

High Skilled Migration to Asian Nations

by

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Outline of Presentation

- Introduction
- International Migration in Asia – Recent Trends
- Skilled Migration in Asia
- The Asian Model of Migration
- Four Types of Skilled Migration in Asia
- Discussion and the Future
- Conclusion

International Migration in Asia 2013

Immigration: 70.8m out of 231.5 – 1.65%

Emigration: 92.5m

15 out of 30 largest global migration corridors

International Migration by Destination Asia, 1990, 2000 and 2013

Source: United Nations 2013a

Destination	1990	2000	2013	Average Annual Growth Rate	
				1990-2000	2000-2013
Central Asia	6,630,683	5,150,998	5,471,533	-2.49	0.47
Eastern Asia	3,961,266	5,392,597	7,719,960	3.13	2.80
South-Eastern Asia	3,200,204	5,274,282	9,509,259	5.12	4.64
Southern Asia	20,201,893	15,693,443	15,001,688	-2.49	-0.35
Western Asia	15,916,563	18,903,319	33,144,331	1.73	4.41
Asia	49,910,609	50,414,639	70,846,771	0.10	2.65
World	154,161,984	174,515,733	231,522,215	1.25	2.20

Key Trends

- Increasing rate of growth of immigrants – 2.6% per year
- Increased share of global immigrants – 28.5% in 2000, 30.6% in 2013
- Increased intra Asian movement
- Dominance of Western Asia, increasing significance of Southeast Asia
- Lack of data

International Migration by Origin Asia, 1990, 2000 and 2013

Source: United Nations 2013a

Origin	1990	2000	2013	Average Annual Growth Rate		Net Migration 2013
				1990-2000	2000-2013	
Central Asia	5,782,119	6,477,777	7,242,801	1.14	0.86	-1,771,268
Eastern Asia	7,223,685	9,151,635	14,269,940	2.39	3.48	-6,549,980
South-Eastern Asia	7,525,143	11,528,703	18,862,705	4.36	3.86	-9,353,446
Southern Asia	25,388,086	24,963,277	36,033,328	-0.17	2.86	-21,031,640
Western Asia	11,720,593	12,729,131	16,050,997	0.83	1.80	17,093,334
Asia	57,639,626	64,850,523	92,459,771	1.19	2.77	-21,613,000
WORLD	154,161,984	174,515,733	231,522,215	1.25	2.20	

