



# ***RECENT TRENDS AND FUTURE CHALLENGES IN THE GLOBAL COMPETITION FOR SKILLS***

## **Conference on Global High-Skilled Immigration Policy**

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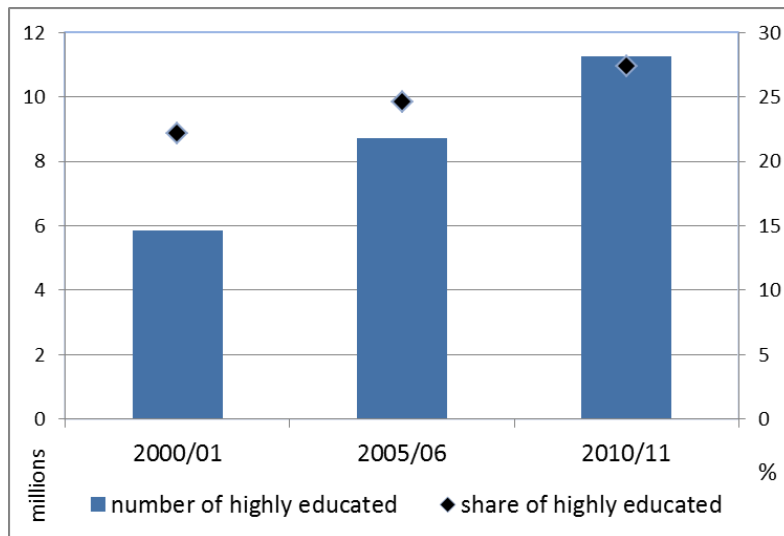
Recent trends  
in high-skilled migration  
to the United-States  
and other OECD countries



# Huge increase in the number of highly educated migrants in OECD countries

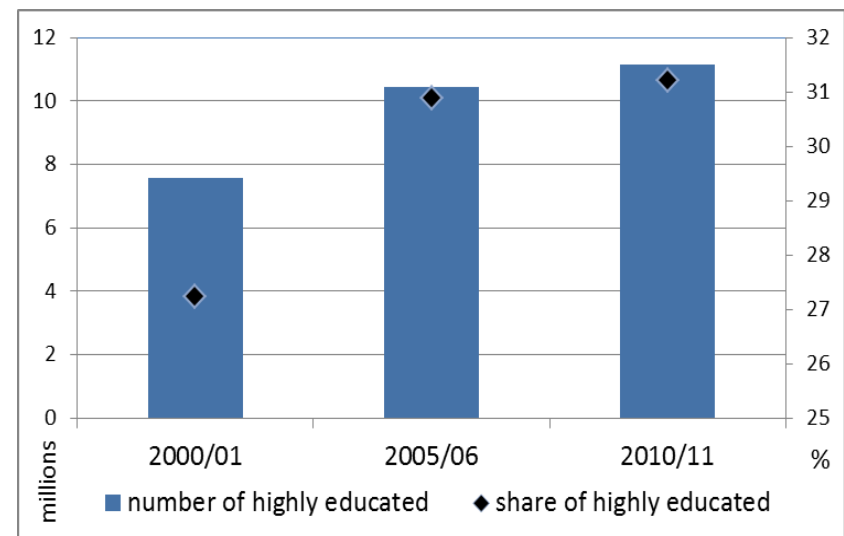
- 11.3 million and 28% of all migrants (15-64) in EU area are tertiary educated (+92% between 2000/01-2010/11)
- 11.1 million and 31% of all migrants (15-64) in the US are tertiary educated (+47% between 2000/01-2010/11)

A. Europe



Source: DIOC 2010/11 (forthcoming)

