TRENDS IN ASIA THAT WILL INFLUENCE ITS FUTURE AS A SOURCE OF SKILLED MIGRANTS

ABSTRACT

In this article, the author discusses a number of economic, social and demographic changes that are likely to affect Asia's future as a source of skilled migrants. Population shifts, increasing education and skill levels, student migration, generational changes, networks and increasing cooperation on migration issues in Asia are all having an impact. These developments may require traditional immigrant-receiving countries to look elsewhere for the skilled workers that they require.

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One of the defining features of the new era of large-scale international migration, as opposed to those of earlier eras such as that from Europe to North America before World War I, has been the significance of skilled migration. In knowledge-based economies, countries seek to maximize their stocks of human capital not only by training their own populations but also by attracting skilled persons through migration. Hence the "global" quest for talent has become an important part of the strategies of more developed economies (OECD 2002, Kuptsch and Fong 2006). With 57% of the world's population, Asia has emerged as the pre-eminent source of skilled migrants for several developed nations. This article addresses some of the contemporary and impending developments in Asia that are likely to impinge on the extent to which it can remain a source of skilled migrants into the future. With its vast population including the demographic giants of China and India, which together account for 37.2% of the world's population, Asia is seen by some as an inexhaustible supply of skilled labour. The argument here however is that there are developments within Asia that are likely to influence its role in providing skilled migrants and that may require some rethinking of immigration policies and strategies in Organisation for Economic Co-operation and Development (OECD) countries and in other developed countries.

Continued growth of the Asian youth population

While there is considerable demographic diversity between Asian countries, the region as a whole has experienced a "youth bulge" which saw the youth population (aged 15 to 24 years) peak at 20.5% of the total population in 1985 (Hugo 2005a). This had a number of impacts including the so-called "demographic dividend" whereby countries have the opportunity to increase economic growth because the ratio of working age to non-working age population is high. It also concentrates populations in the ages at which they are most likely to migrate since one of the most universal of findings in migration research is that mobility tends to peak in one's 20s or early 30s. Both of these characteristics are of course of interest to OECD nations who are faced with unprecedented numbers and proportions of their citizens moving into older age groups. Hence, the demographic outlook of Asian countries is of relevance to any consideration as to whether the region can continue to be a migrant source region.

In fact, the peak of the youth bulge has passed in most Asian nations, which have experienced rapid declines in fertility since the 1970s (Hugo 2005a). However, there are still a few countries that are in that peak situation while in most, the impact of falling trends of fertility is having its effect on the numbers of young people moving into the labour force entry age groups. Table 1 shows the patterns of recent and anticipated future growth of the main migration age groups (aged 20 to 34 years). While there is always an element of uncertainty in such population projections, it should be stressed that many people in these age groups were already born when the projections were made; thus, the projections have simply aged them forward so the numbers are likely to be quite robust. According to the projections, while the total number in the 20 to 34 age group grew by 14.6% between 1990 and 2000, the rate of growth over the next two decades will be only half that. Hence, the number of potential candidates for international migration will continue to grow but at a reduced rate. Table 1 also indicates that there will be significant

Table 1
Asian countries: actual and projected population aged 20 to 34 years, 1990-2020 (in thousands)

Year	Males	Females	Total	Percent growth
Asia				
1990	374,124	350,788	724,912	
2000	427,133	403,832	830,965	14.6
2010	456,755	428,718	885,473	6.5
2020	493,429	461,284	954,713	7.8
East Asia				
1990	172,834	165,470	338,304	
2000	187,805	178,627	366,432	8.3
2010	171,729	159,346	331,075	-9.6
2020	171,069	155,972	327,041	-1.2
South-Central Asia				
1990	141,940	129,454	271,394	
2000	171,087	157,341	328,428	21.0
2010	207,132	192,530	399,662	21.7
2020	240,515	225,098	465,613	16.5
Southeast Asia				
1990	56,349	55,863	112,212	
2000	68,241	67,866	136,107	21.3
2010	77,895	76,842	154,737	13.7
2020	81,847	80,212	162,059	4.7

Source: United Nations Projections.

differences between the main sub-regions of Asia; there is indeed considerable inter-country variation within these sub-regions. In East Asia, the young population will in fact decline over the next two decades due to the very low fertility rate in the region, especially in the demographic giant, China. It must be borne in mind that this decline is occurring at a time of unprecedented economic growth in China.

