families – their motivations, and the costs as well as benefits to them.

Why are foreign skills a priority?

1. We know that they are – South Korea has established a Presidential Council on National Competitiveness, Singapore markets itself as a 'talent capital', Japan has ambitious targets to double its intake of foreign students by 2020, the EU has introduced its Blue Card, the UK has introduced a new points system, the US continues to attract massive overseas talent, the other traditional players like Australia, Canada, and New Zealand continue to be very active.
2. Foreign skills are a priority for businesses because small differences in talent can make significant differences in outcome, especially in a global market that prioritizes innovation and 'first to market' results. National governments prioritize foreign skills because deep talent pools attract the best businesses; talented immigrants have been shown to be responsible for a disproportionate proportion of business start-ups; and there are hopes that foreign skills may help countries in recession 'innovate out of recession'. An important additional player in the global market for skills are cities, which are keen to attract business, but also benefit from the added value of skilled migrants that includes social and cultural diversity and innovation.

3. Another reason why national governments prioritize skilled migrants is that most wealthy countries are not producing enough talent at home. One reason is the demographic crisis affecting most advanced economies. In addition it has been suggested that national education and training systems are not flexible enough to respond to the demands of global businesses rapidly. There are also retention problems – skilled nationals leave home where there are obvious disparities in compensation, access to resources, social standing and so on. Overall it is probably easier to procure than grow talent, although this raises ethical issues and is not necessarily sustainable.
4. At the same time the global skills pool is expanding, especially as a result of massive investment in education and training in China and to a lesser extent India. It has been suggested that as the skill s pool expands, more countries will be able to compete for these skills. More interesting are suggestions that China (and India) may also become important competitors in the global skills market.

Recent Trends

1. While the Global Financial Crisis had significant aspects on certain aspects of international migration (employment rates and welfare, irregular migrant stocks and flows, return and remittances), its effect on skilled migration was relatively limited. First, a number of countries temporarily scaled back their skilled migration programmes (either by changing ceilings of adjusting criteria upwards). Second, there were some concerns that the volume of overseas student registrations might reduce, although this does not appear to have been the case. Third, there is the question of whether even skilled migrants have become targets in the growing wave of anti-immigration sentiment (especially in Europe) that was triggered by the Global Financial Crisis.
2. There is evidence that students and skilled migrants are responding to the current recession in Europe. There are reports that a higher rate of Greek professionals than ever before moved to Australia in 2010-11, that Portuguese professionals are beginning to move to Brazil, that educated Germans of Turkish descent are moving to Turkey, and that students comprise a significant proportion of outflows from Ireland and Italy.
3. One way that China is becoming an important competitor is by attracting back its own skilled migrants, thus denying access to this talent pool for other countries. China has introduced a range of policies to attract back graduates and skilled migrants, including dedicated job centres, preferential access to scientific laboratories and research grants, and membership of high-level academic communities. There is also anecdotal evidence that graduating Brazilians, Chinese, and Indians are leaving the US to return home in higher numbers.
4. It is too early to be definitive about these recent trends as comprehensive data are not yet available, and important research questions are who exactly is moving, and are their moves temporary or permanent?

How to Stay Ahead in the Global Race for Skills

1. Getting skilled migration policies right is important. Research demonstrates that in particular migrants place an emphasis on clear, fair and transparently applied rules; pathways to citizenship; the recognition of foreign credentials; and the portability of social security benefits. But it isn't all about policy. Skilled migrants also choose their destination on the basis of lifestyle and environment, tolerance and safety, and social infrastructure like housing and healthcare. In other words policy in other areas is just as important as specific skilled migration policies in attracting foreign skills.
2. It is important for governments to understand the needs of businesses and how firms operate in the global market, and this requires greater engagement with the corporate sector. During Q&A we had an interesting debate about why governments often find it difficult to engage in this way, and some of the reasons discussed were mutual distrust, the fact that governments have a wider agenda than just security talent (for example national security, managing diversity), and the challenges of identifying legitimate representatives from the corporate sector.
3. Finally, it is important to maintain an objective debate about skilled migration, and migration more generally. When it comes to skilled migration, we need to be clear what sorts of skills are required in the labour market, and to get the balance right between growing and retaining home grown talent and procuring it from abroad. There also needs to be a good evidence base to answer the question of whether skilled migrants compete with nationals for scarce jobs, or create jobs. More widely, skilled migration is an integral part of a wider managed migration system, and the future of skilled migration depends on maintaining public confidence in government migration policy across the board.