

High Skilled Migration to Asian Nations

SUMMARY VERSION

by

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With 60 percent of the world's population, Asia must always loom large in any examination of global international migration. However, in discussions of skilled migration Asia has largely been seen as a *source* for High Income nations of North America, Europe and Oceania, Asia. Indeed, Asia accounted for 17 percent of all migrants aged 15 and over in OECD in the mid 2000s and 30 percent in 2010 (OECD, 2012). Nevertheless, contemporary Asia is the most dynamic global economic region with its share of the global economy increasing from 22.7 percent in 1990 to 28.6 percent in 2013 and is projected to be 31.2 percent in 2019 (International Monetary Fund, 2014). Increased skilled *immigration* is an element in this dramatic growth, not only in higher income countries like Singapore, Japan, Korea and Taiwan but also in lower income, but rapidly growing, economies like Indonesia, China and Vietnam. This paper discusses major patterns and trends in the growing level of skilled migration within, and into, the Asian region.

Since 2000 there have been some major shifts in global migration trends some of which were detected in the 2013 Report on International Migration of the United Nations. While there are major data deficiencies in measuring migration in Asia the following are key shifts.

- Immigrants in Asian countries are increasing faster than any other region (2.6 percent per annum).
- Asia is increasing its share of global immigrants – 28.5 percent in 2000 and 30.6 percent in 2031.
- There has been an upswing in intra-Asian migration.
- The number of Asian countries that have initiated strategies to increase their intake of skilled migrants has more than doubled between 2005 and 2013 – from 21 to 39 percent of Asian nations.

The dominant Asian model of international migration around the turn of the century with the major elements being:

- Immigration needs to be highly restricted. It is not generally perceived as being a positive thing for the nation state.
- Hence, even in nations where there are good reasons for migration, such as the demand for labour or the arrival of asylum seekers fleeing persecution, settlement is not allowed.
- Emphasis has been on constraint, policing and exclusion rather than migration management. There is little tradition of the development of a managed migration system.
- Where the need for migrant workers, tourists, business people has been recognized as essential to the economy, this has been strictly on a temporary basis.
- Foreigners should not be allowed to become citizens except in exceptional circumstances.
- The national culture and identity should not be modified in response to external influences (Castles, 2003, 6).

However there has been a significant transformation in the last decade, especially since the onset of the Global Financial Crisis. Increasingly Asian nations, especially those which have completed the demographic transition, are realising that international migration is a non-negotiable element of modern globalised economies. While many of the restrictionist policies and attitudes remain an increasing number of Asian countries are developing formal immigration policies. While low skilled migration is much larger, high skilled migration is increasing in both scale and significance.

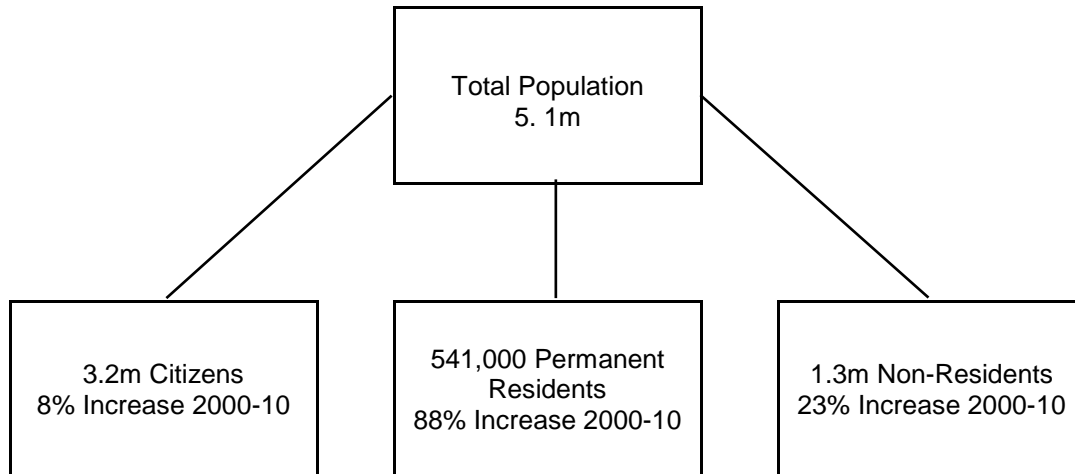
There is considerable variation between Asian countries in their responses to the new migration situation and the extent to which they have developed skilled migration policies. The paper identifies four types of skilled migration in the region.