The situation is somewhat different elsewhere in Asia. In both South-Central and Southeast Asia, the 20 to 34 age group will continue to grow over the next two decades, although the actual rate of growth will decline. The fertility decline observed in almost all Asian nations was slowest in South Asia, where the young adult population will continue to grow by more than 20% in the 2000-2010 period, but at a somewhat lower rate in the following decade. In Southeast Asia, the rate of growth in 2000-2010 will be half that of 1990-2000 and less than a quarter in 2010-2020.

A growing gender imbalance in some Asian countries

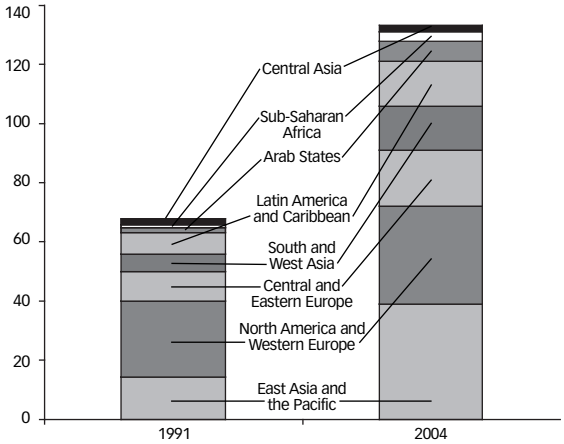
A striking feature of Table 1 is the increasing dominance of males in the 20 to 34 age group, especially in East and South-Central Asia. There is a long-standing pattern of son-preference and greater male survival in South Asian nations due to the differential care, teaching and attention given to young males and females. In addition, the introduction of ultrasound machines has allowed couples to express their preference for male children before birth (Bannister 2004, Jha et al. 2006) and resulted in an increased male dominance in younger ages. In China, the introduction of similar technology together with the "One Child Family Policy" also served to increase the ratio of male children to female children (*Far Eastern Economic Review*, October 14, 2004). Hence, the number of males per 100 females in the 20 to 34 age group in China will increase from 104.5 in 1990 to 109.7 in 2020.

The increasing shortage of women in young adult age groups in China and India and to a lesser extent in other countries such as Taiwan, South Korea and Singapore is already contributing to increased marriage immigration of young women from countries like Vietnam (Hugo and Nguyen Thi 2004). Already in China, there is a group of young men with little or no prospects of finding a partner or having a family; they have come to be known as *guang gun-er* or "bare branches." On the surface this might appear to provide an incentive for young skilled males to emigrate. However, it is apparent that the "bare branches" men belong primarily to the lowest socio-economic groups, are rural-based and unemployed or underemployed and have low levels of education. Hence they do not have the skills sought by destination countries.

Changing education and skill levels in the Asian population

One of the most profound changes in Asia over the last three decades has been the extension of universal education to most countries in the region, although higher education has remained the prerogative of a privileged elite in many nations. Nevertheless, there has been in recent years a spectacular increase in the numbers of Asians receiving tertiary education and training. Figure 1 shows that the number of tertiary students worldwide has doubled between 1990 and 2004, to reach 132 million students. The fastest growing region, East Asia and the Pacific, witnessed an increase of 25 million students over that period while the numbers doubled in South and West Asia. The data are subject to a number of caveats (UNESCO 2006: 23) but it is apparent that there has been a spectacular increase in the number of tertiary students across Asia. In China, the number of students enrolled in tertiary education doubled between 1998 and 2002, and doubled again between 2001 and 2004. Indeed, there were 19 million tertiary students in China in 2004, more than in any other country and 15% of

Figure 1
Number of tertiary students worldwide, 1991 and 2004 (in millions)



Source: UNESCO 2006, p. 21.

the world total (UNESCO 2006: 23). While the increase in other countries such as India has been more modest, the overall picture for Asia is of substantial growth.