B. United States



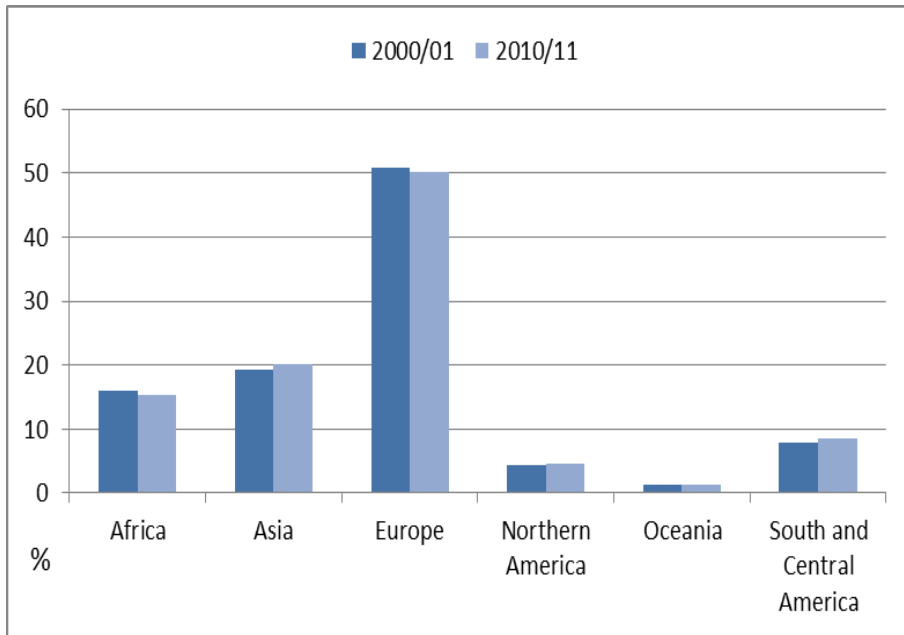
Source: DIOC 2010/11 (forthcoming)



# Main source countries are in Asia and Europe

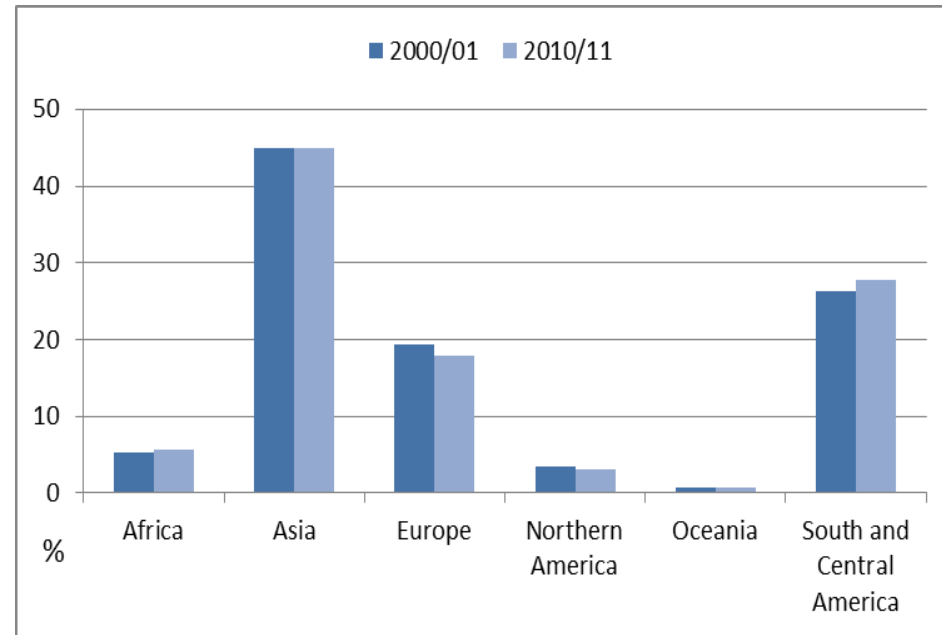
Evolution of the highly skilled migrants aged 15-64 by region of birth in the EU area and the US between 2000/01 and 2010/11 .

### A. Europe



Source: DIOC 2010/11 (forthcoming)