- *Developed Economies:* Several Asian countries have long completed the demographic transition and this, together with rapidly growing economies, has resulted in an overall labour shortage which has meant that they have programs to attract both unskilled and skilled immigrants.
- *Developing Economies:* In several Asian countries the completion of the demographic transition has come later and while they are experiencing rapid economic growth they remain Low-Income or Low-Middle Income nations.
- *The Gulf Countries:* The oil-rich countries of the Middle East represent a special case where, following the 1973 oil crisis, the massive inflow of wealth found the basis for major infrastructural and services development, the workforce for which could not be met by the small local population.
- *Return Migration:* A corollary of the high level of skilled emigration out of the region has been a significant return flow, especially to the rapidly growing economies of Asia, which can often offer jobs with similar or better conditions than Euro-American destinations.

The countries discussed in relation to developed economies who have developed skilled migration policies of varying types – Singapore, Japan, South Korea, Taiwan and Hong Kong. Singapore has by far the most comprehensive range of migration channels and there is a clear path where skilled migrants can become permanent residents, and to a lesser extent, citizens. The migration policy is closely aligned with the island-states' efforts to transform its economy as a global hub for knowledge intensive industries with an emphasis on high end technology and innovation. Figure 1 shows the breakdown of the national

population. Skilled migrants are an unknown but small proportion of citizens, almost all permanent residents and 22.6 percent of non-residents.

Figure 1: Singapore Population in 2010



Japan is often characterised as the quintessential anti-migration country but it in fact has a long history of being open to skilled migration. The main characteristics of the contemporary program are as follows:

- A program to attract highly skilled workers.
- Non-acceptance of unskilled workers but there is significant undocumented migration of such workers.
- A program of trainee migration of people employed by Japanese companies overseas, especially in Southeast Asia.
- A program to attract *Nikkei* – Japanese descendants largely from South America.
- Special temporary programs for entertainers, carers and students.
- Substantial international marriage migrations, much of it commodified and predominantly women.
- Strict border enforcement as an island country.

Language and institutions remain a significant barrier but there have been initiatives such as a Points System to attract foreigners. There are more than 2 million legal migrants in Japan with skilled workers being substantial. South Korea suffers similar constraints as Japan but has a developed Skilled Migration Policy but has only been able to attract around 50,000 skilled foreign workers. All of these countries have developed a strong nexus between expanding foreign student programmes and subsequent skilled migration.

Turning to the rapidly developing but still middle and low income nations such as Indonesia, China, Malaysia, Thailand, Philippines, Vietnam and many South and Southeast Asian nations. In these countries the rapid growth and restructuring of national economies has been accompanied by an increasing influx of skilled workers and business people from Europe, North America and Australasia on a mostly temporary, but long term, basis. This has been in addition to significant movement of professionals and other highly skilled workers within the Asian region largely from countries with education systems producing larger numbers of such workers than their own economies can currently absorb especially India, the Philippines, Pakistan, Sri Lanka and Bangladesh. The influx of professionals, business people and technical workers in these nations is associated with:

- The massive growth of investment by multinational operations in the region which has seen the MNCs transfer large numbers of MDC origin staff into Asia. Hence, by 2003 there were 911,062 Japanese citizens officially living overseas, many in other Asian countries (Iguchi, 2005).
- The mismatches between the education and training systems and labour market skill needs in rapidly growing economies like Indonesia whereby notwithstanding high levels of underemployment and educated unemployment substantial numbers of expatriate engineers, technicians, accountants, finance and management experts etc. have had to be imported (Hugo, 1996).

- To some extent shortages have been exacerbated by the loss of skilled emigrants.