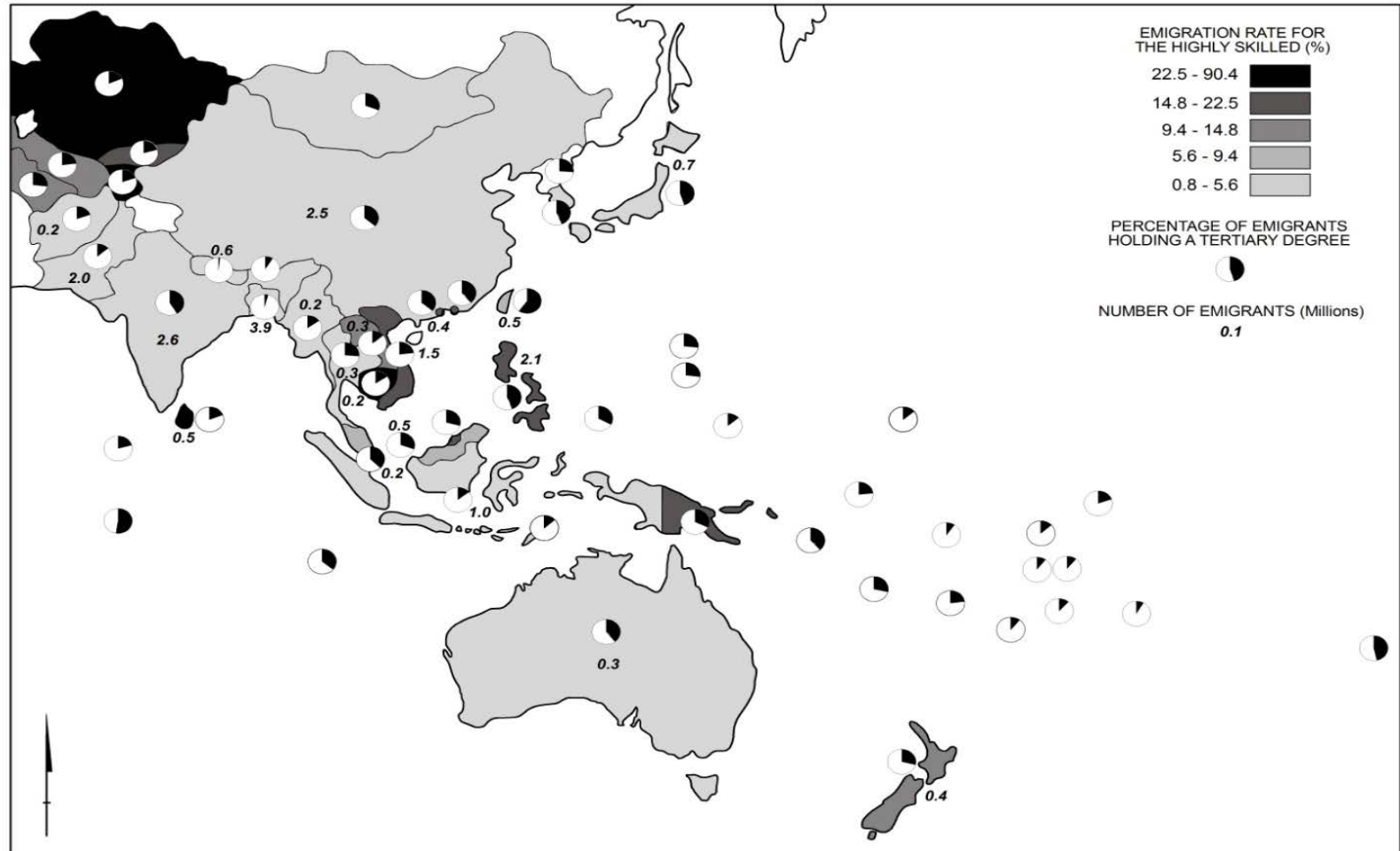
Skilled Migration in Asia

(SOPEMI, OECD, Dumont et al.)

- 2000, 4.32% of all tertiary educated Asians living abroad
- In OECD countries Asian migrants better educated than other migrants and natives
- Lack of data on skilled migration

Emigration Rates for the Highly Skilled, Number of Emigrants by Country of Birth and by Skill Level, Circa 2000, DIOC-E (Release 2.0), Asia and Oceania

Source: Dumont *et al.* 2010, p.50



Key Elements of Skilled Migration in the Region

- Transition from expatriate culture to labour market equality
- Most temporary
- Traditionally mostly from North America, Europe and Oceania, increasingly Asian

The Asian Migration Model in the late 1990s

- 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).

Changes in the Last 10 Years

- Increasing recognition that migration is a structural feature of a modern global economy.
- More countries with explicit migration policies
- Singapore – sophisticated, flexible policy
- Malaysia – Thailand
- Marriage Migration – Japan, Korea, Taiwan

Asia Government Policies on Highly Skilled Migration 2005 and 2013

Source: United Nations, 2013, 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

Four Types

- *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.

Developed Economies

- Completed the demographic transition to such an extent that their workforce age populations are declining or static and populations are rapidly ageing.
- Have high per capita incomes. For example, Singapore now has, in purchasing power parity terms, the highest GDP per capita in the world apart from Qatar and Luxembourg (Jones, 2012, 311).
- Economies increasingly based on knowledge-intensive industries in manufacturing and services and high end technology and innovation.

High Income Countries of Asia: Migration, 1990-2013

Source: United Nations, 2013a, b; World Bank, 2014

Country	Year			Average Annual Growth		GDP per Capita \$US 2013	Growth Rate of Population Aged 15-64 2005-10
	1990	2000	2013	1990-2000	2000-13		
China-Hong Kong	2,218,473	2,669,122	2,804,253	1.87	0.38	38,124	+0.79
China-Macao	200,478	240,313	333,269	1.83	2.55	91,376	+3.94
Japan	1,075,626	1,686,567	2,437,169	4.60	2.87	38,492	-0.74
Republic of Korea	48,507	244,172	1,232,220	17.30	13.26	25,977	-0.89
Brunei	72,200	104,128	206,173	3.59	5.40	38,563	+2.26
Singapore	1,727,262	1,351,691	2,323,252	6.39	4.25	55,182	+2.76
Thailand	528,693	1,257,821	3,721,735	9.05	8.7	5,779	+0.78

