

## MIGRATION

# Keeping the Knowledge Flowing: Policy recommendations for supporting high-skill migration

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## Abstract

*As the world of work and education rapidly changes, G20 member states will need high-skilled labor for an increasingly digital future. This kind of competition does not have to be a zero-sum game though – by harmonizing family reunification processes, educational standards, and certain visa processes, G20 members can encourage the flow of skilled labor in ways that support the needs of stakeholders in member states. The recommendations go beyond marginal changes in visa processes, arguing that member states take a holistic approach to creating a high-skill migration regime that encourages mobility for workers in certain high-skill sectors.*

## Challenge

As the world of work increasingly moves away from ‘jobs for life’, and workers not only move between companies but increasingly move between countries, G20 member states face the challenge of setting migration policies that are responsive to labor supply and demand in emerging technical sectors. The delays and inefficiencies that come with having a multitude of ad hoc mutual recognition programs create challenges for employers who are trying to fill skill-dependent positions in a timely manner. Many G20 members have effective bilateral recognition agreements, which we use to guide our recommendations for G20-wide skilled migration strategies.

One area in migration policy where migration processes between G20 countries could be made easier is in the skilled migration sector. Though there is no international definition of a high-skilled migrant, it is generally accepted that they are university educated or technical vocational specialists, management-level staff, executives or business people. Generally this is defined as a worker entering the host country on a work visa, often with a job offer in-hand. Such a situation should be straight-forward, but indeed people applying for high-skill classes of work visa can still face long, opaque review processes. These processes place a significant burden on different government agencies who have to manage applications, cause unnecessary stress for applicants, and create problems for employers who often have to take on a significant administrative burden and sponsor potential foreign employees. To deal with these challenges, G20 members will have to think about more than just tweaking existing visa regimes.

The Global Compact on Migration contains multiple recommendations for alleviating these pain points. These include creating a central database on migration options, standardizing qualifications recognition between countries, harmonizing travel documents, increasing pathways and flexibility for legal migration, and ending



employer-tied visa practices. G20 member states will also have to look beyond these technical fixes and create a supporting environment for the challenges faced by families moving between countries.

## Proposals

### Balancing Policy with Human Needs

To support G20-wide growth in a globalizing market for high-skill technical talent, G20 countries will need to find ways to harmonize not only bilateral skilled migration policies and processes, but also qualification and family rules. Harmonizing these migration and social factors will help G20 members get closer to meeting the goals set out in the Global Compact on Migration, and will assist G20 preparedness for a future where mobility and access to high skilled labor will be increasingly important. Below are the key policy areas member states should focus on:

- Focusing on more than migration policy: To be competitive in a future labor environment countries will have to consider issues like standardizing recognition of qualifications, and supporting quality of life for family members. We will outline how different G20 members are already addressing these factors and emphasize how G20-wide best practice can be adopted by members while also respecting states' sovereignty.
- Flexible visa processes: G20 countries that want to be competitive in attracting high-skill labor need to match qualifications and family friendly policies with efficient visa processes. The Global Compact on Migration lays out options that include visas not being tied to specific jobs, and transferability between visa classes. G20 countries are already taking steps to define strategic sectors that receive special visa treatment, and others have made efforts to make student to work visa transition easier for students with qualifications in certain sectors.

These areas represent starting points for G20 members to focus on while formulating migration policies for the future of work and education. Skilled migration is also an easier entry point for having a wider debate on the future of migration, allowing politicians to test new policies in a space that is less politically contentious than other areas of migration. By supporting humane, migrant and job-provider centered policies G20 member states can prepare for a future that will be increasingly marked by human mobility.

## **Focusing on more than migration policy**

In the coming decades, G20 member states will be faced with the challenge of establishing supportive and flexible environments for high-skilled workers and their families. While creating less burdensome qualification recognition processes and creating streamlined processes to keep nuclear families intact, visa regimes must also respond to rapidly approaching changes in the labor and education sectors.

Below we first discuss the benefits of a G20-wide skills recognition framework before addressing the growing needs of the family in the high-skilled migration paradigm.

## **Harmonizing qualifications**

Over time, the highly skilled have come to fill roles in technical sectors. Immigrants account for 45% of all scientists residing in Australia. In the US, immigrants account for over 35% of recent enrolments in the Science, Technology, Engineering, Mathematics (STEM) fields. In Canada, foreign-born STEM workers constitute 44% of all STEM positions.

In order to enhance the mobility of such skilled workers and facilitate qualification recognition, an estimated 140 mutual recognition agreements and reciprocal arrangements on educational attainment/ professional experience exist amongst and between states. These are region-specific (e.g. EU-EEA, NAFTA, APEC, CAMES, Trans-Tasman), field-specific (e.g. Washington Accord, APEC Engineer), and goods-and services-specific (e.g. GATS-WTO).

Additionally, more informal processes exist through globalized education, as one example. Within the G20, there has been an exponential increase in student movement, creating a highly valuable labor pool in member states. Almost all students worldwide (94%) are enrolled in a G20 institution, with two-thirds of international students coming from another G20 state. States, which traditionally did not experience high rates of international student enrolment, are now seeing considerable increases. Korea and Brazil, for example, have seen a 15 fold rise.