On the surface, it would seem that the massive increase of tertiary students in Asia, especially in East Asia, would be substantially expanding the pool of potential skilled migrants to OECD nations. However, there are some concerns about the quality and type of education received in some contexts and the acceptability of those qualifications. A recent report (*Straits Times*, April 17, 2006), for example, expresses concern about the skills and experience of Chinese graduates. The issues of recognition of qualifications and of language (many do not have high-quality English language skills), together with questions surrounding the quality of education, place some restrictions on the potential for the large numbers of new graduates to migrate to OECD countries.

Increased availability of skilled jobs within Asia

While there is considerable variation from country to country, economic growth has been strong in Asia, especially in China and, to a lesser extent, India. Countries like Singapore, South Korea, Taiwan, Hong Kong and of course Japan are now able to offer wages and conditions commensurate with those in OECD nations and their economies are increasingly reliant on skilled workers. Moreover, they have had low fertility rates for several decades and are facing a situation where the number of young people reaching the age for entering the workforce is smaller than the number of people reaching retirement age. Indeed, Japan's population declined for the first time in 2005. These countries are becoming increasingly dependent on not only retaining their own skilled labour, but also on recruiting skilled workers from elsewhere. The data presented in Table 2 reflect this trend. It shows that significant numbers of Asians have returned home after settling in Australia but also that many native Australians are moving to Asian countries on a long-term basis to live and work (Hugo, Rudd and Harris 2003). For some time, Singapore has had an active policy of seeking skilled migrants to settle for at least an extended period (Yap 2006). In Hong Kong as well, there are large communities of expatriates from elsewhere in Asia as well as from countries like Australia and the United Kingdom (Chui 2006). While these expatriates are predominantly on temporary residence permits, the Hong Kong government announced in 2006 a small immigration program designed to attract around 1,000 relatively young and well-educated people to settle in Hong Kong (*The Business Week*, February 23, 2006). It planned to use a Points Assessment Scheme similar to those used in Australia and Canada.

Even in China the rapid economic growth of recent years has seen a significant influx of skill migrants albeit mostly on temporary residence permits (Ma 2006). In recent years, China has been one of the largest sources of skilled migrants to countries like Australia, but there have been increasing reports that a shortage of skilled workers in China is a constraint on the country's development (*Economist*, April 14, 2005). This is being felt especially by the multinational companies that invested US$60 billion in China in 2005 (*Straits Times*, April 27, 2006).

There is little doubt that OECD countries will face increased competition for skilled migrants from Asian destination countries over the next two decades, if they are not beginning to experience it now. This pressure is being felt, and this will increasingly be the case, in a number of ways:

- Asian countries experiencing rapid economic growth and structural change toward more high-level economies will be able to offer their nationals comparable positions at home, to which they could previously only aspire if they emigrated;

Table 2
Australia: Asian country of origin – overseas and Australia-born permanent arrivals and departures, 1994-1995 to 2004-2005