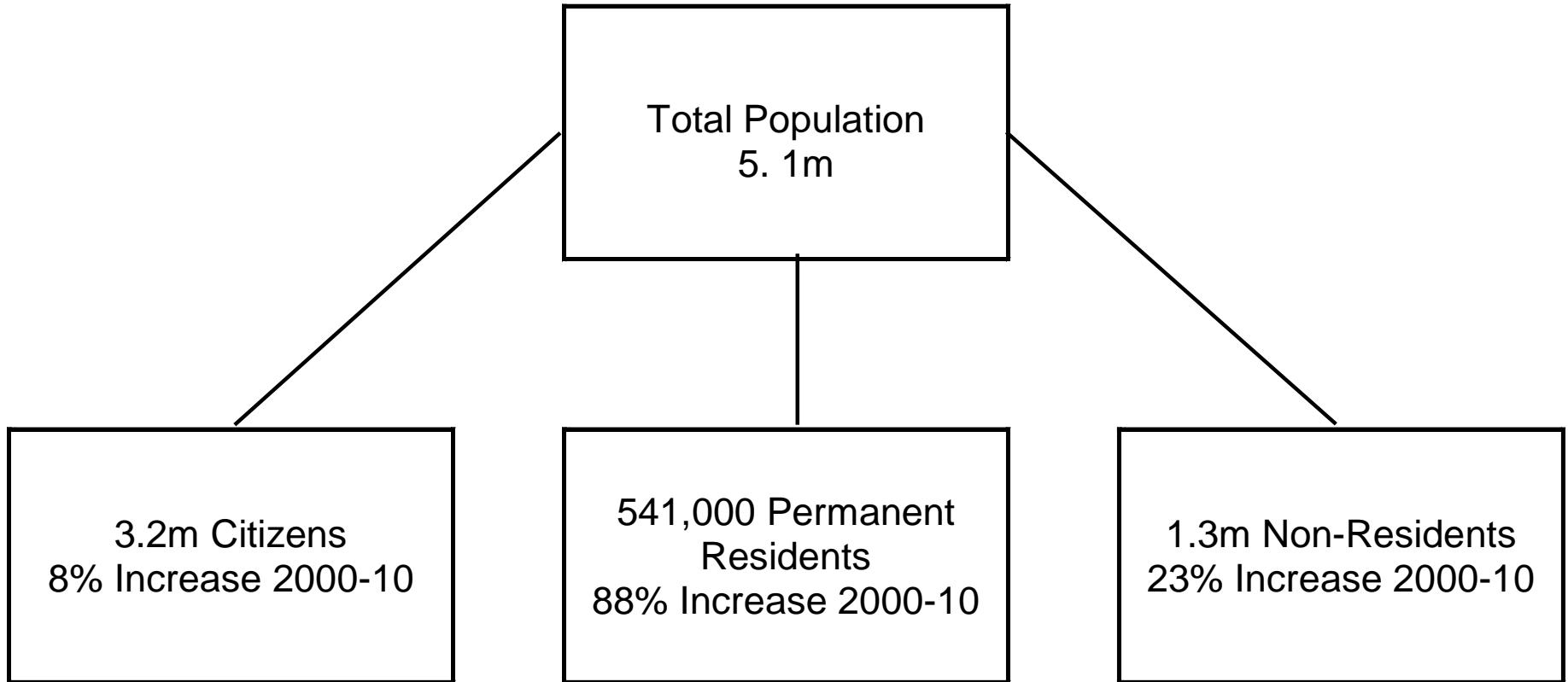
Singapore

Most sophisticated Migration Policy

‘In the last 15 years in particular the bid to develop the city-state into a global hub for knowledge intensive industries in manufacturing and services with the emphasis on high end technology and innovation has underpinned the push to augment the local talent pool by attracting “foreign talent” ... who can help Singapore move up the value chain in key industries such as electronics, chemicals, engineering, life sciences, education, health care headquarters, communication and media, and logistics’.

