



Attracting and Selecting from the Global Talent Pool – Policy challenges

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Table of Content

I Introduction 3

II Defining the Policy Challenge 4

III Immigrants' Choice of Destination..... 5

IV Selecting Effectively From the Applicant Pool 8

V Conclusions 14

I Introduction

More than ever before, human capital is recognized as the one resource that can propel firms and economies to the top tier of competitiveness. In Organization for Economic Cooperation and Development (OECD) countries, emerging economies, and developing nations alike, the value of human capital is widely recognized and both public and private sectors are investing in it. The gradual shift away from agriculture and other labor-intensive activities, the much-reported growth of “knowledge-based” industries such as high-tech manufacturing and financial and business services, as well as rising skills requirements within occupations across the economy, have put a premium on high-quality education, training, and the acquisition and constant honing of skills. At the same time, domestic education and workforce training systems in many countries have struggled to keep up with the demands of employers. The reasons are many and complex. They include underinvestment, high turnover that reduces employers’ ability – and incentives – to provide cost-effective training, student choices that are not always aligned with the needs of the labor market, and the simple fact that even the highest-quality education systems cannot meet employers’ ambitious and ever-changing demands for skills in real time.

The global talent pool has also grown enormously. Some emerging economies are investing in education on a massive scale, even if quality still lags behind quantity in many cases (witness the enormous recent growth in high-school graduation rates in China and university education in Mexico, for example). Growing middle classes in emerging economies are also investing aggressively in education abroad, leading to a rising pool of international students worldwide. The number of international students worldwide almost doubled to over 4 million between 2000 and 2010, according to OECD estimates; that number is expected to continue to grow.¹ International student numbers in EU countries more than doubled, from 800,000 to 1.7 million over the same period. In the United States alone, the number of student visas issued to individuals coming from China rose more than eightfold, from 22,000 in 2005 to 189,000 in 2012.

Taken together, these developments point to substantial increases in both the supply and demand for skilled workers across the globe. In this dynamic environment, governments will have to think carefully about how they engage with the global talent pool and how they can select most effectively from it. Many countries are already doing so – from old players such as Australia and Canada that have substantially reshaped their immigration policies in recent years, to newer ones such as Austria, Spain, Sweden, and – as of about two years ago – Germany. The EU, through the Bologna Process and other measures is also focusing on building further its own talent pool and stemming some of its losses through emigration of some of its most talented young scientists and professionals. Beyond the OECD, emerging economies are also becoming destinations for international migrants. Several have been active in their attempts to develop human capital by funding the education of their nationals abroad, attracting back highly skilled members of their diasporas, and in some cases seeking out foreign professionals with the skills that will help to build new infrastructure and seed high skill-intensive industries. Examples include but go beyond China, India, and several other Southeast and South Asian countries. Russia, several Middle East and Gulf States, Brazil, and the more dynamic middle-income countries are also becoming players in the talent game. As these countries continue to grow, and if their immigration policies become less bureaucratic and cumbersome, a much greater choice of destinations will open up for the internationally mobile.

¹ OECD, Education at a Glance 2012, Paris, 2012.

II Defining the Policy Challenge

Governments seeking to make the most of highly skilled immigration face two interlinked tasks: attracting immigrants (that is, expanding the pool of skilled immigrants from which they can select); and designing immigration and integration policies that identify those with the best prospects for success and encourage them to stay.

The nature of the first challenge varies widely by country, since some destinations find it much easier to attract immigrants than others. The United States is, of course, the premier example of a country that exerts an overwhelming draw for prospective immigrants around the world; its primary challenge is less to attract new immigrants than to design policies that effectively select from the large pool of highly skilled applicants. To a lesser degree, the other English-speaking countries of immigration – notably Australia, Canada, and the United Kingdom – also attract more skilled applicants than they are willing to accept. Many other countries, on the other hand, select from a smaller pool, for a host of reasons that range from labor markets that provide fewer opportunities for the most skilled, to difficult first languages or even inhospitable physical or cultural climates. For these countries, efforts to build the pool – such as supporting internationally oriented universities that attract foreign students – play a larger role.