China represents an especially interesting case. Public Security Bureau statistics show that the number of registered foreign workers (skilled) increased from 74,000 in 2000 to 220,000 by the end of 2011. The census of 2010 found that there were 593,832 foreign nationals in China. China has already targeted skilled individuals in strategic industries. For example the key universities targeted to be in the Times Higher Education Supplement Top 100 in the next decade now have substantial numbers of westerners and scholars from elsewhere in Asia. In 2008 the nation initiated the 1,000 Talent to attract foreign talent and in 2010 its ten year plan on Talent Development has a major component of foreign skilled workers (*rencai*). In 2013 Premier Wen made the following statement:

‘We will increase spending on talent projects and launch a series of initiatives to offer talent favorable policies in households’ medical care and the education of children ... Specifically, the national plan also seeks to attract overseas Chinese and foreign academic professionals working at the world’s best institutions or as entrepreneurs’.

In addition there were 480,000 foreign professionals attracted to work in China on a short term basis in 2009. There is a plan to increase the present number of overseas students (265,090 in 2010) to half a million in 2020.

The Middle East accounts for 14.3 percent of all global immigrants in 2013. While it had small numbers of skilled “expatriates” running the oil industry prior to the 1970s there was an explosion of immigration following the oil boom. The new migration was not only massively greater in scale, it changed from being dominated by migrants of Arab origin to South and Southeast Asia accounting for 80 percent of migrants. Skilled migrants are a minority but nevertheless substantial. They originally were dominated by skilled workers

from Europe, North America and Oceania and while they are still important Asia is an increasingly important origin, especially India and, to a lesser extent, the Philippines.

The migration system in the Gulf has some distinctive characteristics.

- Clear demarcation between nationals and non-nationals
- Highly feasible migration policy, inflexible naturalisation and citizenship policy
- Kafala (sponsorship) system

Moreover the local population are largely excluded from much of the labour market.

- In the skill based job market local workers still lack the technical skills to perform in many of these positions despite massive increases in educational participation. There are major mismatches in the needs of the labour market and what courses are being taken in universities and other training.
- In the low skill area:
 ‘A combination of official policies and lax enforcement allows private sector employers much leeway in determining salaries and working conditions. Accompanied by a high supply of low-skilled labor from developing countries, these factors depress wages and bring labor conditions to the verge of, and occasionally beyond, exploitation’.

Cultural barriers are also important.

There is an increasing anti-migrant sentiment in the Middle East which is especially directed toward skilled workers. As Deffner (2014, 4) has written about Omanis

‘Omanis, like other GCC citizens, tend to avoid insecure, poorly paid jobs with a low reputation. They demand the right to replace the high number of expatriates in the so called “white-collar” jobs, i.e. professional and highly-skilled occupations, which are better paid and more prestigious. However, the

lack of qualified Omani workforce that still exists makes it indispensable for the private sector to continue recruiting foreigners to take on these jobs’.

In fact, the vast majority of local workers are employed in the government sector and don’t want to work in the private sector where in their view the conditions and salary are too low. The influx of oil monies has led to a considerable increase in the expectation levels of young Gulf natives.

Finally return migration of students and others who have settled overseas is an important source of skilled immigration especially in East Asian and, to a lesser extent, Southeast Asia. It is much less significant in South Asia. Table 1 shows how the number of Asian countries with explicit policies to bring back their skilled expatriates has increased substantially in recent years. Such policies are described and have a very mixed level of success. Nevertheless Australia is one of the very few nations which collect data on emigration as well as immigration. An analysis of these data indicates that spontaneous return migration is very substantial especially in South and Southeast Asia. Moreover the return flow is shown to be highly skilled and dominated by young and middle aged families.

Table 1: Asia: Governments with Policies to Encourage the Return of Citizens, 1976-2011

Source: United Nations 2013a

	Yes	No	Total
1976	3	2	5
1996	12	19	31
2005	21	12	33
2011	25	15	40

China has been highly innovative in return migration. While permanent return migration policies are maintained, the focus has shifted to encouraging the diaspora to engage more intensively and more productively with their homeland through:

- (a) Circulation or temporary movement between the destination country and the homeland. This can be associated with dual citizenship and holding positions in both countries. In Australia, for example, a study of China-born academics showed all maintained strong relationships with universities in China through joint positions and frequent visiting spells in China (Hugo, 2010).
- (b) *'Temporary Return'* is then an important part of a comprehensive diaspora policy and is increasingly facilitated by faster and cheaper air travel. However, it is increasingly being realised that massive developments in electronic communication technology is making *'Virtual Return'* increasingly possible. This is opening up a new range of possibilities for nationals to work and engage in other ways in their homeland without returning physically.