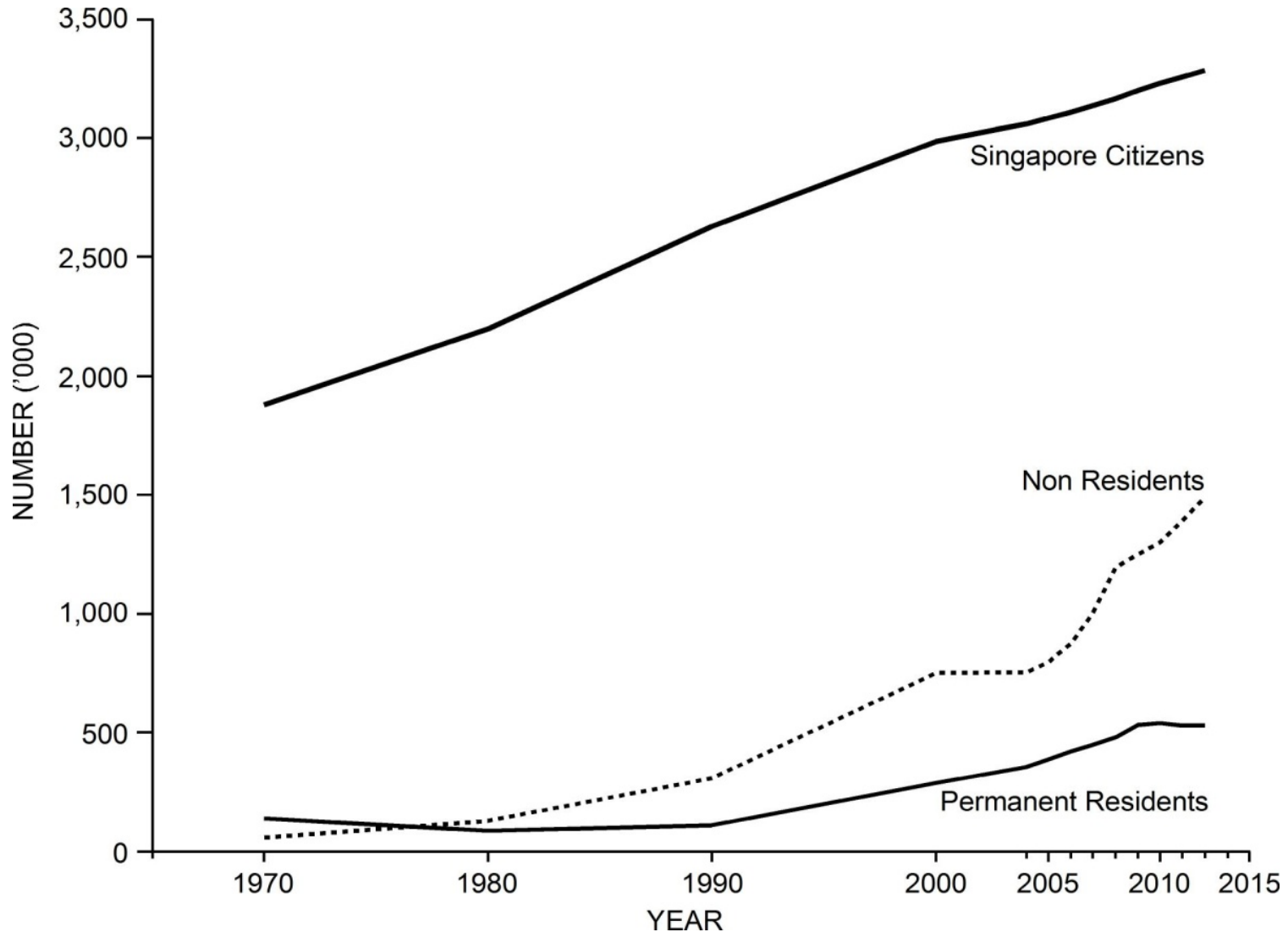
Yeoh and Lam (2013, 1)

Singapore Population in 2010



Singapore: Citizens, Permanent Residents and Non-Residents, 1970-2012

Source: Drawn from data in Yeoh and Lam, 2013



Non Residents

- 28.1% of total
- Foreign talents' – skilled, professional and managerial
- Foreign workers – low skill workers
- Mid-level skills – technicians, health care workers
- International students
- Others

