

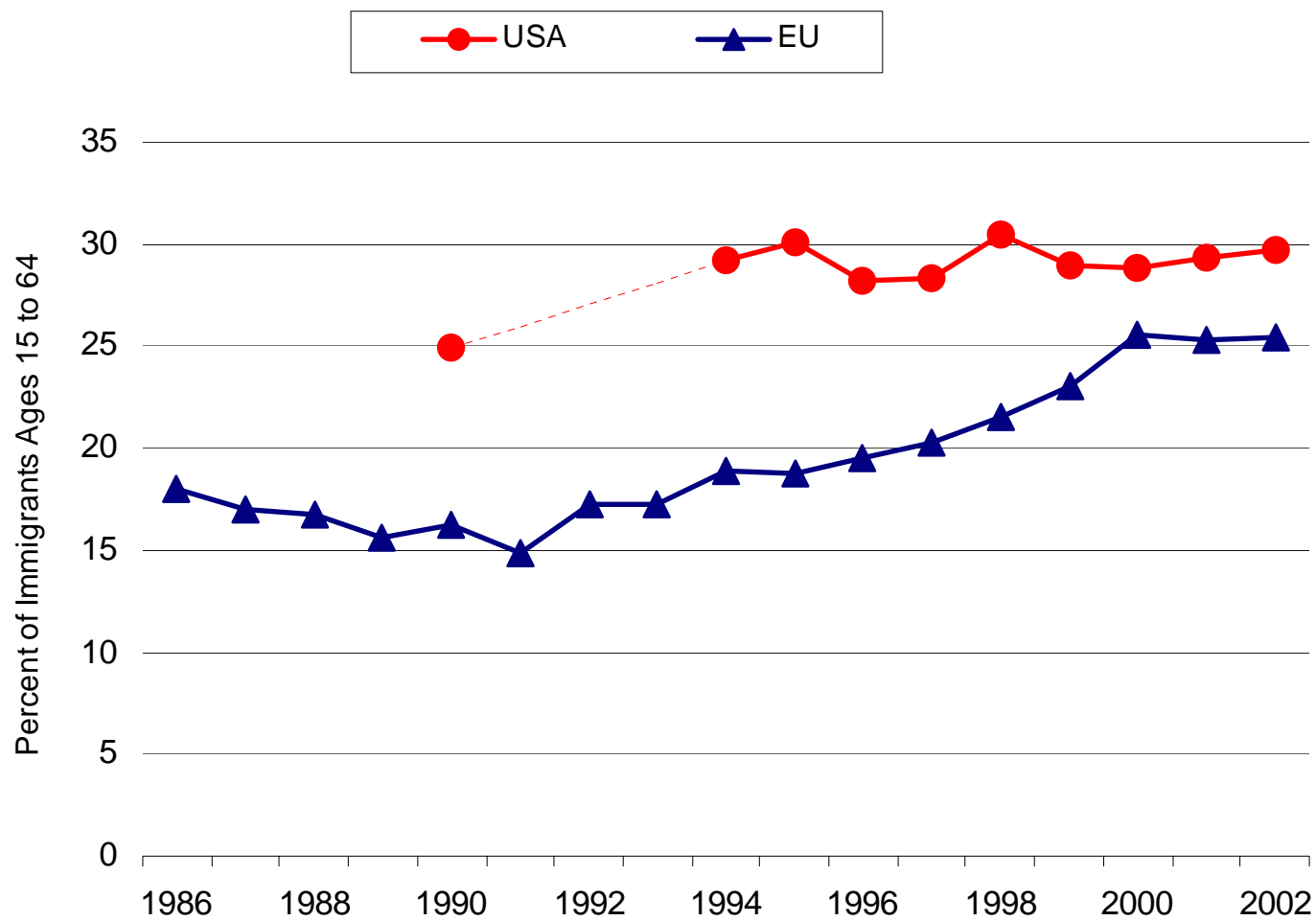
POLICIES AND REGULATIONS FOR MANAGING SKILLED INTERNATIONAL MIGRATION FOR WORK

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Figure 1. Percent of U.S. Recent Immigrants and non-EU Immigrants with Tertiary Education



Sources: European Commission, 2003, chart 139; U.S. Census microdata.