In this context, the much-cited “race for talent” may be a misleading metaphor to describe governments’ activities in the field of skilled migration. Many of the major destinations hardly engage in this “race” at all but instead are seeking ways to make their immigrant flows much more selective. Other countries may be more actively seeking to attract a larger pool of immigrants, but this effort is not necessarily a zero-sum game between nations. While some migrants appear to respond to policy incentives (such as foreign students moving to countries that provide post-study work rights, high-income individuals attracted by lower taxes, or investment opportunities in which permanent residence is part of the “offer”), the supply of potential highly skilled immigrants is also on the rise, and with effective immigration and integration policies the pool of potentially successful recruits can be expanded further.² That said, if the United States were to adopt legislation similar to the bill that cleared the Senate Judiciary Committee in May 2013, the concept of a “race” may become a more accurate characterization in light of the sheer volume of new employment-based immigrants the country would begin to attract (see text box “Immigration reform and employment based immigration in the United States”).

This paper provides a brief overview of the factors and policies that countries should consider when designing a strategy to attract, select, and retain immigrants across the skills spectrum.

² The United States receives such large numbers of immigrants a significant immigration reform could substantially reshape global immigration trends. The US Senate’s proposed legislation could ultimately increase skilled immigration by upwards of four or five hundred thousand people per year; this increase alone is more than the number of permanent residence grants to skills-based immigrants in Australia, Canada, New Zealand and the United Kingdom combined.

Immigration reform and employment-based immigration in the United States

If enacted, the US Senate's comprehensive immigration reform bill, the **Border Security, Economic Opportunity, and Immigration Modernization Act**, would represent the most significant restructuring of the US legal immigration system since 1965. It would make major changes to the ways in which prospective immigrants become eligible for visas, as well as the total numbers and distribution among different streams of immigration. The following are among the most notable changes to the skills-based immigration system:

- Immigration on the basis of skills and employment would receive significantly greater emphasis, through an expanded employment-based visa pool and a new “merit-based” visa to be awarded with a points test that would prioritize US employment and work experience. Migration Policy Institute estimates suggest that skills-based immigration could increase from 144,000 to between 554,000 and 696,000 annually by 2018, raising the skills-based share of all permanent immigration from 14 to approximately 35-41 percent.
- Several visa categories would no longer be subject to numerical limits, including international students graduating from advanced degree programs in science and technology. The large increase in skills-based green cards would likely reduce waiting times for many applicants already in the country on temporary work visas – rebalancing the system away from temporary and toward more permanent employment-based immigration, especially for those applying in newly uncapped, high-skill categories.
- While employer needs would drive both employment-based and merit-based systems, workers would gain much greater flexibility to petition for their own green cards – although most would require a job offer or significant US experience to qualify.
- Low- and middle-skilled workers also would be major beneficiaries of expanded work visas, both temporary and especially permanent. In a significant departure from current policy, the legislation would allow these workers to come to the United States to fill year-round, longer-term (rather than strictly temporary or seasonal) positions and ultimately to be eligible to apply for permanent residence.

Source: Madeleine Sumption, and Claire Bergeron, *Remaking the US Green Card System – Legal Immigration under the Border Security, Economic Opportunity, and Immigration Modernization Act of 2013*, Washington, D.C., 2013.

III Immigrants' Choice of Destination

What do skilled and highly skilled immigrants look for in a destination country? In particular, how do the most sought-after individuals – the elite of the international talent pool – make decisions on when to move, where to work, and how to respond to recruitment efforts? This section examines immigrant selection through the eyes of highly skilled foreign-born professionals, relying in part on the work of the lead author with Will Somerville and Hiroyuki Tanaka on this subject.³

