THE MEANINGS AND THE FUTURES OF SKILLED MIGRATION*

ABSTRACT

This article provides a brief overview of skilled migration, focusing on the ways in which it has been conceived, the factors affecting demand and supply, and the forces that may have an impact on future patterns.

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Before we can have a sensible discussion of the future patterns of migration – and of skilled migration flows, in particular – we must be sure we are in agreement about what "skilled migration" actually means. It is only fair to note that there is a good deal of confusion here.

The phrase itself is remarkably elastic, with many different denotations and connotations that are not commonly specified in use. Moreover, there are at least two rationales provided for admission of "skilled migrants," although these are often conflated or confused. Let us deal with each of these sources of confusion in turn.

The sprawling meanings of "skilled"

The term "skilled" is often used in a generic way related to educational attainment. Migrants who have accumulated some level of post-secondary education in any field are defined as skilled – in this view, a bachelor's degree in ancient history has the same skills value as one in electrical engineering.

Others only apply the term to persons possessing specific skills, whether or not these require post-secondary education; for example, welders, physical therapists and engineers might fit into this usage. Within this definition, some further emphasize that the skills must be in demand in the labour market of the destination country, while others tend to minimize or ignore the demand side.

There is further diversity in use as to whether a person should be judged to be skilled based on the skills distribution of the source country or the destination country. A university graduate or a nurse in Chad may be highly skilled in that country, but of average skill in Switzerland.

Finally, in some countries, such as the United States and Germany, the term "skilled migrants" is sometimes used as synonymous with migrant professionals such as scientists, engineers, physicians and designers of computer hardware and software. Consider, for example, how the concept of skilled migrants has been translated into law and practice in traditional immigration countries such as Canada and the United States.

In Canada, immigrant admissions are made under a particular definition of "skilled worker." Applicants for such visas must qualify by achieving 67 composite points under a points system based on six factors: years of education, work experience in occupation, proficiency in English or French, age, arranged employment and adaptability. It is particularly notable that under the current points system there is only a five-point difference between a person holding an advanced (master's or doctoral) degree and 17 years of study versus one with only a two-year diploma, trade certificate or apprenticeship and 14 years of study. Moreover, while in theory some occupations may be designated as ineligible for skilled worker points so as "to make sure that Canada does not have too many people with the same skills," in practice there are no such restricted occupations at the present time.[1]

In the United States there is nothing analogous to Canada's points system (and to a similar system in Australia). Most legal immigrants to the United States are admitted solely on the basis of family connections, whatever their skill levels may be and no matter how these are defined. Only a small minority of legal immigrants are admitted on employment rather than on family criteria; in this minority of cases, applications receive a crude labour market test in the form of requiring that an office in the Department of Labor approve a petition by an employer certifying that he or she has been unable to identify a qualified domestic job applicant for the position and that the wages being offered meet a rather ambiguous "prevailing wage" standard.

In addition to permanent visas, a temporary employment-based visa known as "H-1B" was initiated during the 1990s. This visa has attracted much controversy and is often described loosely as a "skilled migrant" visa. However, the enabling legislation defines it as a visa for persons with a

"specialty occupation" (or, mysteriously, for a "fashion model of distinguished merit and ability"), which would require:

> ...the theoretical and practical application of a body of specialized knowledge and a bachelor's degree or the equivalent in the specific specialty (e.g., sciences, medicine and health care, education, biotechnology, and business specialties, etc…). (U.S. Department of Labor)

There is a core numerical cap of 65,000 new H-1B visas to be issued per year, plus recent additions under trade agreements of 6,500 per year for Chile and Singapore and a further 10,500 per year for Australia. In addition, H-1B workers hired by American universities are excluded from these caps, so depending on the numbers in this last unlimited category, the total new admissions per year may be in the order of 100,000. Generally, the H-1B visa is valid for six years of residence.

Employers seeking H-1B visas must attest that the positions will pay "prevailing wages." The latter is a term of art; employers may choose from five sources of evidence, including not only official data but also "a survey conducted by an independent authoritative source…[or] another legitimate source of information." Moreover, employers are allowed to specify the occupational title of H-1B hires, and some allege that employers select occupational categories with lower prevailing wages than would normally be paid to other employees with similar qualifications. Enforcement of these requirements is in any case quite lax, requiring, for example, that employees first file complaints before any serious scrutiny is undertaken.

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Differing rationales for admission of skilled migrants

If the underlying definitions of "skilled migrants" are ambiguous and elastic, so too are the rationales used to justify preferential admission of skilled migrants (however defined).