Though mutual recognition agreements exist and there is considerable student movement creating high-skilled labor pools within the G20, access to labor markets is only partial due to limited multi-country skills harmonization. Additionally, current agreements differ significantly in their depth and breadth, with non-uniform processes and ad hoc structures. In general an individual seeking to have hers/ his talents accredited often has to engage in a lengthy, costly, opaque process which, at best, grants delayed access to the desired market and, at worst, drives away would-be migrants altogether.



With a growing pool of high-skilled workers across the G20, already prolific migration patterns of the high-skilled in specific industries, and existing structures in place, the G20 can feasibly adapt to a harmonized skills recognition framework. Without such intervention, “bottle-necking” of the high-skilled will continue.

### **Policy recommendations:**

- G20 leaders should identify key sectors where (a) high skilled migrants are concentrated and, (b) country-specific industry regulations have potential for harmonization across the G20. STEM sectors, for example, provide an area of potential harmonization as qualifications are increasingly standardized and migration pathways are well established.
- G20 leaders should engage with relevant stakeholders, i.e. universities/ vocational training institutes, employers, regulatory organizations, and relevant immigration services to streamline internal skills recognition processes. Concurrently, formal and informal processes/agreements amongst G20 member states should be identified to: 1) build upon best practice in skills recognition and 2) adapt best practice to a G20-wide skills harmonization framework.

## **Family Matters – Creating supportive processes for family members**

There is a specialized but well developed stream of knowledge in migration research about the importance of family considerations in high-skilled migrants’ decisions. This research has deepened as women have increasingly been the high-skilled worker leading a family move. Troublingly, research on family migration in the mid-2000s found that many countries separated labor migration processes from family migration.

Accounting for modern family structures, with two working parents and/or mothers playing the role of primary breadwinner, will be key for countries to remain competitive in the competition for high-skill labor. For example, research on high-skilled migrants moving from France to London found that stress around making smooth family transitions, including work status for following spouses and ease of finding schools for children had a major effect on migration choices.

**Feminisation of Migration:** According to an OECD report (2017), in 2010/11, 52% of all highly educated migrants in the G20 were women up from 49% in 2000/01. Their number increased by 68% versus just 52% for highly educated men. This



is a general trend: in Russia, Japan and Brazil women represent 61% or more of highly educated migrants. In China and India, this figure has at least doubled between 2000 and 2011 (the increase lower for men).

Migrating families are more likely to settle permanently in their new country and tend to be younger than other labor migrants. Additionally, the spouses of high-skilled migrants often have similar skills to the primary applicant. This can and should be utilized through a) access to job markets and b) conditions commensurate with high-skilled migrants' needs, such as, for example, a pathway to permanent residency.

Policies in this regard vary within the G20. Migration regimes for the high-skilled generally provide measures for family reunification. However, this is not always automatic and work rights are not always immediate or, indeed, forthcoming. Where Japan, for example, permits the spouse to engage in specified activities without pre-approval, in Mexico and the US, the spouse must pursue a separate process for work rights. In other countries, the spouse is not permitted to work at all.

The added value an accompanying spouse brings with them, the aspirations and ambitions they may have, and the changing dynamics in the migrant family paradigm, means states should be more cognizant of perceived benefits of migrating, not just to the individual, but to the family on the whole.

#### **Policy recommendations:**

- G20 policy makers must enhance understanding of changing dynamics in the family structure of high-skilled migrants and the potential human resource gains in the form of accompanying spouses.
- G20 policy makers should streamline family reunification processes for the high-skilled by including dependents in a single application procedure, with subsequent work rights automatic. Pathways to permanent residency should also be strongly considered.

### **The Migration Side: Creating a high skilled migration regime that favors flexibility**

Having considered key social factors in high-skill migration, below we consider flexible visa processes. We first analyze and provide recommendations on employer-led recruitment, where employers, rather than immigration services, take the lead in soliciting high-skilled and high-demand labor migrants.



Secondly, we discuss the merits of high-skilled visas that remain untied to a specific job posting, permitting movement between employers as and when required. This is a complex topic. We will provide concrete options for the ways that G20 countries could pursue this component of the Global Compact on Migration.

## Employer-led high-skill visa allocation

Allowing employers to take the lead in recruiting and soliciting foreign talent can be more efficient for both employers and workers. Many G20 skilled visa regimes require that applicants secure employment contracts prior to application of the visa. It is only through acquisition of guaranteed work that the skilled migrant will be permitted access the job market.

Some jurisdictions operate a capped points system, where criteria (language skills, education, age, etc.) are measured to determine entry. In such visa regimes, employment contracts are not a prerequisite (though additional points may be awarded if one has been secured). Thus, access is granted on pre-determined assessment of skills shortages within the economy, the success of the visa regime contingent on the reliability of this labor market analysis. This risks unemployment/underemployment if such an assessment is inaccurate or if demand changes. A study carried out by the International Organization for Migration, for example, found that over half of Canadian immigrants were overqualified for their jobs. This risk is exacerbated where there is a significant time-lag between the commencement of the visa application process and the granting of the visa itself: labor market demands can - and have been known to - change during such periods. Furthermore, sudden increases in high-skilled labor demands cannot be met once a visa cap has been reached subsequently frustrating supply issues and effective resource management.