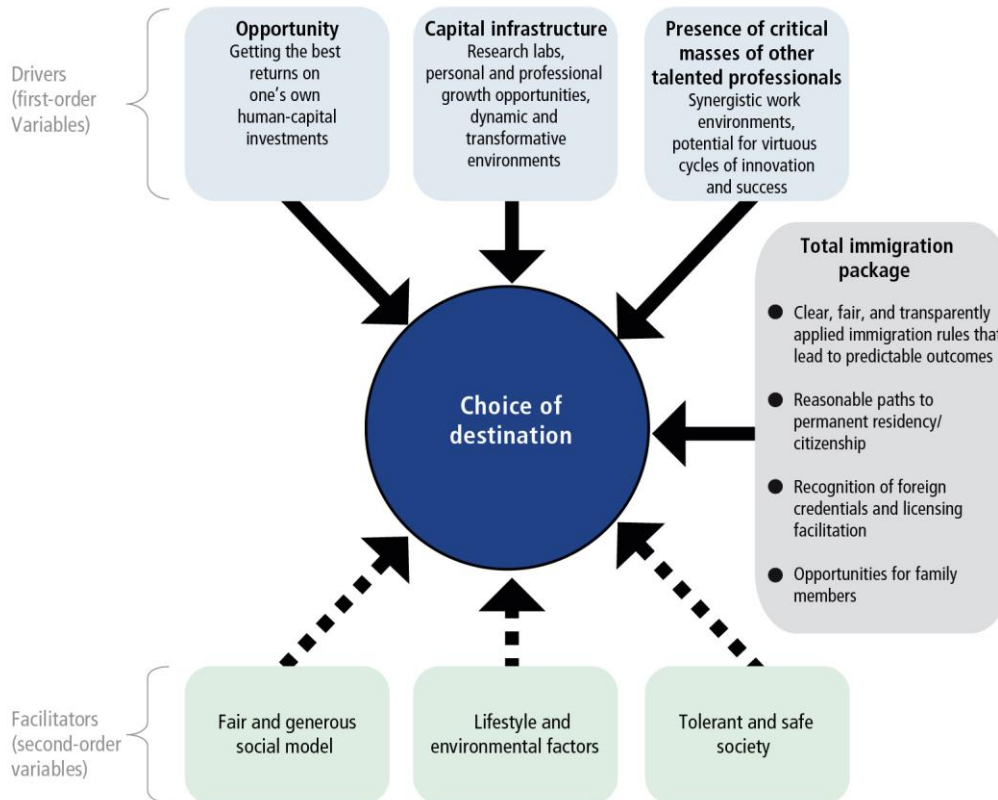
Figure “Decision-making calculus on the choice of destination” lays out the key factors that shape a destination's attractiveness. The top half of the figure focuses on a series of “first-order”

³ Migration Policy Institute, *Talent in the 21st Century Economy*, Washington, D.C., 2008, updated from Papademetriou, Somerville, and Tanaka, Washington, D.C., 2013.

decision-making variables that we consider essential to the calculations that most talented and highly skilled immigrants are likely to make in the process of deciding where to move.

Decision-making calculus on the choice of destination

New talent has high expectations



Source: Migration Policy Institute, *Talent in the 21st Century Economy*, Washington, D.C., 2008, updated from Papademetriou, Somerville, and Tanaka, Washington, D.C., 2013.

These first order variables comprise the opportunities available to highly skilled immigrants, in various forms. Highly skilled immigrants have made deep and often expensive investments in developing their human capital. As a result, they want to get the best returns on these investments. It stands to reason that, like all “investors,” they will look for places where this can be accomplished best and fastest. The opportunities that they seek are not just financial, but include the ability to realize personal and professional goals. This ability often depends on factors such as capital/infrastructure (for instance, research labs for scientists or industrial clusters and the availability of venture capital for businesspeople and entrepreneurs), or the presence of substantial numbers of other talented people in the same field and in other complementary disciplines. The latter matters a great deal because critical masses of highly educated and motivated workers create the synergies and multiplier effects that make highly skilled workers more productive and facilitate breakthroughs in research and product development.⁴

⁴ See for instance: Annalee Saxenian, *Lessons from Silicon Valley*, *Technology Review*, 97, No. 5, 1994: 42-51; Brian Knudsen, Richard Florida, Kevin Stolarick, and Gary Gates, *Density and Creativity in U.S. Regions*, *Annals of the Association of American Geographers*, 98, No. 2, 2008: 461-478; David Audretsch, and Max Keilbach, *Entrepreneurship Capital and Economic Performance*, *Regional Studies*, 38, No. 8, 2004: 949-959; and Robert E. Lucas, Jr., *On the Mechanics of Economic Development*, *Journal of Monetary Economics*, 22, No. 1, 1988: 3-42.