1. *Hard numerical caps*—A high score (4 points) is given if admission numbers are fixed and small numbers permitted; declining points are given if numbers are fixed but generous, or there is an ability to periodically adjust numbers, or there are no caps at all.
2. *Strict labour market test*—A high ranking score is given if there is a strong test of the labour market, i.e., a lack of available native workers; declining points are given if employers need only assert good faith, or the government awards points for skills, or applicants are streamlined through pre-determined shortage occupations, or there is no test at all.
3. *Extensive labour protections*—A high score is given if there are stringent requirements on wage setting and other protections such as no lay-off provisions, etc.; declining points are given if there are fewer protections or no immigrant-specific legal protection other than existing labour law.
4. *Enforcement mechanisms*—A high score is given if there is a dedicated enforcement agency, regular system monitoring, and high fines; declining points are given if enforcement is complaint driven, or there is no dedicated enforcement or immigrant/employer-specific sanctions.
5. *Limited employer portability*—A high score is given if the foreign worker can work only for the original employer and in one place; declining points are given for the degree to which work authorization is “portable” between employers.
6. *Restriction on dependents / working spouse*—A high score is given if the spouse is not permitted to either accompany the worker (or other dependants) or to work; declining points are given if the spouse is permitted to obtain independent working rights, or the spouse has unlimited working rights.
7. *Limited permanency rights*—A high score is given if the temporary migrant is prohibited from transitioning to any permanent status; declining points are given if transitions are relatively possible, or there is an additional transition to naturalized citizenship.

Appendix Table 1-1. Ranking of Comparative Skilled Worker Admission Policies

	Australia	Australia	Canada	New Zealand	New Zealand	USA
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TEMPORARY WORK PROGRAMS

(class of admission)	Economic Stream	Temp (Long Stay) Business	Temporary Foreign Worker (TFW)	Work Permit	Work-to-Residence (Priority Occupation s List)	H-1B
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<u>CRITERIA & CONTROL RANK</u>	12	14	17	18	15	18
Hard numerical caps	no	no	no	no	no	mod
Strict labor market test	min	mod	mod	yes	min	min
Extensive labor protections	min	mod	min	mod	mod	min
Enforcement mechanisms	min	min	min	min	min	min
Limited employer portability	mod	mod	yes	mod	mod	mod
Restriction on working spouse	no	no	min	min	min	yes
Limited permanency rights	no	no	mod	mod	min	min