### B. United States

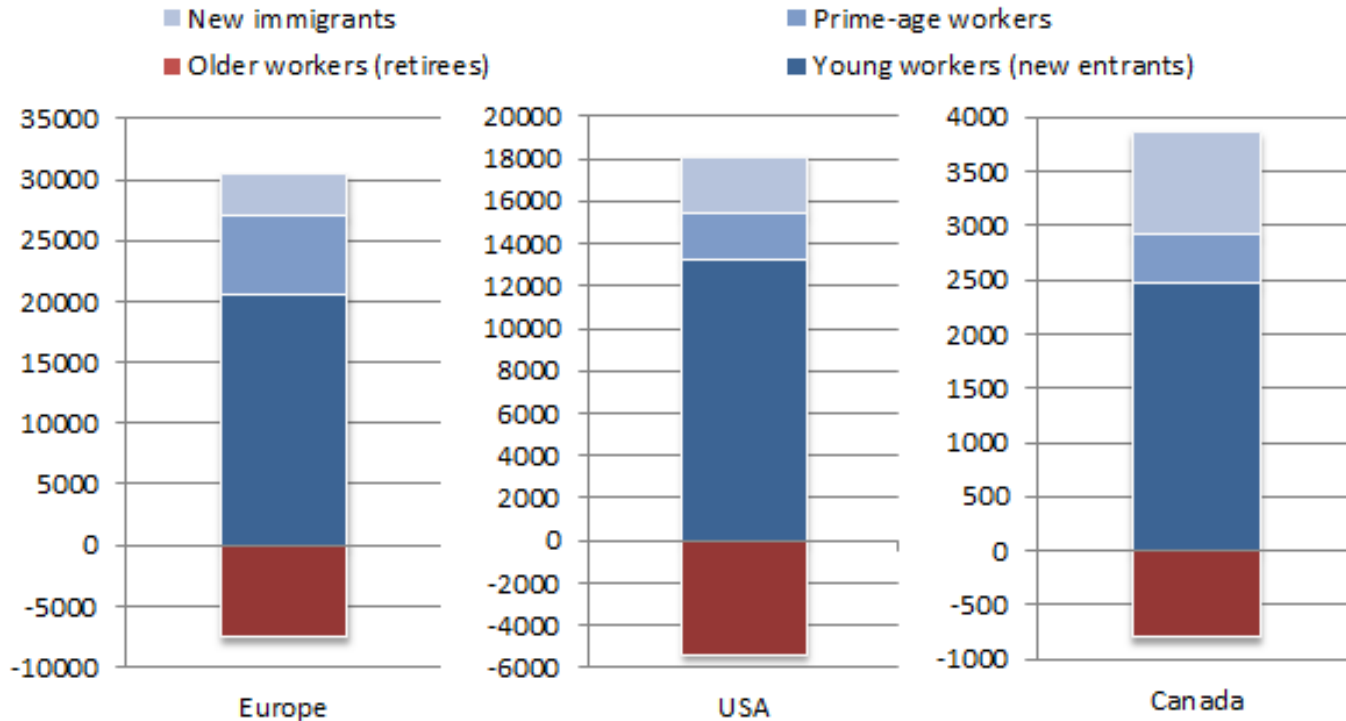


Source: DIOC 2010/11 (forthcoming)



# New immigrants fuel the growth of the highly educated labour force

Changes in tertiary educated labour force, 2000-10 by source, Thousands



Source: OECD International Migration Outlook (2012)

Between 2000 and 2010, immigrants represented 14/21/31% of the increase in the tertiary educated labour force in European OECD countries, the US and Canada.