In addition to these top-level factors, other “softer” variables act as facilitators of attractiveness, including the destination’s social model, lifestyle and environment (or “quality of life”), and the ability to live in a safe and tolerant society. The weight these factors receive is likely to vary substantially and depend to a large extent on individuals’ circumstances and expectations. For example, factors such as universal healthcare, affordable childcare and high-quality schools will be important for people contemplating a long stay and those with families. At the same time, some migrants are drawn to countries like Australia and New Zealand in part because of their climate and natural beauty, respectively. For others, acceptance and respect for diversity of language, ethnicity, culture, and religion can be a strong element of attraction, particularly in the traditional countries of immigration such as Canada and the United States.

The immigration package

Finally, the rules and regulations of the immigration system play a distinctive role. Talented immigrants do not move because of immigration policies, and well-designed policies alone cannot make a country inherently attractive. Nonetheless, the “immigration package” that a country makes available to prospective residents affects their ability to take advantage of opportunities in the host country – and badly designed policies may significantly detract from that country’s attractiveness if they undermine these opportunities.

Among the most important features of the immigration system are clear, fair, and transparently applied rules that take the guessing game out of a foreigner’s relationship to the host country’s system – namely what (s)he has to do to maintain his/her status and, crucially, to earn permanent residence and/or citizenship. Permanent residence is the ultimate goal for many immigrants, providing more flexibility, security, and typically many more rights than temporary (time-limited) residence. In fact, many immigrants may seek permanent status even if they have not yet taken decisions about long-term settlement. In some countries, however, immigrants are ineligible for permanent residence or the pathway is long and unpredictable; other countries treat skilled and highly skilled foreign workers as “provisional” immigrants and offer them an initially temporary work visa but put them on a path to permanent residency; while a handful of countries offer permanent residence up front (although even these countries are using provisional visas more often). Regardless of the length of the pathway to permanent residence, transparent selection criteria play a role in providing the predictability that migrants and their employers seek.

A second major feature of the immigration package is opportunities for family members. Family (re)unification is a crucial component of international migration and skilled and highly skilled admissions are no exception. While spouses are often allowed to accompany an immigrant employee, many countries do not allow them to work. For highly skilled, dual-earning couples, the automatic availability of a work permit for both spouses is an important assurance – one that also adds to the accessible human capital that destination countries receive (since highly skilled professionals generally marry individuals with similar levels of education).

Third, systems that allow foreign professionals to have their qualifications validated or recognized in the host country can be crucial for those working in regulated occupations.⁵ Credential recognition systems can be made more hospitable in various ways, including providing tailored

⁵ Data from the UK and Australia suggest that credential recognition policies could have a substantial impact on attractiveness in occupations that require a license: when Australia recently opened a new route for faster (and exam-free) requalification for medical doctors, inflows from countries affected by the changes grew sharply; meanwhile, a UK move in 2003 to end automatic recognition of medical credentials from certain commonwealth countries had the reverse effect, creating a dramatic collapse in the numbers migrating.

assessment options that allow qualified applicants to minimize expensive additional education, training, and examinations; conditional registrations that allow them to be employed temporarily or under supervision while working toward full licensing; and mutual recognition agreements with major sending countries that speed up the licensing process for those with recognized qualifications. A second strategy to improve credential recognition is to select foreign workers from among the foreign student population, a policy approach that is now widely used and is discussed in more detail in the next section.

Shaping attractiveness

Among the factors that shape attractiveness, governments clearly have greatest and most direct control over the immigration package, even if this is not the most important driver of prospective immigrants' decisions. Of course, it may not necessarily be in a country's interest to provide the most attractive possible immigration package. In some cases, there may be a tradeoff between providing an attractive package for immigrants, and ensuring that policies are sufficiently selective. For example, good reasons may exist not to provide permanent residence too quickly if a longer pathway provides more information to determine whether an individual has the capacity to integrate successfully. For most immigrants, an initially temporary visa with a predictable path to permanent residence would be more than sufficient. This is especially the case below the very top echelons of the talent spectrum, as well as in countries that have a large pool of applicants from which to select.

The other factors this section has described are much more difficult to shape. Governments have no control over some of them (such as the climate or a difficult language spoken only in a small country) and their influence over others is far from absolute – such as the development of a welcoming, tolerant society. Indeed, how the society adapts to and treats immigrants is a particularly difficult area and a receiving government's occasional lapses into what is likely to be interpreted as skeptical, if not anti-immigrant, rhetoric color immigrants' perceptions about such a country. Put simply: a government's "body language" about immigrants shapes a society's views and in turn may make prospective immigrants more or less likely to choose a destination.