More than half of the world's nations now have explicit policies relating to better engaging with their diaspora and these include temporary and virtual return strategies as well as permanent return migration (United Nations, 2013b).

Hitherto in Asia attention has focused on two major dimensions of international migration – the massive flow of low skilled international contract workers (many moving within Asia) and the “brain drain” of high skilled migrants to north countries. It has been demonstrated here that skilled immigration is of increasing significance in Asian countries. In the post-colonial period there has been a small but significant “expatriate” presence in Asian countries. These managerial, technical and skilled workers have played key roles in the private and public sector as well as development initiatives where local skills were not available. However the contemporary situation appears different in a number of ways.

- Scale – In several countries new immigration is much greater than emigration and skill is an important component.
- Origins – In the past most expatriate skilled workers were from Europe, North America or Oceania, now they are increasingly drawn from other Asian nations although the former countries remain of significance.
- Nature – Previously expatriates were all on temporary contracts. This remains the major model but longer term and permanent residence options are beginning to open up for the first time.
- Conditions – The expatriate concept of westerners given hugely more favourable working conditions and salaries than their local counterparts is changing with foreigners (although still given some privileges) increasingly competing in the local labour markets for skill.
- In the past the global talent labour markets were spatially largely restricted to OECD countries. Now a number of Asian countries are competing on an equal basis for such high end workers.

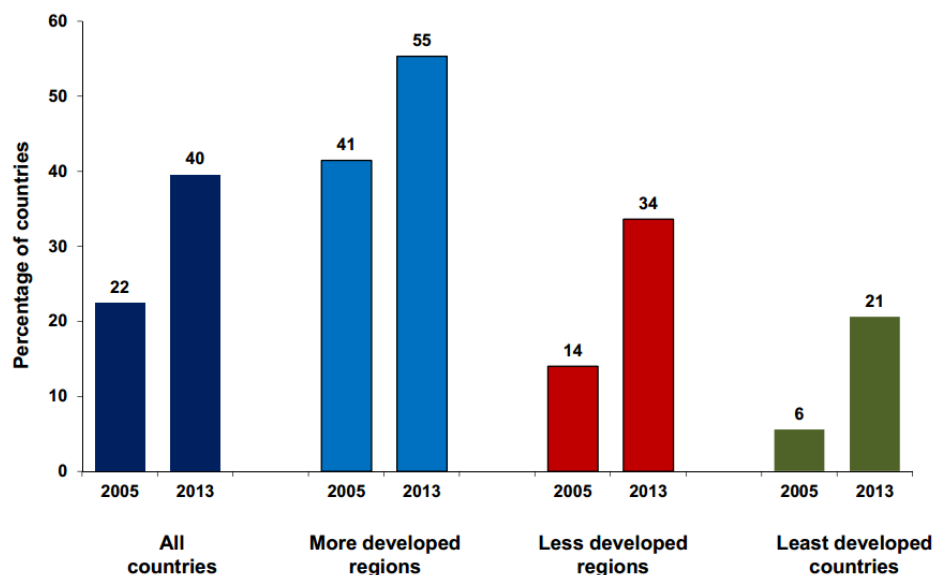
Europe, North America and Oceania remain key origins of skilled immigrants in Asia. Indeed in the post GFC era some OECD countries have been transformed from net immigration to net emigration nations. This includes several nations in Southern Europe and Ireland and Asia looms large in the destinations of skilled emigrants out of these nations. The relentless and spectacular growth of the Asian economy would suggest that these trends are likely to continue for some time.