PERMANENT WORK PROGRAMS

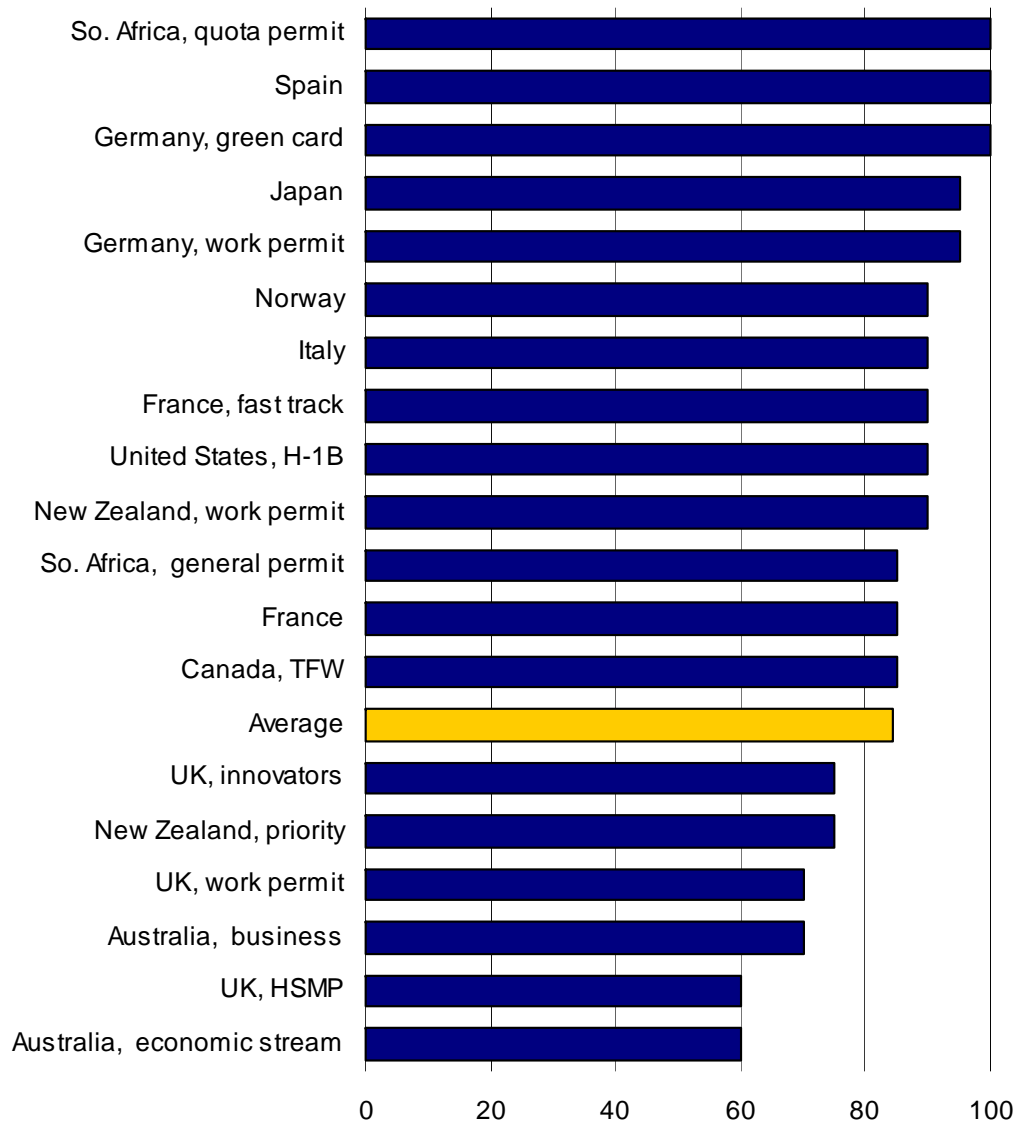
(class of admission)	Skill Stream	(same as Skill Stream)	Skilled Worker	Skilled Migrant	Work-to-Permanent	Employment based 2,3,4
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<u>CRITERIA & CONTROL RANK</u>	11		11	14	12	16
Hard numerical caps	min		min	mod	mod	mod
Strict labor market test	min		min	mod	no	yes
Extensive labor protections	min		min	mod	mod	yes
Enforcement mechanisms	min		min	min	min	min
Limited employer portability	no		no	no	no	no
Restriction on working spouse	no		no	no	no	no
Limited permanency rights	no		no	no	no	no

RANKING CRITERIA (4 = highly controlled/restricted to 1 = no controls):