First, admissions of skilled migrants may be seen as part of a country's labour force strategy. In effect, preferential admission of skilled migrants represents a strategy for selective importation of human capital developed elsewhere. Selective admission of skilled migrants is seen as a contribution to a receiving country's level of skilled workers, who are thought to contribute differentially to the progress of its overall economy.

Second, selective admission of skilled migrants may be subsidiary to reasons other than labour force for a country deciding to admit immigrants. For example, some countries have long sought, often for strategic reasons, to increase the size, growth rate or density of their populations, sometimes at a national level, sometimes with a focus on sparsely populated regions (obvious examples include Australia and Canada). In such cases, decisions are often first made about the total numbers of immigrants to be admitted and then, preferences are applied that favour admission within such totals of skilled migrants. In such cases, the goals of these preferences may be to increase the likelihood that individual new immigrants find decent employment and thereby have greater prospects of economic success and social integration.

Sources and destinations, current and future

Like most other streams of human migration, skilled migration is somewhat independently driven by issues of demand and supply in both source and destination countries, along with differentials in career prospects and remuneration.

Demand

In many industrialized countries, employer groups argue that there is need for additional skilled workers. We can distinguish among at least three types of such insufficiency of supply relative to demand: genuine, professed and mandated.

Genuine need for additional skilled workers may arise from short-term booms in certain economic sectors (consider recent boom and bust cycles in computing, information technology, telecommunications, energy) or from long-term insufficiencies in a country's educational system relative to its economic needs. In cases of genuine insufficiency of supply, there would be clear evidence in the normal measures of strong demand in the labour market: unemployment rates would be very low; wage offers would be buoyant; delays in hiring to fill slots would be lengthy and/or increasing, and so on.

Demand for additional skilled workers may also be "professed" rather than genuine. Here one might include cases in which employers do not offer wages and benefits that are competitive by domestic standards, are unable to attract applicants from the domestic workforce to such positions, and then assert they are unable to hire the skilled workers they want.

Finally, demand can also be created or "mandated" by political decisions. The 2000 "Lisbon Agenda" of the European Union (EU) provides an enlightening example of such demand. EU member states agreed to a ten-year reform program that would make the EU the world's most competitive and dynamic economy by 2010. Among other measures, they agreed to increase research and development (R&D) expenditures in their economies to 3% of gross domestic product by 2010. On the assumption they would do so, the European Commission has estimated that there would be an estimated shortfall of about 700,000 scientists and engineers by that year. (As the time of writing this article, R&D expenditures by EU states are far from being on track to reach the 3% target by 2010.)

Supply

With respect to supply, substantial pools of potentially mobile skilled workers may be available in those countries that provide ready access to higher education but whose

economies fail to offer attractive career opportunities for many of those so educated. There are many examples of such countries: Egypt, Jordan, the Philippines, Sri Lanka and India (at least until the 1990s).

In many of these cases, national governments have explicitly or implicitly chosen policies that might be described as "investment in human capital for export." While the economic sense of such policies might well be questioned, in political terms they:

- provide opportunity for children of politically influential middle classes;
- reduce pressures on domestic labour markets; and
- capture hard-currency remittances sent back by overseas workers.

This kind of phenomenon does require careful assessment of the validity of claims for compensation for "brain drain."

Future needs and demand

There have been many assertions in recent years that in the future, industrialized countries will need to import substantial numbers of skilled workers to sustain their economies. In reality, it is a daunting task to develop objective and credible assessments of the future need, among immigrant-receiving countries, for a continued supply of specifiable skills.

Firstly, there is the inherent weakness of long-range economic forecasts in general. To this weakness must be added a second layer of uncertainty about future technological change as it may affect the relative demand for skilled versus unskilled workers. Finally, the rapid growth in globalization, and with it the apparently accelerating offshore outsourcing of skilled services from workers in low-wage countries, adds a third layer of ambiguity about future levels of demand for such services within immigrant-receiving countries.

With regards to limiting attention to skilled scientists and engineers at the doctoral level, for example, a recent report by a committee of the United States National Academy of Sciences noted that past efforts in forecasting labour market conditions for such occupations have proven unsuccessful (National Research Council 2000). This type of forecasting may, if anything, become even more challenging. The failed efforts did not suffer under the additional uncertainties posed by the recently increased offshoring of such employment by multinational corporations.

There is another important question, usually not considered in discussions of such matters: to what extent do we believe that there might be impacts or feedback loops affecting interest among domestic students and workers in skilled occupations involved in large-scale offshore outsourcing or importation of skilled or specialty workers? Should we anticipate, and hence build into any forecast efforts, that some proportion of domestic students will – at the margin – shift their career decisions away from such occupations and toward those less subject to competition from skilled workers from low-wage countries (whether via offshore outsourcing or immigration)?