The United Nations (2013b) data on population policy tells something of this rapidly changing picture of global migration of skill. Figure 2 presents the results regarding policies to encourage the immigration of highly skilled workers in 2005 and 2013. This demonstrates clearly that although policies to raise immigration of highly skilled workers are more

common in More Developed Countries than Less and Least Developed, the growth in the

Figure 2: Governments with Policies to Encourage the Immigration of Highly Skilled Workers, by Level of Development, 2005 and 2013

Source: United Nations, 2013b, 112



number of countries with such policies was most marked in the latter two groups. This represents a substantial change in such a short period of time. Globally the percentage of all nations with policies to raise skilled immigration increased from 22 to 40 percent between 2005 and 2013. Table 2 shows that in Asia the number of countries to raise skilled immigration levels more than doubled between 2005 and 2013.

Table 2: Asia Government Policies on Highly Skilled Migration 2005 and 2013

Source: United Nations, 2013b, 127

Policy	2005		2013	
	No.	%	No.	%
Raise	8	21	17	39
Maintain	26	67	22	50
Lower	4	10	4	9
No Intervention	1	3	1	2
Total	39	100	44	100

A key element in the effort of Asian countries to raised skilled immigration levels has involved student mobility, this involves sending natives overseas to return as skilled workers but also, increasingly, to attract students from foreign nations, especially Asian neighbours. Table 3 shows that several of the countries which have developed policies on skilled immigration and increased their intake of skilled migrants have also attracted substantial numbers of foreign students. These include Japan, China, Republic of Korea, Malaysia, Singapore and Thailand. China aims to have half a million overseas students by 2020. In

Table 3: East Asia and the Pacific: Inbound Mobile Students by Country, 2010

Source: UNESCO 2012, p. 130 and 131

Country	Number
Brunei	229
China	71673
Hong Kong	10325
Macao	13508
Fiji	7444
Indonesia	6437
Japan	141599
Laos	725
Malaysia	57824
Philippines	2665
Republic of Korea	59194
Singapore	48623
Thailand	19052
Viet Nam	3260

several countries there are also efforts to provide pathways for suitable foreign graduates to remain in the country to work after graduation. This of course is in addition to strenuous efforts being taken to increase the numbers of natives being given high level training to become part of the national workforce. The OECD (2012, 174) reports that the number of Chinese students enrolling in 2009 was 6.4 million, a 27 percent increase over 2005.

Of particular interest to watch is the formation of the ASEAN economic communities (AEC) in 2015. There is already significant integration of international migration in the region into a system (Hugo, 2014) although no formal agreements regarding it have been made. Nevertheless as OECD (2012, 177) have pointed out, the “free flow of skilled labour” is one of the five pillars in the blue print for achieving the AEC.

“The objective is to facilitate the issuance of visas and employment passes for ASEAN professionals and skilled labour, engaged in cross border trade and investment related activities. Skilled labour has thus far been defined as seven professions: engineers, architects, nurses, doctors, dentists accountants and surveyors. The facilitation of the free flow of skilled labour has been agreed through a consensus process, rather than through a vote by individual countries, avoiding reluctance from potential future receiving countries”.

The global discourse on the “war for talent” as more and more nations use international migration as a mechanism to enhance their human capital resources usually sees Asia as an (inexhaustible) source of such talent. However Asia is an increasingly important player in competing for such talent not only for workers from other Asian countries but wider afield as well. The development of skilled migration policies is at a very early stage and much remains of the traditional Asian model of international migration which was exclusionist, nationalist and confining any migration to being temporary. Migration was constructed negatively and as an unfortunate but necessary short term evil which had to be accepted for achieving development goals. However there is an increasing acceptance in the region that international migration is structurally an important part of their booming and rapidly restructuring economies. It is here to stay. The next decade will undoubtedly see an increase in skilled immigration into Asian countries. It remains to be seen as to whether there is also formal steps taken with respect to governance of migration, reducing the significance

of corruption, rent taking and exploitation, efforts taken to assist adjustment of migrants and changes in the models of citizenship and residence.

While Castles (2003, 22) was able a decade ago to state that nothing short of a 'conceptual leap' was necessary for Asian destination countries to accept the need for permanent settlement of migrants there is mounting evidence that while that leap has not yet been completed, some, albeit tentative, steps have been made in that direction. As the OECD (2012) has indicated, a crucial question remains as to whether Asian countries can make the transition from restrictive migration policies to selective policies.

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