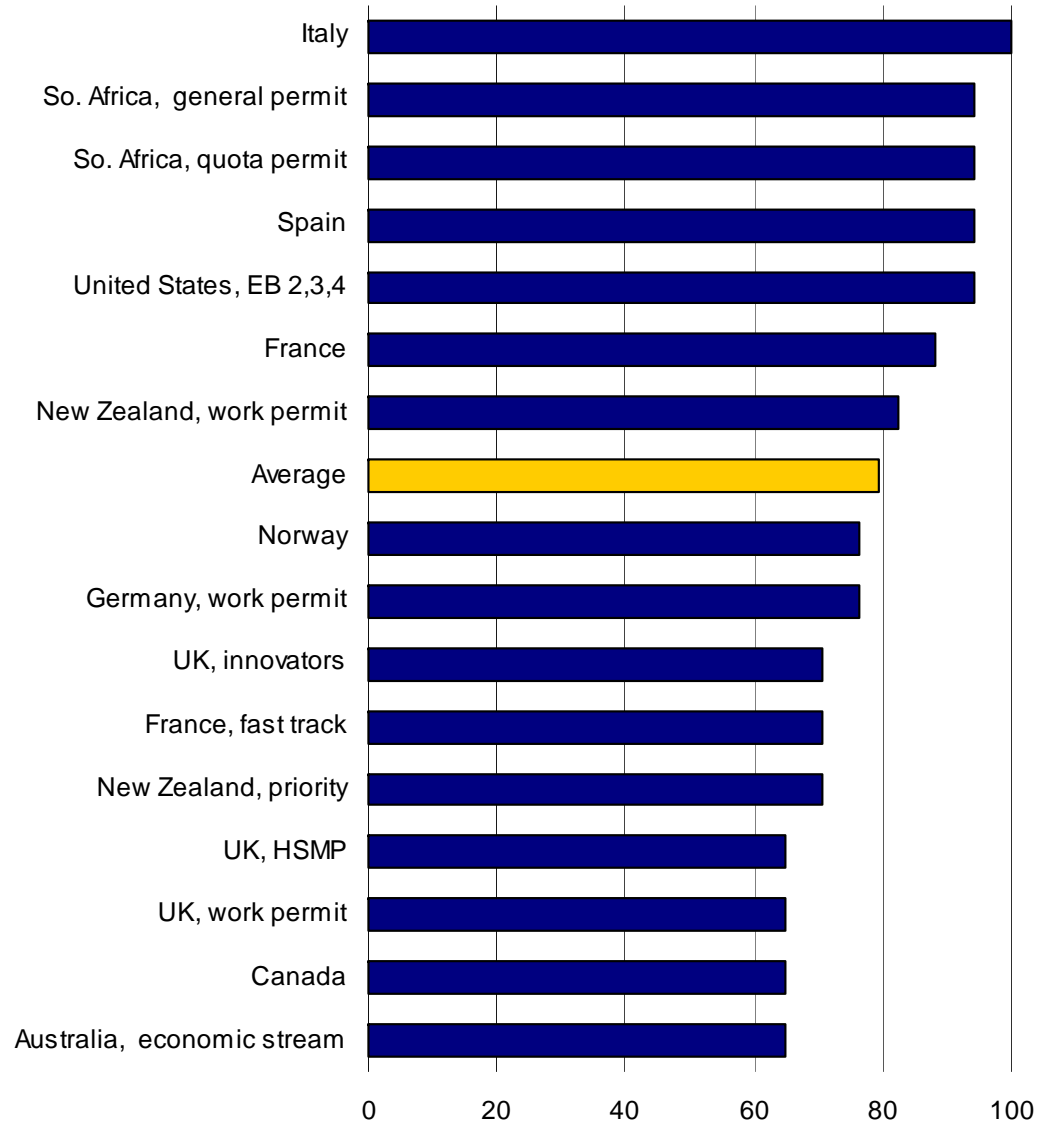
- * Highly restrictive policies match criteria below, while competitive policies have no restrictions
- Hard numerical caps - Fixed and small number permitted, fixed but generous, periodic adjustment, no caps
- Strict labor market test - Evidence of lack of workers, employer good faith, skill points, shortage occupations, no test
- Extensive labor protections - Minimum wage and no-lay off provisions, notification, existing labor law/no provisions
- Limited employer portability - Original employer only, portability between employers at workers' discretion
- Restriction on working spouse - Spouse not permitted, independent working rights, spouse has unlimited working rights