Given the unique demand that G20 countries are going to face for IT and technology talent, Australia's new Global Talent Scheme (GTS) pilot program serves as an example to other countries trying to make hiring international talent easier for technology firms. The GTS will go into effect in mid-2018, and permits the hiring of high-skilled technology workers from overseas. Established firms with over AUD4 million turnover can hire workers with salaries of at least AUD180,000 while start-ups are permitted to hire those with a salary of AUD53,900 (the established Temporary Skills Shortage level). Like the now-ended 457 visa program, foreign workers under the GTS program are given 60 days to find new employment in Australia in their field should their position be terminated.

**Migration vs. Intra-company Transfers:** This Policy Brief does not including intra-company transfers in its analysis. These are



functionally and legally different than high-skilled migration. Examples of intra-company transfers could include a multinational firm moving an employee from the United Kingdom to the United States. In this case the employee would enter the United States on an L-1 visa instead of an H1-B high-skilled visa.

For certain sectors where demand for specific technical qualifications is necessary, employers are often best placed to make hiring decisions with limited or no input from immigration services. The Australian example serves to illustrate where this can work in practice, where specific industries and businesses can be targeted for more fluid recruitment processes that also protect local labor forces.

### **Policy recommendations:**

- G20 member states should seek opportunities to devolve decisions on high-skilled migrant recruitment to employers. In many cases, employers can better assess the demand for labor based on local market conditions and strategic need. This can be based through re-structuring skills sets and identifying specific sectors where employer-led recruitment can be readily implemented.
- In a skilled migration regime that favors employer-led processes, sector or visa-based caps should be eliminated as they prevent sectors or firms from recruiting high-skilled migrants when needed. This would mitigate the risk of over-or under-recruitment of high-skilled migrants. It also reduces the risk that sectors or firms are prevented from recruiting high-skilled migrants when needed due to visa caps, which are non-responsive to market variation.

### **Visa conversion and job transferability – increasing labor flexibility in high-demand areas**

While devolution of visa processes to employers can go a long way toward making G20 countries' markets easier for high-skill workers to access, there is still a major role for governments to play in how visas are structured. The Global Migration Compact offers a number of general recommendations that ease the recruitment and entry of high-skilled workers. The two recommendations we will focus on are 1) ease of converting visas in-country and, 2) transferability of high-skilled between employers without having to acquire a new visa.

The migration rules in the Mercosur regional agreement set an interesting framework that other G20 countries can look to. In comparison to the EU open borders



arrangement, which focuses on intra-bloc economic integration, Mercosur developed their open border regime in response to high levels of irregular migration between Mercosur member states. The South American members of the bloc started from the position that free movement was about human rights and integration, and built from there toward economic and labor migration within the bloc. The Brazilian government has focused on easier access to their job market based on simplified processes and, in some cases, no job offer requirement. Countries not part of the Mercosur Agreement also have access to Brazil via temporary 2-year visas based on new legislation. Brazil has also eased the process of converting students' visas to high-skill work visas, creating more robust links between its pool of tertiary educated foreigners and employers.

However, many countries job-tie visas requiring a worker to seek a new visa when moving to a new job. For example, the H1-B visa in the U.S. requires a new visa to be petitioned for if a worker is going to switch jobs within their sector. Especially in fast-moving sectors like technology this can mean that a company can face a significant delay filling talent gaps that can emerge on very short timelines. Fundamentally this is an inefficient strategy - it prevents firms from taking advantage of an already-available talent base, going in a different direction than more progressive policies such as those in Brazil. The EU has taken a middle ground on the matter, permitting transfer between jobs whilst the individual retains the same visa - though only after 18 months.

### **Policy recommendations:**

- To bring the G20 into more concurrence, members can look to how sub-blocs have implemented high-skill visa programs that support intra-sector movement and visa convertibility. By finding ways for existing regional frameworks to be brought into concurrence, G20 members can identify best practices for encouraging flexible internal migration in support of high-demand bloc-wide sectors.
- G20 members should move away from job-tying visas as much as possible, especially in high-demand sectors. The ability to move between employers within high demand sectors without filing for a new visa is also a policy that can help make G20 members more competitive when trying to fill labor needs in rapidly changing industries such as technology and IT.

## **Shaping a G20 High-skill Migration Policy**

The future of skilled migration will require a wider view of mobility than just managing border control and visa processes. In order for G20 members to support a high



skill migration regime that is competitive, and supports a modern and increasingly digital high-skill sector, they should focus on implementing an integrated set of policies that support:

- Standardization of qualification recognition for certain technical fields
- Policies that support modern families, especially with two parents working in high-skill sectors
- Empowering employers to lead in selecting candidates that meet their needs
- Visa transferability in certain high tech fields

These recommendations will work best when implemented in concert. G20 member governments that address the social and accessibility factors that underpin peoples' quality of life in a new country will have a competitive edge in 21st Century work and educational sectors.



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