Country of origin	Total departures	Permanent departures as a % of settler arrivals
Southeast Asia		
Mainland		
Burma (Myanmar)	97	5.1
Cambodia	459	9.2
Laos	203	47.3
Thailand	5,517	46.7
Viet Nam	5,139	21.1
Maritime Southeast Asia		
Brunei	1,343	126.8
East Timor	128	246.2
Indonesia	8,819	32.8
Malaysia	5,473	23.7
Philippines	2,711	7.8
Singapore	19,061	63.9
TOTAL Southeast Asia	**48,950**	**30.8**
North East Asia		
Chinese Asia		
China	17,322	26.2
Hong Kong	34,248	101.0
Macau	366	56.0
Mongolia	29	116.0
Taiwan	6,495	48.2
Japan and the Koreas		
Japan	6,918	89.2
North Korea	1	10.0
South Korea	3,135	39.9
TOTAL North East Asia	**68,514**	**52.8**
Southern Asia		
Bangladesh	87	2.0
Bhutan	1	33.3
India	1,162	3.0
Maldives	92	278.8
Nepal	28	3.5
Pakistan	238	1.9
Sri Lanka	400	3.1
Afghanistan	43	3.3
TOTAL Southern Asia	**2,051**	**2.9**
TOTAL Asia	**119,515**	**33.3**

Source: Department of Immigration and Citizenship.

- Equally, the nationals of those countries who are already abroad will be tempted to return. This pattern has already been observed in Taiwan (Tsai 1988), in Korea (Lucas 2005) and, increasingly, in China (Zweig, Changgui and Rosen 2004). It is also strongly evident for several Asian countries in the Australia data presented in Table 2;
- Skilled workers from Asian countries that are not experiencing as rapid an increase in demand for skill and whose economies are less developed will be faced with a choice of moving to another Asian country or to an OECD country. There is some evidence that other Asian economies may have some attractiveness because of proximity and cultural factors;
- Asian economies will become increasingly attractive to native skilled workers from OECD nations and be able to bid for their services. Again Table 2 shows a significant numbers of Australian native workers (who are overwhelmingly skilled) moving to Asian countries.

Clearly the dichotomy regarding Asia, Africa and Latin America as "underdeveloped" and Europe, North America, Japan and Oceania as "developed" is a now false and will become even more so over the next two decades.