Figure 2. Ranking of Index of Controlled/Competitive Temporary Skilled Worker Programs



Source: see text

Figure 3. Ranking of the Index of Controlled/Competitive Permanent Skilled Worker Programs

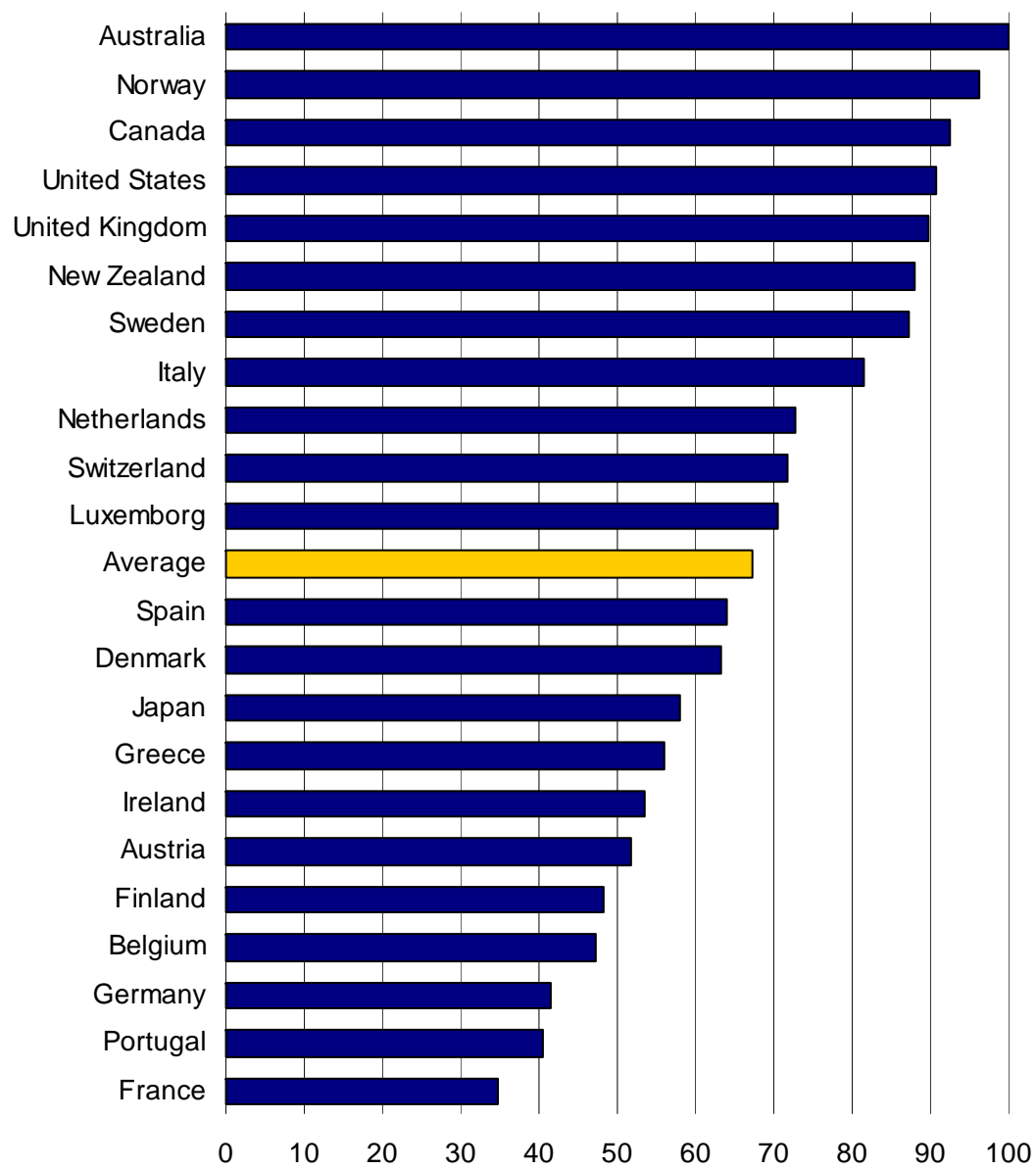


Source: see text

Table 1. Indexes of Country Share of Tertiary Educated Adults by Nationality, Ratios Relative to National Averages, and Ranking Indexes, 2001