At the same time, several of the drivers of attractiveness are the subject of a broad range of economic policies, including infrastructure development, research investment, education, and workforce training. Success in these fields is, of course, an ambition for all governments seeking to facilitate economic growth and increase productivity, regardless of their attitude towards immigration. It is only in concert with these other areas of policy that governments can fully capitalize on the potential of immigration.

IV Selecting Effectively From the Applicant Pool

How can countries ensure that they admit the "right" people from the pool of prospective immigrants they are able to attract? More specifically, how can governments a) determine which types of immigration they should seek, and b) identify which applicants meet the criteria that they have determined? This section addresses these two, closely interrelated issues.

Assessing immigration priorities

Governments can take various approaches to determining which skills to prioritize. In many cases, largely qualitative decisions play an important role, with policies often more open to workers in specific fields of work considered strategically important. For example, some countries have dedicated policies for health professionals, as part of a strategy to provide accessible and affordable healthcare (these policies include, most notably, dedicated work permit programs for doctors or nurses, as well as bilateral agreements with countries of origin to facilitate direct recruitment from abroad). Another common strategic priority is researchers and science/technology workers who contribute to research, development, and innovation.

Some countries, including Canada and the United Kingdom, have experimented with policies to target immigration regulations more systematically to skills needs by conducting statistical analyses of occupations thought to face a shortage of workers, in which immigration is thought to be most beneficial. These efforts have presented significant challenges, however. First, there is no single way to define what the labor market “needs” and statistical measures of shortages are often an unreliable guide to actual conditions facing a specific employer who seeks to recruit workers with the right skills. Second, governments have limited options for translating information about “shortage occupations” into immigration policy in useful ways: neither the accuracy of the data analysis nor the administrative agility of government agencies are sufficient to allow them to (for example) determine how many workers should enter for each occupation. As a result, lists of “shortage occupations” tend to play a relatively modest role in shaping flows – for example, by reducing the regulatory burden on employers applying for visas in specific occupations. Third, increasing or reducing immigration in specific occupations in the short run provides no guarantee that immigrants will successfully integrate into the labor market and experience good economic outcomes in the long term. As a result, employment-based immigration systems that allow a transition to long-term or permanent residence must not only admit workers who meet current labor demand, but also select and retain those with the potential to integrate and find sustainable employment opportunities in the long run.⁶ To do this, governments must have mechanisms to assess the outcomes of immigrants admitted under various policies and adjust those policies accordingly, as discussed later in this section.

Making the most of employer selection and hybrid systems

Two competing models for selecting economic-stream immigrants are now widely used in advanced industrialized economies: points-based and employer-led selection. Points-based systems admit immigrants who have a sufficient number of qualifications and experiences from a list that typically includes language skills, work experience, education, and age. Points systems appeal to policymakers because they are transparent, flexible, and can be adjusted to meet evolving economic needs or respond to evidence on immigrants’ integration outcomes. But since employers are not involved in selection, points systems often admit immigrants who are unable to find work at their skill level once they arrive. This undermines both integration and the long-term economic benefits of immigration; both Canada and, more recently, Denmark, have experienced this problem.

Employer-driven systems, by contrast, allow employers to select the workers they need, subject to government regulations. Being selected by an employer is evidence that immigrants’ skills are needed and thus guarantees that they will have a job when they arrive – that they will put their

⁶ For a longer discussion, see Migration Policy Institute/Michael Fix, Demetrios G. Papademetriou, and Madeleine Sumption, *Immigrants in a Changing Labor Market – Responding to Economic Needs*, Washington, D.C., 2013.

skills to use immediately and help to meet labor market demands in real time. However, employer demand may be larger or may encompass immigrants at lower skill levels than policymakers wish to admit. Employers may, for example, select certain immigrants (particularly at lower skill levels) that they need in the short run, but who will not necessarily be able to integrate successfully in the long run. (In effect, this would allow employers to reap the benefits from immigration in the short term while “socializing” the costs in the longer term if the need for their labor declines.)