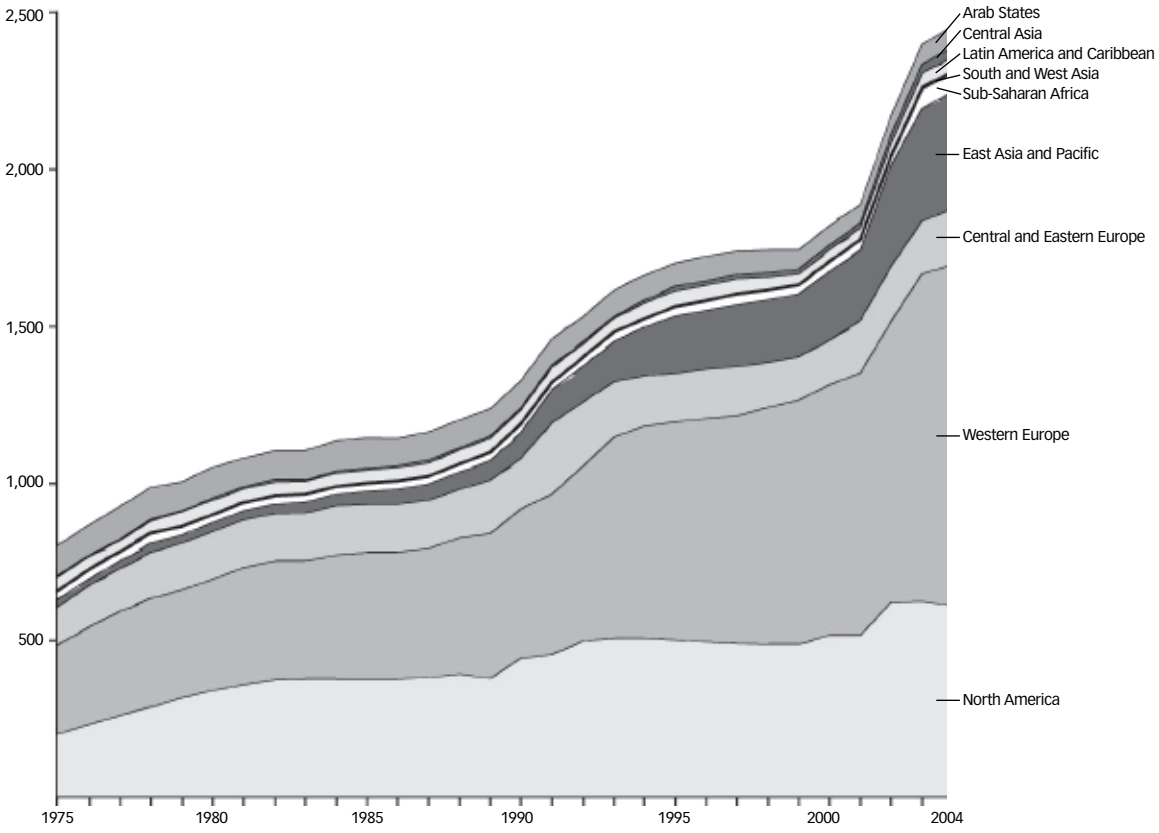
The future of student migration

There has been an exponential increase in international student migration in the last decade. This is evident in Figure 2, which shows that the number of foreign students in tertiary education doubled between 1990 and 2000 and increased by another third between 2000-2003.

Clearly much of this movement has been to OECD nations and has originated in Asian countries. However, it is interesting that Figure 2 shows a large increase in the number of foreign students in China, Japan and Korea. Moreover, in recent years Malaysia has become very successful in attracting students from poorer neighbouring countries. In South Korea, the number of foreign students increased from 3,963 in 2000 to 22,624 in 2006 (*Asian Migration News*, September 1-15, 2006), while 20% of Singapore's university students are foreign.

Nations are beginning to appreciate the benefits of foreign students namely as a significant source of foreign exchange: it is estimated that foreign students paid US$30 billion to their destination countries (*Migration News*, April 2005) and in Australia, the immigration of foreign students has been estimated to contribute A$4 billion to the economy (Hugo 2005b). Increasingly though, foreign students are seen as the "raw material to train some of the human capital they need" (Skeldon 2005: 17). They are the next generation of skilled migrants who differ from the

Figure 2
International mobile students by region of study, 1975 to 2004



Source: UNESCO 2006, p. 34.

previous generation in that they are what Simmons (1999) describes as "designer migrants," or specifically "designed" by the destination country to meet their skilled human resource needs.

Hence, competition for foreign students is also increasing substantially, and any skilled migration policy that becomes dependent on producing foreign graduates to fill the ranks of its future skilled migrants will need to be cognisant of, and deal with, this increased competition.

In short, the increasing availability of higher educational opportunities for Asians within their own countries and in other Asian countries (with cost, proximity and perhaps cultural advantages) by no means ensure that the exponential increase in Asian student migration to OECD countries like Australia will continue well into the next two decades. Moreover, increased competition between OECD nations to attract such students will also have an effect. The recent concern with falling foreign student numbers in the United States may be a harbinger for other OECD nations although post-9/11 events have had an influence in that country (*Migration News*, January 2005).

Generational changes

Each birth cohort differs from the previous one as they enter each successive stage of the life cycle because they live through different periods with different influences, levels and types of education, exposure to the mass media, levels of prosperity, and so on. Hence, it has become commonplace to compare the characteristics of the baby boom generation, Generation X and Generation Y. In Asia, the new youth generation now beginning to enter the high migration age groups are different in many ways from earlier cohorts (Hugo 2005a and 2006). They are the first generation that have grown up during the era of globalization, accelerated economic growth and prosperity in Asia, universal education, access to mass media, the electronic age, and so on. This not only has a major influence on the human resource skills they have acquired, but on their aspirations, preparedness to move, and knowledge of the outside world, among others. The implications of this for future migration is not known. Their education, language ability and knowledge of the world may result in them being more likely to make an international move than earlier generations as is the case in countries like Australia (Hugo, Rudd and Harris 2003). Yet, it may be that they are less inclined to move to OECD nations and more attracted by other Asian destinations.