Country	Share of Adults Completing Tertiary Education		Adjult Population Tertiary Educated	Ratios			Indexes		
	Nationals %	Foreigners %		Immigrant Selectivity	Nationals Selectivity	Immigrant Share	Immigrant Selectivity	Nationals Selectivity	Immigrant Share
			Foreigners N	Foreign Tertiary Adults over Country Average	Foreign Tertiary Adults over National Tertiary Adults	Share of Foreign Tertiary Migrants over Country Population Share	Foreign Tertiary Adults over Country Average	Foreign Tertiary Adults over National Tertiary Adults	Share of Foreign Tertiary Migrants over Global Population Share
	(1)	(2)	(3)	(4) = (2) / mean	(5) = (2) / (1)	(6) = (3) / total	(7) = 100 top ratio	(8) = 100 top ratio	(9) = 100 top ratio
Australia	20.4	27.5	458	114	135	201	66	48	100
Austria	15.8	14.5	83	60	92	87	35	33	43
Belgium	28.5	22.2	49	92	78	41	53	28	20
Canada	16.6	22.9	703	95	138	189	55	49	94
Denmark	20.0	23.5	47	97	118	75	56	42	37
Finland	32.6	24.8	20	102	76	33	59	27	17
France	23.8	14.4	259	59	61	37	34	22	18
Germany	23.7	14.6	624	60	62	64	35	22	32
Greece	17.3	18.0	99	74	104	80	43	37	40
Ireland	20.4	23.8	14	98	117	32	57	42	16
Italy	8.5	23.8	235	98	280	34	57	100	17
Japan	15.0	23.8	310	98	159	21	57	57	10
Luxemborg	16.7	20.9	6	86	125	113	50	45	56
Netherlands	24.5	23.0	254	95	94	134	55	33	67
New Zealand	16.0	23.8	71	98	149	157	57	53	78
Norway	33.7	41.0	69	169	122	130	98	43	65
Portugal	9.2	12.7	17	52	138	14	30	49	7
Spain	23.8	30.1	190	124	126	40	72	45	20
Sweden	25.7	29.8	156	123	116	148	71	41	74
Switzerland	25.9	23.3	114	96	90	132	56	32	66
United Kingdom	28.5	41.9	556	173	147	79	100	52	39
United States	32.1	28.6	6,348	118	89	189	68	32	94
Average	23.3	24.2	10,095	100	104	100	58	37	50