Hybrid selection systems combine the best ideas from both points-based and employer-driven models. Immigrant-receiving countries that once selected foreign workers using purely points-based or purely employer-led systems have increasingly opted to borrow from the competing model, developing hybrid systems that bring some of the advantages of both. The resulting selection systems have much of the flexibility of points systems, while typically providing several routes to permanent residence and giving foreign workers more freedom to move between employers. Crucially, however, they prioritize employer demand, in the form of a job offer or a good track record of prior employment in the host country.

Temporary to permanent visa pathways

One important type of hybrid model involves temporary to permanent pathways. This approach admits immigrants initially on temporary work permits but provides a clear and predictable path to permanent residence to those with good integration prospects.⁷ It can be a successful selection model because temporary visa holders represent a rich pool from which to choose permanent immigrants. These workers have built language skills, valuable host-country work experience, and local contacts within the country.⁸ At the same time, prospective permanent immigrants with host-country work experience can more easily demonstrate their ability to navigate the labor market and integrate successfully, giving governments more information on which to make selection decisions. The US H-1B system has been a prototype for this model (even if it has recently encountered serious problems arising from long backlogs for a limited number of permanent employment-based visas). Australia has also been a leader in developing such temporary-to-permanent pathways, as have New Zealand, Sweden, the United Kingdom, and, increasingly, Canada.

Effective temporary-to-permanent pathways rely on two policy principles. First, it is necessary to provide clear and predictable rules for the transition to permanent residence that enable workers and their employers to plan ahead, giving them an incentive to invest in the future. Countries with effective temporary-to-permanent pathways typically allow foreign workers to apply for permanent residence from within the country after a set period of time (ranging from one to six years), or as soon as they are able to meet certain predetermined criteria.

Second, temporary-to-permanent pathways grant foreign workers progressively broader access to the labor market. In employer-driven immigration systems, workers initially admitted into the

⁷ Most employment-based immigrant workers initially enter a host country on a temporary visa, regardless of whether they will eventually seek permanent residence. Even where permanent residence is available as an initial entry route, temporary visas can often be obtained more quickly – and in some cases have less stringent eligibility criteria – while providing greater short-term flexibility for employers. Up-front permanent residence is most common in traditional immigrant settlement countries such as Australia and Canada, although in both cases temporary-to-permanent pathways have expanded enormously. The United States also admits relatively small numbers of newly arriving employment-based immigrants on permanent visas, but the vast majority of workers enter on a temporary visa first.

⁸ Demetrios G. Papademetriou, Doris Meissner, Marc Rosenblum, and Madeleine Sumption, *Aligning Temporary Immigration Visas With US Labor Market Needs – The Case For A New System of Provisional Visas*, Washington, D.C., 2009.

country in order to perform a specific job can typically only switch between firms if the new employer is willing to apply for work authorization on the worker's behalf. After a transitional period, however, workers may acquire the right to move between employers without requiring a new visa. This gives prospective permanent immigrants greater mobility and independence from their employers, a process that is completed when they "graduate" to permanent residence and gain full labor market access.⁹

Retaining top foreign students

An extension of the hybrid selection model is to provide pathways into the labor market for the best international students graduating from host-country universities. These individuals are extremely valuable to that country's employers for the most obvious of reasons: they tend to possess locally relevant education, language skills, and cultural knowledge. Many immigrant-receiving countries have reached this conclusion, including Australia, Canada, Hong Kong, New Zealand, and the United Kingdom, and have put policies in place to retain certain international students. It has now become commonplace to offer selected foreign students the opportunity to stay in the host country after graduation in order to look for a job and work for an initially temporary period (this possibility is offered, for example, in Australia, France, Germany, Canada, and the United States).¹⁰ During this time, the students may be able to move between employers without having to apply for a new visa, and their employers may be exempt from any requirement to document or demonstrate their recruitment efforts. This period provides additional time for students to meet the criteria for skilled or highly skilled migration; some countries in fact ease this transition further by exempting foreign students from some of the regulations that apply to standard work-based visas, such as the labor market test (as in Austria and the United Kingdom) or earnings thresholds (as in the Netherlands or the United States, for example).

The success of these strategies depends in part on efforts to ensure that former students are highly selected. Until recently, Australia and the United Kingdom provided generous immigration opportunities for these former students, but found that substantial numbers of them attended less selective colleges or even "diploma mills" that essentially served as a gateway to employment in relatively low-paying occupations.¹¹ To be successful as a highly skilled immigration route, therefore, the international student pathway must rely on careful selection at two junctures: first, when the student gains admission to a selective educational institution that sponsors them and, second, when he or she qualifies to make the transition from a student visa to a work visa.