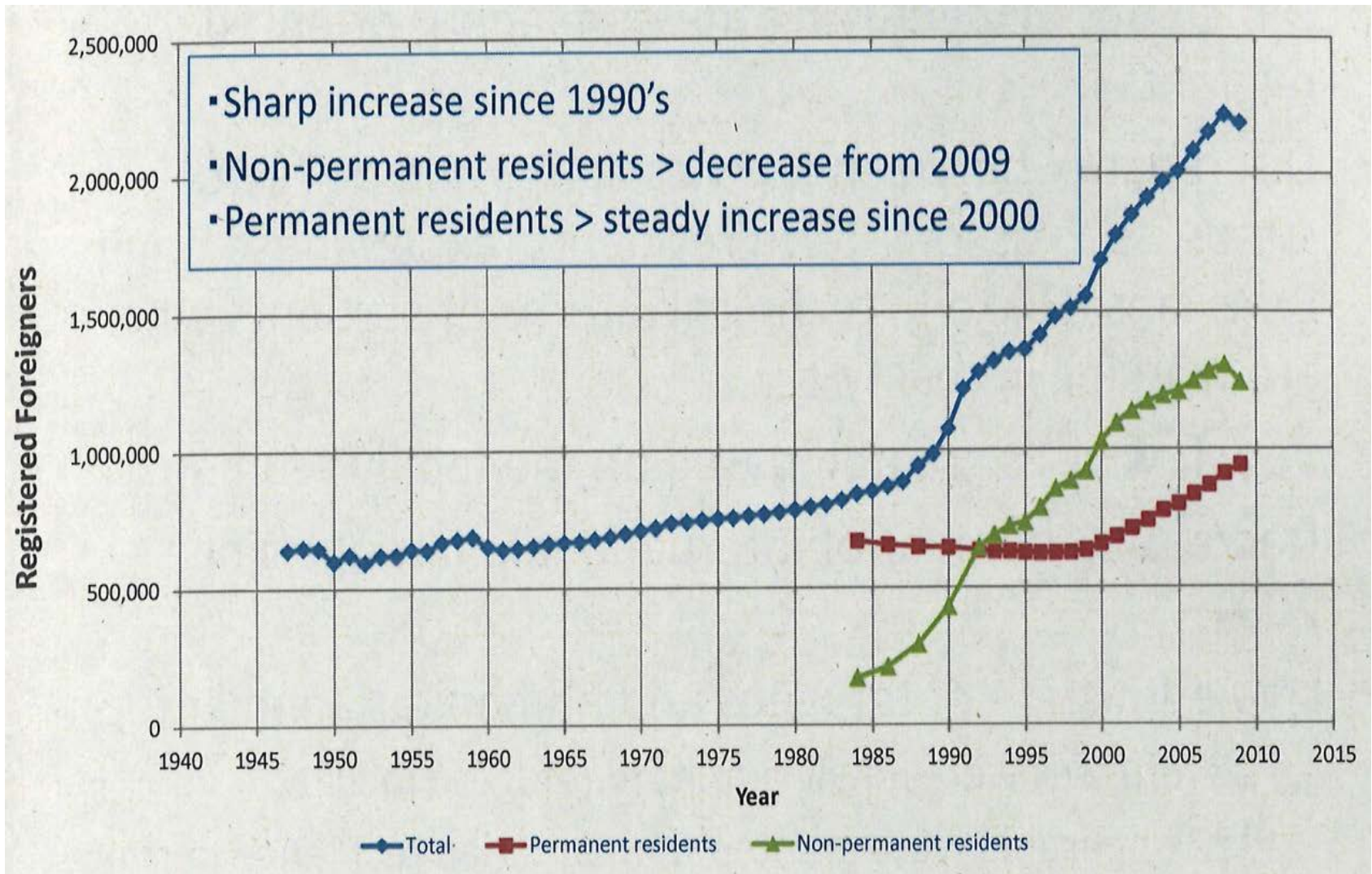
- Gradual liberalisation of policy in late 90s and early 2000s
- Increasing backlash, Population White Paper in 2011
- 15,000 – 25,000 new citizens p.a. – 2.5 million increase by 2030

Japan

- Quintessential anti migration nation?
- Longstanding policy to admit talented foreigners
- Key barriers – language and institutions
- Local and regional government more favourably disposed toward migration than Central Government

Trend of Number of Foreigners in Japan

Source: Hayashi, 2013



Major Characteristics

- 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.