Figure 4. Combined Index of Skilled Immigrant Competitiveness



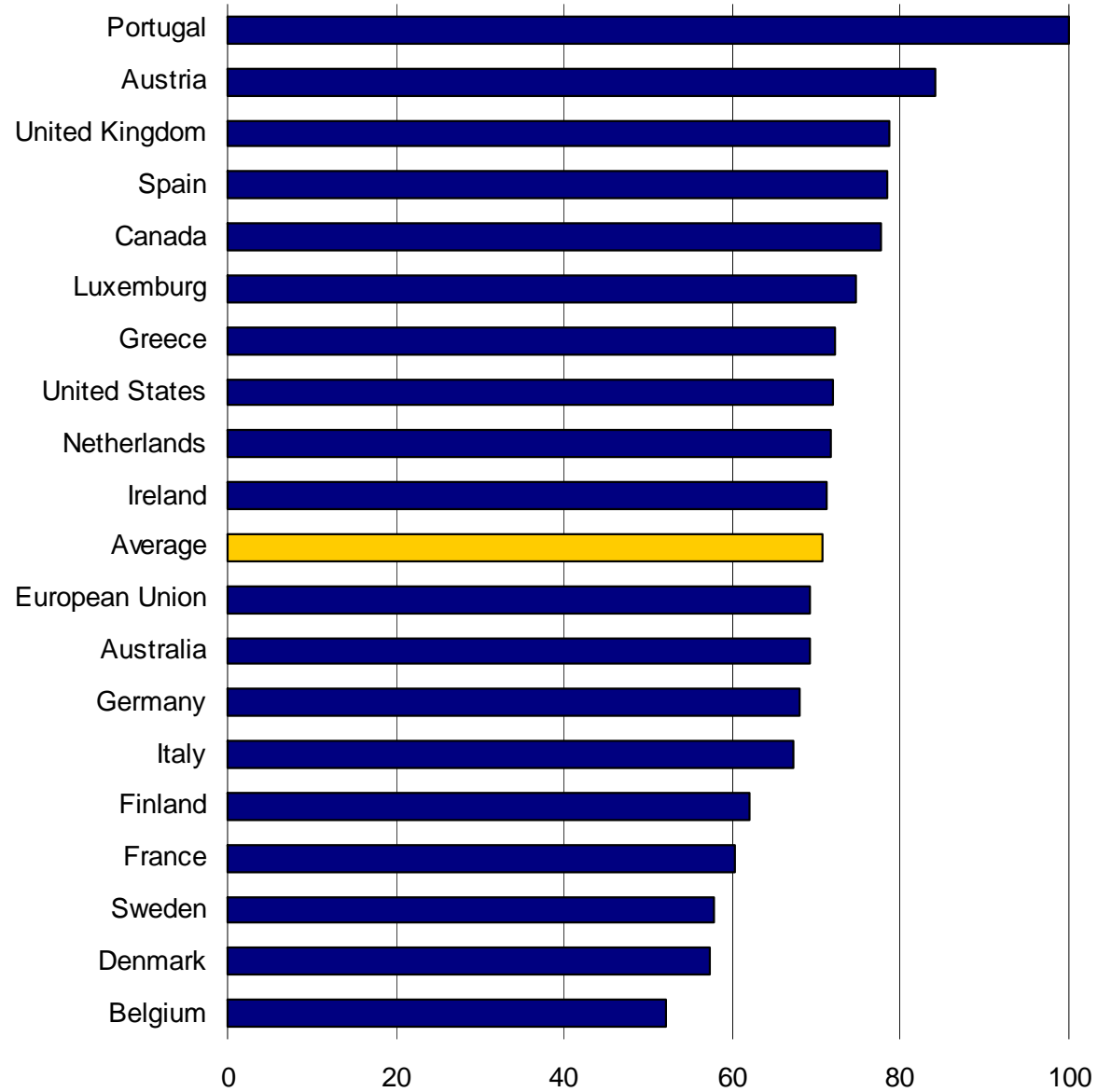
Source: see discussion in text and Table 1

Table 2. Employment Rate for The Highly Skilled (Tertiary Educated Workers), 2001

Country	Employment Rate		Ratios		Ratios	
	Foreigners %	Nationals %	Foreigner Participation Rank	Foreigner to National Rank	Foreigner Participation Rank	Foreigner to National Rank
			Foreigner / Average	Foreigner / National	Foreigner / Average	Foreigner / National
	(3) =	(4) =	(5) =	(6) =		
	(1)	(2)	(1) / mean	(1) / (2)	100 top ratio	100 top ratio
Australia	65.7	68.5	98	0.96	69	86
Austria	79.9	86.6	119	0.92	84	82
Belgium	49.4	84.4	74	0.59	52	52
Canada	73.9	66.0	110	1.12	78	100
Denmark	54.5	87.9	81	0.62	57	55
European Union	65.8	83.3	98	0.79	69	71
Finland	58.9	85.7	88	0.69	62	61
France	57.2	80.1	85	0.71	60	64
Germany	64.5	84.0	96	0.77	68	69
Greece	68.5	79.3	102	0.86	72	77
Ireland	67.6	86.3	101	0.78	71	70
Italy	63.9	81.6	95	0.78	67	70
Luxemburg	71.0	84.5	106	0.84	75	75
Netherlands	68.2	87.2	102	0.78	72	70
Portugal	95.0	89.8	141	1.06	100	94
Spain	74.5	76.1	111	0.98	78	87
Sweden	55.0	83.7	82	0.66	58	59
United Kingdom	74.8	88.2	111	0.85	79	76
United States	68.3	66.9	102	1.02	72	91
Average	67.2	81.6	100	0.82	71	74