Streamlined immigration for the most talented

The most talented economic-stream immigrants may require separate treatment from the "merely talented," especially since attracting more of these workers is a priority for most governments. Workers in the highest echelons of the skill spectrum – including top researchers, successful

⁹ In Sweden, for example, employer-selected immigrants' work permits become portable between employers after two years, and can be converted to permanent residence after four years.

¹⁰ In some countries, post-graduation visas of this kind may also allow their holders to spend three to six months (or in some cases, longer) looking for a job, so that students are not required to have found work by the time they graduate or very quickly thereafter. Austria, for example, offers a 6-month grace period for graduating students, while the Netherlands and Germany offer permits for 12 and 18 months, respectively, which are valid for both job-seeking and work.

¹¹ Australian government research in 2010 suggested that just under half of the workers on "skilled graduate" visas who had not yet qualified under Australia's points-based immigration system were not employed in skilled jobs. A smaller but substantial share of those who did qualify through the points system was also employed in unskilled jobs. Department of Immigration and Citizenship, *How New Migrants Fare*, Canberra, 2010.

businesspeople, proven entrepreneurs, and creative artists – are more likely to have their choice of destinations, increasing the risk that they will be deterred by long wait times, complex application procedures, or restrictive visa conditions (such as limited work or residence rights for nuclear family members). Equally, employers who hire these high-level individuals should not have to wait unnecessarily (beyond what due diligence dictates) for their new employees to start work.

Accordingly, openness to the most talented requires predictable visa/work-permit processing decisions, as well as employment authorization that is not subject to numerical limits of various kinds and involves only the lightest reasonable administrative burden. The United Kingdom, for example, exempts those earning more than GBP £150,000 from the numerical limit on skilled migration, and their employers are not required to advertise the jobs in the local labor market before applying for a visa on behalf of the foreign workers. Even some countries with a more restrictive stance on much immigration, such as Germany, the Netherlands, Denmark, and other like-minded EU member States, provide liberal employment-based immigration routes for those earning above a certain wage (typically set between €50,000 and €70,000, or US \$75,000 to US \$100,000). In the United States, where most economic-stream immigration requires an employer sponsor, exceptionally skilled immigrants with widely recognized accomplishments in their field can apply without an employer. (A similar program was recently introduced in the United Kingdom).

Some countries also offer “fast-track” application procedures to facilitate admission for workers with urgently needed skills. US employers, for example, can reduce processing times for some visas from several months to two weeks by paying a “premium processing” fee of US \$1,225.

Rewarding employers who play by the rules

Employers are central to immigration systems, as described earlier, and even countries that use non-employer driven selection mechanisms also typically allow employers to sponsor workers outside of these mechanisms. Regardless of the type of admission system a country chooses, governments face the challenge of creating clear, predictable, and well-enforced rules that employers can understand and observe. After all, steady and even-handed enforcement of the rules is central to safeguarding the integrity of any immigration system. By contrast, immigration regulations that are enforced unevenly or without transparency generate confusion and unpredictable outcomes, and prevent employers from planning ahead. At the same time, complexity tends to channel resources towards immigration intermediaries and disadvantage small businesses and firms that do not hire foreign workers on a regular basis.

Under the current rules of many immigration systems, all employers seeking foreign workers are treated equally with respect to access to visas. This does not have to be the case. “Registered,” “trusted,” or “precleared” employer systems enable governments to differentiate between employers who present higher and lower risks. The basic principle of such systems is that preapproved employers who have demonstrated their credentials as responsible corporate citizens across a reasonable number of criteria can be rewarded with simplified application procedures or similar benefits.

Building institutions with adaptation and flexibility at their core

There is no perfect immigration system. Migration flows and labor markets are dynamic, and effective immigration systems are capable of adapting with them. Good policy development also

encourages experimentation, the ability to monitor and evaluate whether policies have lived up to expectations, and a willingness to learn and change policies on the basis of solid evidence.