## United States gets the cream of the crop...

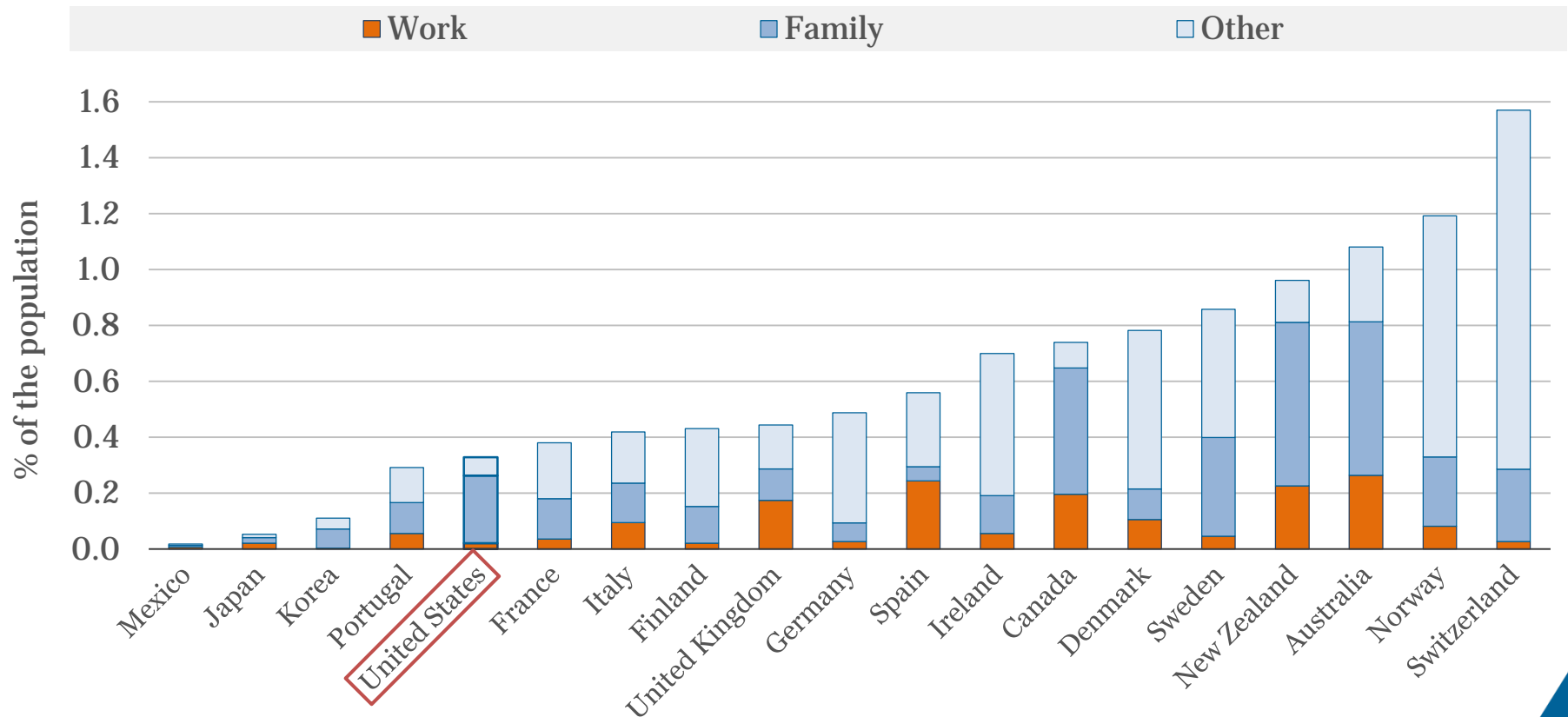
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- 7000+ visas/year for outstanding researchers and extraordinary individuals (EB-1-1 or EB-1-2)
- 57% of world migrant inventors
- 650k immigrants have a PhD (33% of all PhDs in OECD and 8% of all tertiary educated immigrants in the US)
- The US hosts 40% of all OECD immigrants with the highest literacy and numeracy levels (PIAAC level 5)



# ... but (in relative terms) the United States is not one of the major immigration countries

Legal permanent immigration by category of entry or of status change into selected OECD countries, 2012



Source: OECD International Migration Outlook (2014), forthcoming



## ... and the US market share of high-skilled immigrants is decreasing

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- In 2010/11, more than half of recent immigrants were tertiary educated in Australia, Canada and the United Kingdom, but **less than 35%** in the US
- In the past 10 years, the share of all tertiary educated immigrants in the OECD who were in the US, **decreased from 46% to 41%**
- High-skilled immigration is more and more concentrated : **over one-fifth** of recent tertiary educated immigrants are coming from China, India or the Philippines





## H-1B temporary highly-skilled migration programme is not very selective

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- Currently, the H-1B programme represents about **25%-30% of all temporary high-skilled** programmes in the OECD ( $\approx$  its share of total OECD population)