Note: Foreigners are "non-EU nationals" in Eurostat data, while "nationals" are EU nationals, otherwise Foreigners refers to skilled immigrants and nationals to native born.

Figure 5. Index of Foreign Employment Rate Relative to Foreign Average , 2001



Source: see table 2.

(a) *Global labour markets generate domestic demand*—Multinational corporations, communications, and transportation make for global labour markets, and governments should facilitate legitimate employer demand for international workers. Meeting legitimate employer demand is in everyone's best economic interests.

- Admission processes should be timely—Employers should be able to identify and hire foreign workers in a few weeks time. Pre-screening systems are one way to facilitate the process, as are responsible recruitment agencies, although neither may move as fast as word of mouth.
- Work permit requirements should not be onerous—Point systems and other means of facilitating fast admissions are alluring. But any fast track system that lacks a means of dynamic market testing is, ultimately, flawed. Arguably, in a computer age, the lag time that apparently inheres in market testing reflects problems in administrative creativity and management capacity.
- Administrative capacity needs to be front and center—Immigration consultants mostly focus on processes, but there is often a lack of administrative capacity to implement or react rapidly. This means that a successful admission system needs funding and the responsible bureaucracies must be held to the highest standards.

(b) *Abuse happens*—Today’s debate over immigration policy for skilled workers, coming of age in the past decade of “New Economy” exuberance, CEO excesses, and the erosion of labour institutions, tends to be bereft of traditional commitments to working conditions. Most employers are good actors, but exploitation will occur unless it is combated.

- *All admission programmes should specify labour conditions*—Wages and working conditions that protect domestic and foreign workers need to be spelled out up front, whether or not government agencies pre-certify the elements of a job offer or rely on post-hire enforcement.
- *Admission numbers should be dynamic*—The tried and true lesson of immigration is that, once started, it generates its own momentum and demand. There must be some means of testing demand and adjusting numbers accordingly or excess supply will have its adverse impacts. Market testing is one means, but serious consideration needs be given to economists’ calls for auctions and other innovations.
- *Enforcement must be integral for long-term success*—This review identified many on-the-book laws, but uncovered little evidence that immigrant programmes are adequately monitored. Failure to sanction abuse, even if no more than say 10 per cent of the actors involved, will undercut national workers and create an uneven playing field for business. In the long run abuse harms competitiveness and generates backlash.

Temporary migration is ok—History shows that temporary work programmes always lead to some permanent stays, but it also shows that most migrants are happy to take temporary work. It is both ethical and practical to insist on temporary work agreements.

- Workable temporary programmes are temporary—There should be up-front and transparent expectations of short stays; no more than one to three years. Spouse working rights and that of dependants should vary with length of stay and the nature of employment.
- Avenues to permanency should be available and transparent—Employers should be able to keep the exceptional foreign worker. Temporary workers should not be barred from permanent admission; rather the terms of their admission should encourage return, while the exceptional worker may be given priority status for permanency.
- Temporary programmes that encourage return are a plus for sending countries—As the volume of temporary migration from sending countries increases, so too does the risk of brain drain. Research indicates that high rates of return and circulation are the best way for skilled mobility to stimulate economic development in sending countries; and there are a number of policy options to facilitate return.