If indeed there were to be such impacts on domestic career choices, this might best be understood in system terms as a positive feedback loop:

- increased offshoring or importation results in less robust demand for skilled workers in domestic markets;
- this, with a lag, evokes reduced influx of domestic supply, as younger citizens shift toward occupations less affected by such trends; and
- in turn, declining domestic supply, leading employers to increase offshore or imported recruitment, and so on.

How real and, if real, how large might such effects prove to be?

Attracting and retaining skilled migrants

If an industrialized country, for whatever reason, wishes to recruit skilled migrants, what policy levers might it deploy? What other factors, less susceptible to policy, might also make a given country a more attractive destination than another?

In the policy sphere, increasing ease of admission for skilled migrants is clearly one important factor. At one extreme would be direct affirmative recruitment, including not only advertising and other promotional efforts, but also governmental payment of the costs of transportation and resettlement; such measures have been used in the past by the Australian government.

Another important element is the extent to which would-be migrants can expect to have full access in their country of destination to the career for which they have qualified at home. This phenomenon is especially significant in the case of fields in which licensure is required for practice (such as medicine, nursing and, in some countries, engineering). This issue has been energetically debated in Canada, for example.

Would-be migrants who are members of what some countries term "visible minorities" would presumably prefer to move to countries where there are effective legal prohibitions against discrimination.

More generally, of course, levels of remuneration compared with those in other possible destination countries are important attractants. In addition, offers that include permanent rather than temporary residence, easy paths to citizenship and admission of family members are more attractive to would-be migrants than visas that are limited in time or for the migrant only (what the German government termed its "green card" visas).[2]

Finally, migrants are more likely to be attracted to destination countries where their language is spoken, where there is already some presence of co-nationals or co-ethnics who might be earlier pioneer migrants, and where the broader indigenous population is receptive to immigrants.

Summary and conclusions

Coherent discussion of skilled migration is hobbled by confusion and ambiguity as to the fundamental meaning of the category, with large differences in usage among

countries. Similar confusion surrounds differing rationales for preferential treatment of such migrants.

Demand for skilled migrants, however defined, may be genuine, professed or mandated. In all likelihood, the impacts of skilled migration will differ considerably depending on which of these types of demand is effective. As to supply, global disparities in economic conditions, coupled with implicit or explicit policies by some large countries favouring investment in human capital for export, suggest that vast pools of potential skilled migrants are likely to be available.

It is a daunting task to develop credible forecasts of future demand or need for skilled migrants in industrialized countries. Many of the forces that could drive such demand are essentially unknowable: long-term economic growth, technological change, the future of globalization of skilled occupations. Moreover, it would be important to assess whether importation of foreign workers and/or placing offshore of such occupations might affect future career decisions by domestic workers and students, thereby affecting domestic labour force supply.

The extent to which a given country can attract and retain skilled migrants can be affected by both policy and non-policy elements. Governments can take action to ease admission of would-be skilled migrants, can make immigration visas permanent rather than time-limited, and can undertake affirmative measures to recruit and subsidize movement of such workers. Policy actions can also be taken to assure migrants of ready access to the practice of the profession for which they have qualified, and to prohibit discrimination in employment. Other elements less subject to policy intervention include prevailing levels of remuneration and standard of living relative to other available destinations, compatibility of language and culture between destination country and migrants, cultural receptivity to immigrants, and presence or absence of migrants' co-nationals and co-ethnics.

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Notes

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[1] For more on Canada's current selection factors and point allocations for "skilled workers" visas, go to www.cic.gc.ca/english/immigrate/skilled/index.asp.

[2] Oddly enough, these German visas, which were for temporary residence only, were named after the United States' "green card," the colloquial term for visas for legal permanent residents.

Canadian Diversity

The Experiences of Second Generation Canadians



The Metropolis Project, in partnership with the Association for Canadian Studies, has produced a special issue of the magazine *Canadian Diversity* about the experiences of second generation Canadians. The issue (Spring 2008) presents a range of perspectives on the second generation in Canada and includes two articles from international researchers on the experiences of the second generation in Los Angeles, United States, and in Europe. This publication describes issues of diversity, identity and integration as they pertain to and affect those of the second generation, and features an introduction by Audrey Kobayahsi of Queen's Univeristy. The publication includes more than 25 articles by knowledgeable policy-makers and researchers.

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