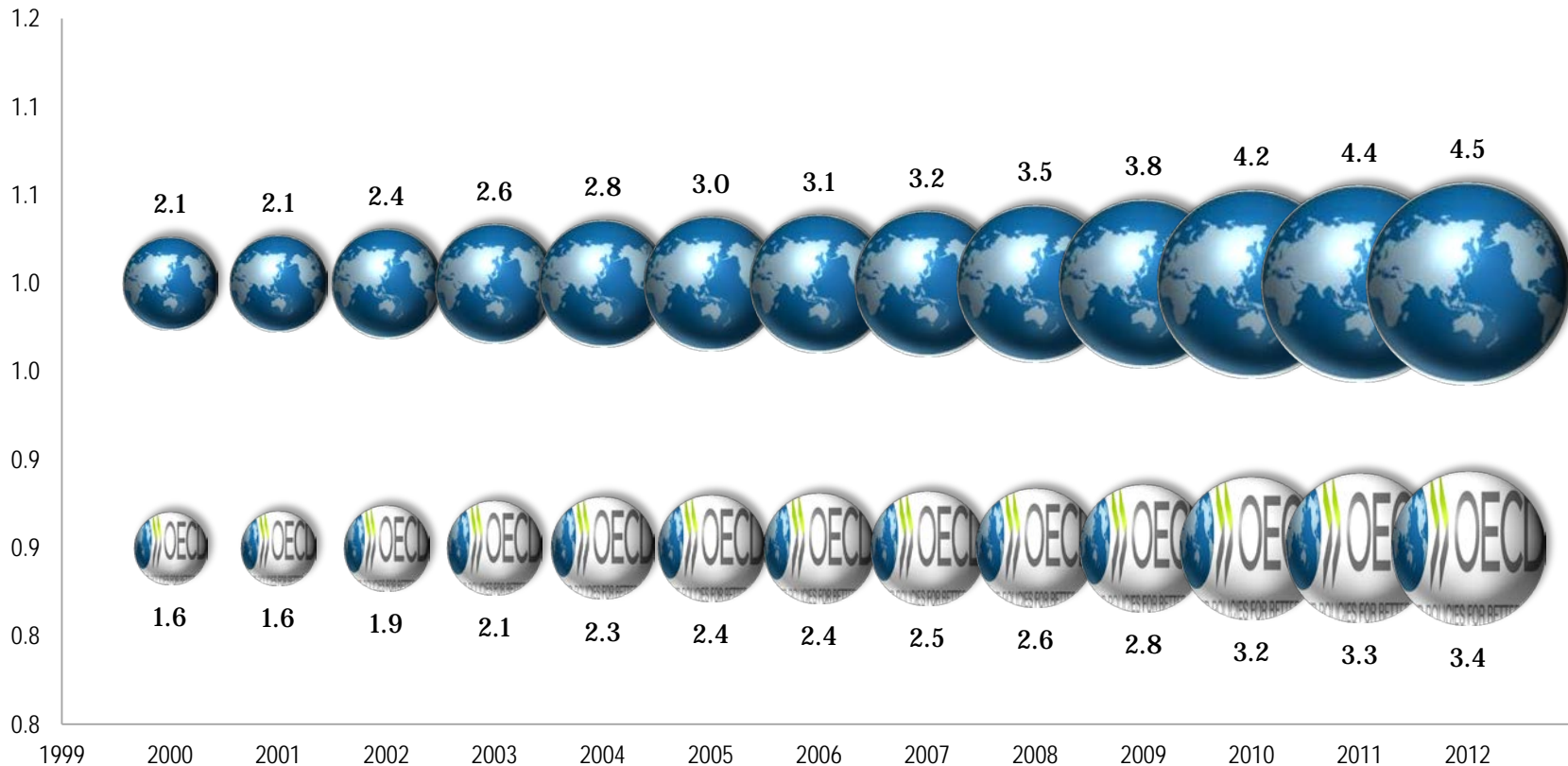
But

- Less than one fourth or **less than half** -depending on the criteria used- **of new H-1Bs would qualify for a Blue Card in Europe**
- Entry wages are low for those who do not have previous professional experience, which raises concerns about the H-1B program used to recruit lower-wage workers



# The number of international students is increasing rapidly

Foreign students worldwide and in OECD countries, 2000-12



Source: OECD International Migration Outlook (2014, forthcoming)