Governments can create an institutional bias toward adaptation and flexibility by developing research and policy analysis capacities to inform reviews and adjustments to the immigration system. In Australia and New Zealand, ongoing analysis takes place in research departments housed within government agencies, and both countries also engage outside researchers to conduct evaluations.¹² In countries where immigration is politically divisive, an independent agency may be most appropriate for the task. The United Kingdom's Migration Advisory Committee, for example, is widely credited with raising the quality of the immigration dialogue, despite heated public debate on the issue.¹³ The United States proposed immigration legislation would create a similar entity. Other countries, such as Germany and the Netherlands, have formal advisory bodies for similar purposes, but also often rely in a more ad hoc manner on advice from governmental and nongovernmental bodies as well as independent analysts.

Systematic research and analysis promotes flexibility in two ways. First, it improves policymakers' understanding about how the immigration system actually works, the effects of *specific immigration policies* on the labor market and broader economy, and the projected impact of proposed reforms. Crucially, it enables governments to create a link between immigration and immigrant integration, assessing immigrants' labor-market outcomes to inform future changes to the selection mechanisms that admitted them. A prerequisite for this research is appropriate data. These data can be collected from administrative sources (such as computerized systems for tracking employers' visa petitions or the immigration status of foreign workers), as well as from dedicated surveys that explore how entry criteria affect the types of immigrants who are selected, their labor-market experiences, and the integration of their families (detailed longitudinal surveys of this kind are conducted in Australia, Canada, and New Zealand).

Second, by bringing a powerful, evidence-based, rational voice to the debate, advisory bodies can help to generate the political will to review the immigration system *on a regular basis*, and they can do so based on the strength of thoughtful analysis, rather than on political calculation or sheer ideology alone. Countries with immigration systems that are widely recognized as successful laboratories of immigrant selection often use advisory reports or research findings to trigger appropriate adjustments to immigration numbers and selection formulas.

V Conclusions

By way of conclusion, three observations are warranted. First, governments seeking to attract, select, and retain skilled immigrants can rely on a broad range of policies, which must be brought together into a coherent strategy that considers how different measures complement each other. For example, a longer path to permanent residence can provide valuable information on which immigrants are best positioned to succeed. It also brings drawbacks, including the risk of delaying integration by holding individuals back from full membership of society, and creating more uncertainty for migrants themselves (especially in a weak economy when individuals are concerned that they will lose their residence status if they lose their job). However, policymakers

¹² New Zealand's International Migration, Settlement, and Employment Dynamics program, for example, is housed within the country's Department of Labor. For details about its research agenda, see Department of Labor, About IMSED Research, <http://www.immigration.govt.nz/NR/rdonlyres/AE1038FF-7419-4B4D-A1F1-E6965B55F357/0/DOL1070510IMSEDAboutUs.pdf>.

¹³ A similar institution, the Standing Commission on Labor Markets and Immigration, has been proposed in the United States. See Doris Meissner, Deborah W. Meyers, Demetrios G. Papademetriou, and Michael Fix, *Immigration and America's Future – A New Chapter*, Washington, D.C., 2006; Demetrios G. Papademetriou, Doris Meissner, Marc Rosenblum, and Madeleine Sumption, *Harnessing the Advantages of Immigration for a 21st Century Economy – A Standing Commission on Labor Markets, Economic Competitiveness and Immigration*, Washington, D.C., 2009.

can mitigate these risks with complementary policies such as providing progressively greater rights and security to provisional migrants, such as the right to move between employers or spend a certain amount of time searching for a new job if they become unemployed.

Second, the role of employers in both attracting and selecting immigrants is crucial. Immigration policy is not a two-way relationship between governments and immigrants, but a three-way interaction in which employers are front and center. Governments rely on employers to create the opportunities that attract highly skilled immigrants, as well as to identify which applicants have the most needed or relevant skills. Immigration policies must therefore provide a predictable and transparent environment in which employers can do this work.

Third, it is worth emphasizing that attracting skilled immigrants is not just the domain of immigration and visa policy, but also depends on the success of policy efforts in other fields. These include countries' ability to provide a welcoming environment and sustainable opportunities for immigrants and their families. They also include countries' progress toward domestic education and training policies that create a skilled and versatile national workforce – the asset that lies at the heart of competitiveness and economic growth. Immigration must therefore be part of a much broader social- and economic-policy strategy – a strategy that includes education, training, employment, welfare, research, and investment among many others, and that extends well beyond the reach of immigration departments alone.

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