Extension of networks

Another relevant development in Asia is the intensifying of the linkages between Asians, on the one hand, and people and institutions in OECD nations, on the other. This is partly a function of the considerable expansion of the size of Asian communities in OECD nations described earlier in this paper. This expansion means that the proportion of Asians with some social capital located in OECD countries in the form of relatives and friends has increased. Although the willingness of the diaspora to provide information and assistance to migrate and settle to their relatives and friends in the home country varies, it is apparent that for many Asian groups the strength of those bonds is considerable and networks are a major facilitating factor in migration (Massey et al. 1993 and 1998). Much of the discussion on the salience of social networks for encouraging and channelling migration focuses on family reunion and unskilled or semi-skilled migrations, but it is rarely considered in terms of skilled migration. However, there is increasing evidence that the existence of social networks can be of crucial significance in deciding whether or not skilled Asians migrate to an OECD nation and if so, to which one. Social networks can also spill over into professional linkages, allowing networks to operate in such a way to exchange information about job opportunities, job conditions, and other factors. Hence, it is possible to see concentrations of compatriot migrants in particular sub-sectors of the economy in OECD nations. A most notable example is the information and communications technology industry in Silicon Valley, California, where it is apparent that social networks have been crucial in channelling Indian IT professionals to this region (Biao 2004 and 2006). While social networks have always been an important factor in initiating, facilitating and channelling international migration to Australia (Price 1963), information and communication technology make exchanges between origin and destination cheaper and more instantaneous, detailed and intimate than ever before, so networks can operate even more effectively than in the past to influence migration. A somewhat related element is the expansion of the migration industry, which operates to facilitate migration. The number of agents, lawyers, travel providers and others involved in this industry in Asia has increased and their presence is a major element in sustaining the migration to OECD nations.

Increasing co-operation on migration issues in Asia

Until recently, there has been little co-operation or even dialogue between Asian nations on international migration issues. Migration was seen as the sole concern of individual nations. This however has changed in recent years, partly as a response to 9/11, which saw Asian nations meeting together and co-operating on migration, security and trafficking issues such as in the Bali Process (Hugo 2004). However, dialogue and co-operation has been extended through a number of regional fora like APEC (Asia-Pacific Economic Cooperation), ASEAN (Association of Southeast Asian Nations) and the APC (Association for Progressive Communications) (Solomon 2005). While there is little direct co-operation on skilled migration, it is not unreasonable to expect that, as the regional and bilateral dialogues continue, agreements between Asian countries on skilled migration may eventuate.

Conclusion

Asia has been experiencing rapid and profound economic, social and demographic change. The elements outlined above are part of this transformation although their full implications for the future of skilled immigration to OECD nations are not entirely clear. Obviously some would appear to work in favour of such migration and others against it. What is clear is that the situation will not stay the same, nor can Asia be taken for granted to be an almost limitless support of the skilled labour that OECD nations will increasingly need over the next two decades

to maintain their global competitiveness and enhance national prosperity.

At the very least, immigration policy in OECD countries must be developed in full recognition of the changing dynamics within some countries. This has not been a strong point of such policy in the past. Discussing the situation in the United States, Sassen (1989: 828) has put this argument strongly:

> The Achilles' heel of US immigration policy has been its insistence on viewing immigration as an autonomous process unrelated to other international processes. It should be clear by now that powerful international forces are at work behind the outflow of emigrants from the developing world and the influx of immigrants into the United States.

This draws attention to the fact that policies relating to international migration must take account of it being an integral part of a complex system of flows and linkages between countries. Policies in OECD countries relating to immigration must be based on an understanding of the context in origin countries and cannot be formulated in isolation from other policies and relationships with those countries.

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