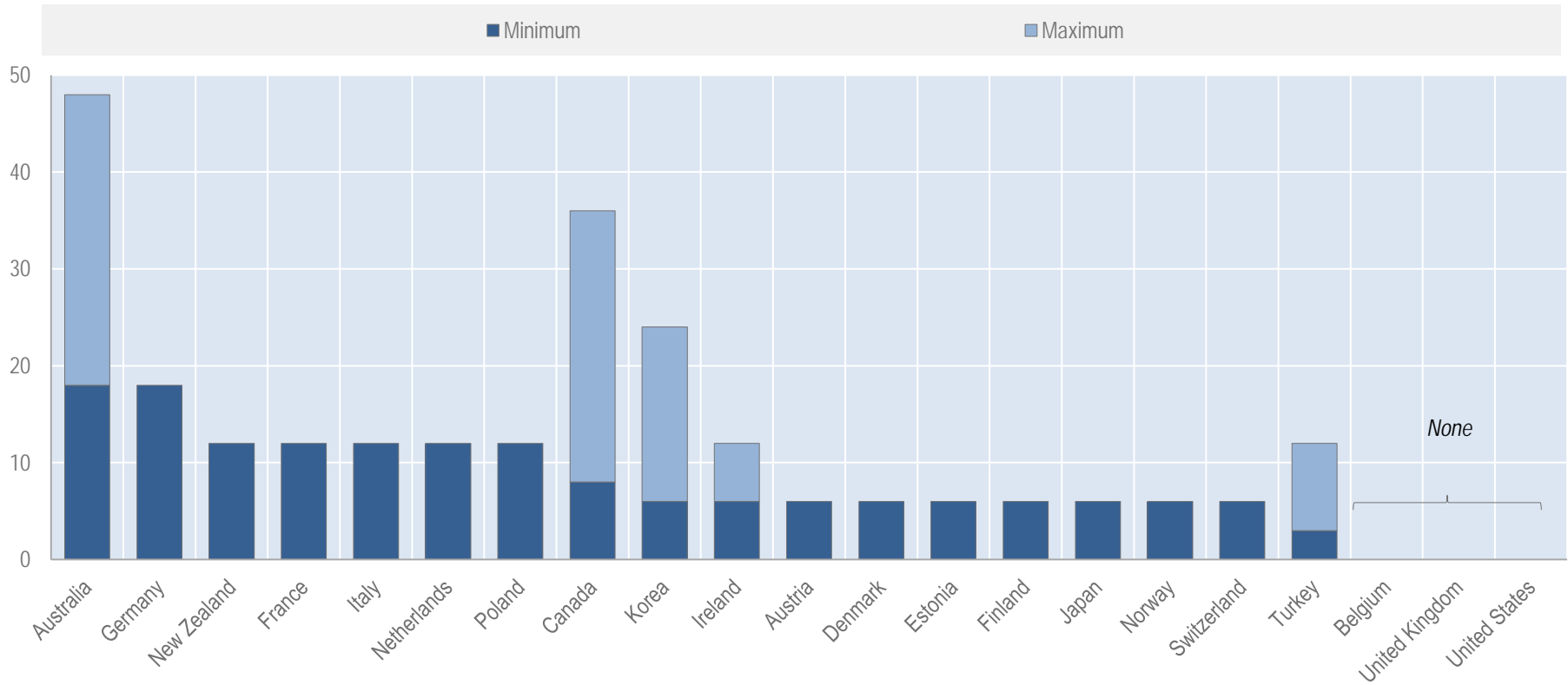
## ... but the US does not necessarily get its share of international students

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- US is still the largest destination for international students in absolute terms in the OECD (710k in 2011) but its share has been **steadily shrinking, to 25% in 2011**
- International students account for **3.4% of US university students**, the same level as for Japan but half the OECD average (AUS 20%, UK 17%, CAN 7%)
- Retention of PhDs is very high in international comparison ( $\approx 80\%$ ) but the conditions to transition to a work permit and permanent residency are more stringent than in other OECD countries



# Duration of job-search periods for post-graduate schemes in different OECD countries, 2014



Source: OECD International Migration Outlook (2014, forthcoming)

# Recent policy developments regarding highly skilled migration



# Various approaches in the recruitment of highly-skilled foreign workers

## Entry channels (model type)

Job search  
(supply driven)

Expression of interest  
(mix)

Job offer  
(demand driven)

International students  
(mix)

Intra-company transfer  
(demand driven)

## Selection Mechanisms

Education

Point Based System  
(PBS)

- Min. Education
- Min. Wage
- Occupations
- PBS

- Job in hand after graduation (usually matching education)

Minimum seniority, skill level, wage

## Limitation

Cap

Target numbers

- Labour Market Test
- Numerical Limits

- Generally more favourable conditions (e.g. no LMT, lower salary requirements)

Usually uncapped, but usually only temporary

## Countries

DEU, AUT, NLD, DNK

AUS, NZL, CAN

- JAP, KOR, SWE (no NL, no LMT)
- USA, UK (NL + LMT)
- Most other OECD countries (no NL, LMT)

All OECD countries (except Israel, although the US and UK impose limits)

All OECD countries



## General policy trends

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- **Emergence of hybrid management models**

Reward for having a job offer in supply driven systems

Increasingly complex conditions placed in demand driven systems

- **On-shore recruitments is becoming the norm**

Two-step migration, for students and workers

- **Stronger enforcement mechanisms**

- **Risk monitoring, evaluation and dynamic management**

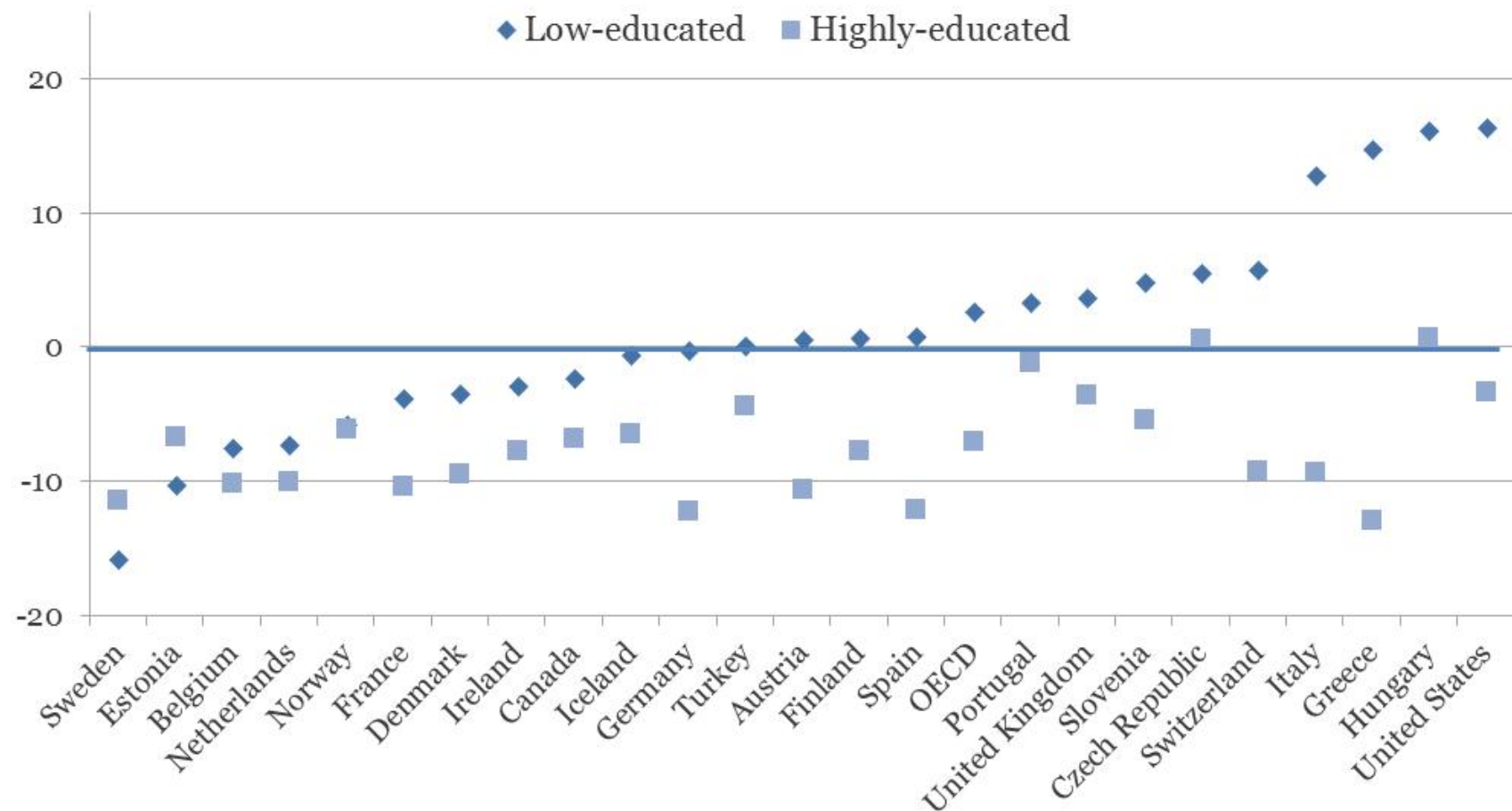
Are these policy changes  
addressing the right  
questions ?





# 1. Why do highly skilled fare so poorly ?

Difference in employment rate of foreign- and native-born populations by educational level, 2010-11, 15-64





# 1. Why do highly skilled fare so poorly ? (cont)

## Over-qualification rates of immigrants in OECD countries by income group and region of origin (2000/01 and 2010/11)

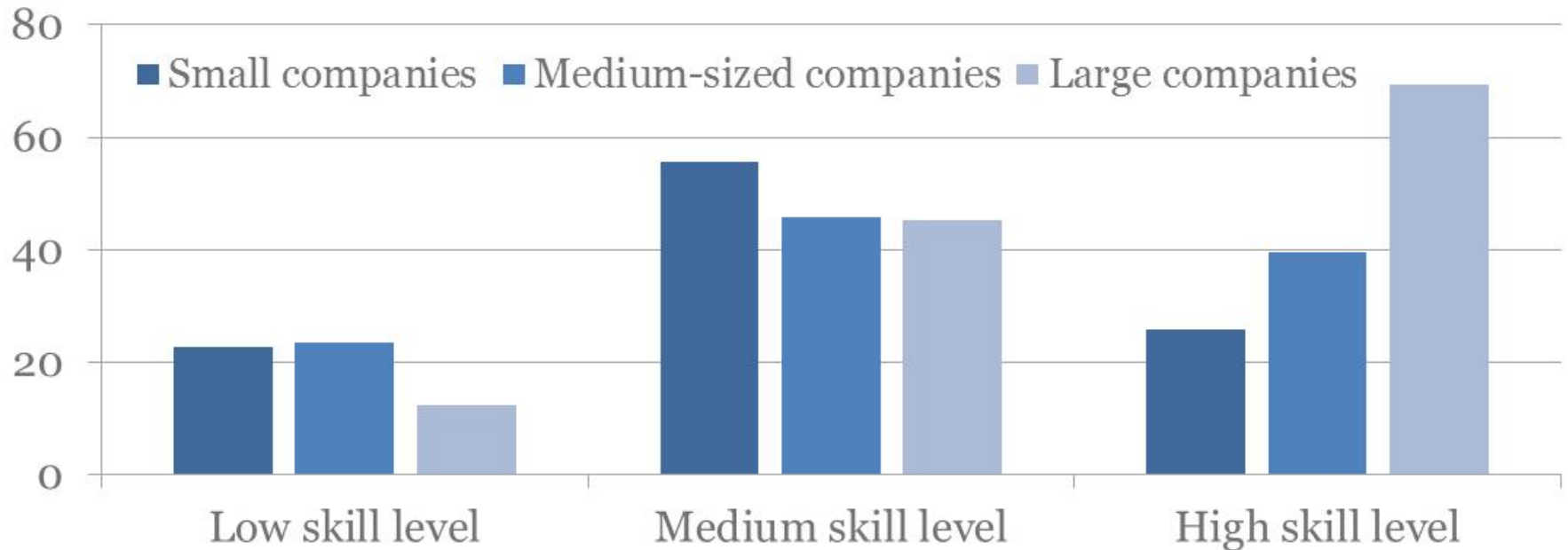
|                                 | 2000/01                   |                        | 2010/11                   |                        |
|---------------------------------|---------------------------|------------------------|---------------------------|------------------------|
|                                 | overqualified (thousands) | overqualification rate | overqualified (thousands) | overqualification rate |
| Africa                          | 303.5                     | 27.0                   | 803.1                     | 33.6                   |
| Asia                            | 1266.3                    | 32.5                   | 2482.7                    | 33.6                   |
| Europe                          | 998.2                     | 26.7                   | 2051.0                    | 30.8                   |
| Northern America                | 107.7                     | 20.7                   | 176.1                     | 20.3                   |
| Oceania                         | 53.1                      | 24.6                   | 77.8                      | 21.3                   |
| Latin America and the Caribbean | 770.7                     | 42.7                   | 1465.6                    | 46.6                   |
|                                 | overqualified (thousands) | overqualification rate | overqualified (thousands) | overqualification rate |
| High income: OECD               | 1009.8                    | 25.4                   | 1688.3                    | 25.1                   |
| High income: nonOECD            | 227.4                     | 34.1                   | 310.2                     | 36.2                   |
| Low income                      | 163.6                     | 36.0                   | 421.6                     | 41.7                   |
| Lower middle income             | 1084.3                    | 35.2                   | 2275.8                    | 38.8                   |
| Upper middle income             | 1035.5                    | 32.7                   | 2323.3                    | 37.3                   |

Source: DIOC 2010/11 (forthcoming)



## 2. Should policy be concentrated on the best and the brightest ?

Percentages of German employers who reported unfilled vacancies at the respective skill level, out of all employers with unfilled vacancies, by company size and skill level, 2011



Source: OECD (2013), *Recruiting immigrants. Germany OECD/DIHK employer survey*



### 3. Should policy focus remain on attractiveness ?

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- Increasing level of education in countries of origin but also increasing diversity within tertiary educated category => going beyond formal education to **select skills**
- Increasing mobility => **Retention** (of international students and temporary high-skilled workers) and **emigration** (of nationals) are increasingly issues of policy concern
- Trade in services vs. high-skilled migration ?



# Thank you for your attention

**For further information:**

**[www.oecd.org/migration](http://www.oecd.org/migration)**

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