Major Policy Developments on Highly Skilled Migration in Japan

Source: Oishi, 2013, 6

Year	Title	Reference to HS Migration	Agencies
2003	E-Japan Strategy II	Increase the number of IT migrant workers to 30,000	Cabinet Office
2008	International Students 300,000 Plan	Accept 300,000 international students by 2020	Cabinet Office
2009	Fourth Immigration Control Plan	Introduce a point system to promote HS migration	MOJ
2010	New Growth Strategy	Double the number of HS migrants; Introduce a point system	Cabinet Office
2011	Policy Guidelines for Regulatory and Institutional Reform	Establish a system where HS migrants could accompany their parents	Cabinet Office
2012	Point System for HS Personnel	Provide incentives to HS migrants to work in Japan	MOJ
2013	Japan Re-emergence Strategy	Revise a point system to offer more incentives to HS migrants	Cabinet Office

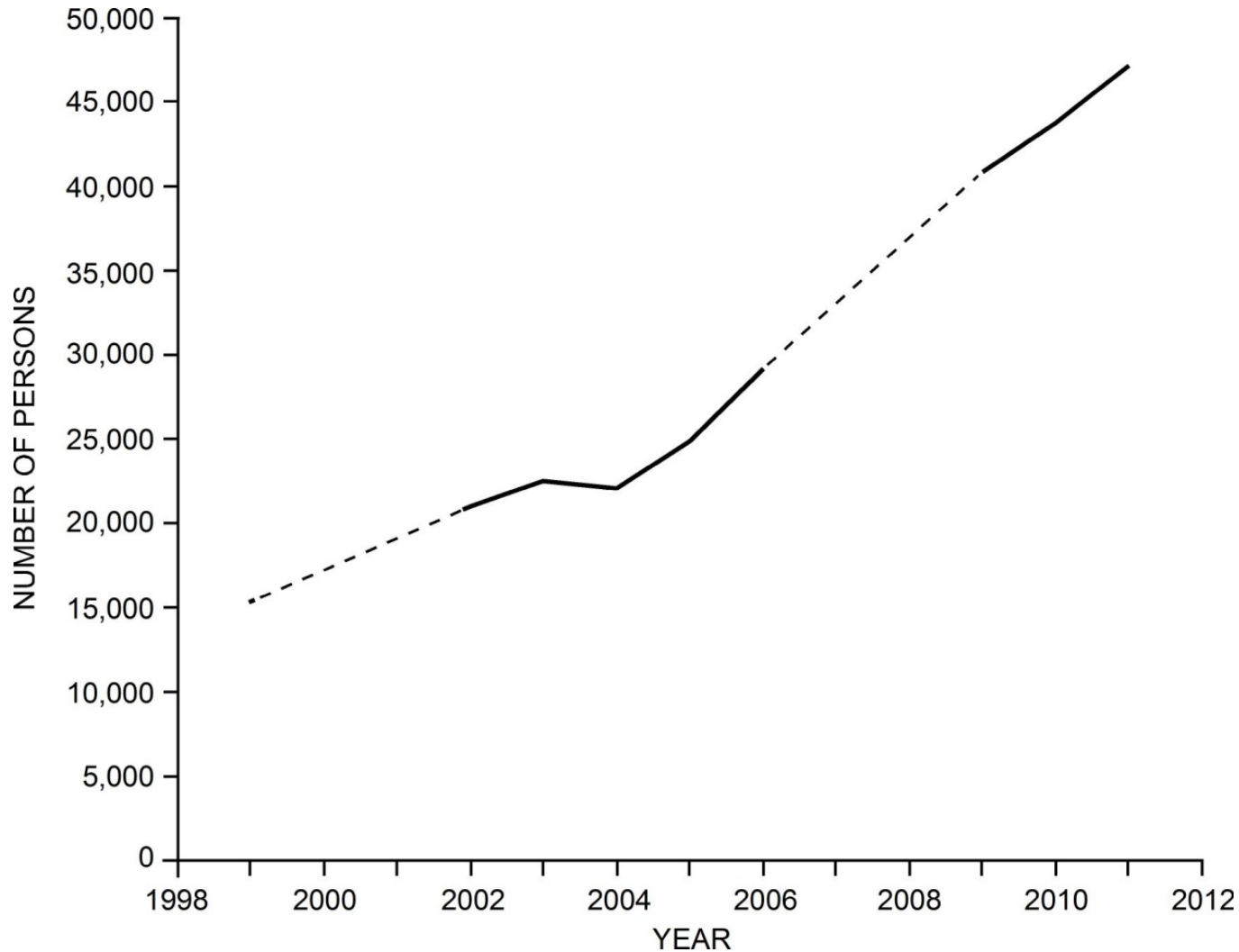
METI: Ministry of Economy, Trade and Industry; MOJ: Ministry of Justice; HS: Highly Skilled

South Korea

- Similar to Japan
- Role of marriage migration
- Now has a migration policy but most migrants unskilled

Korea: Trends in High Skilled Foreign Manpower, 1999-2012

Source: Park, 2013, 6



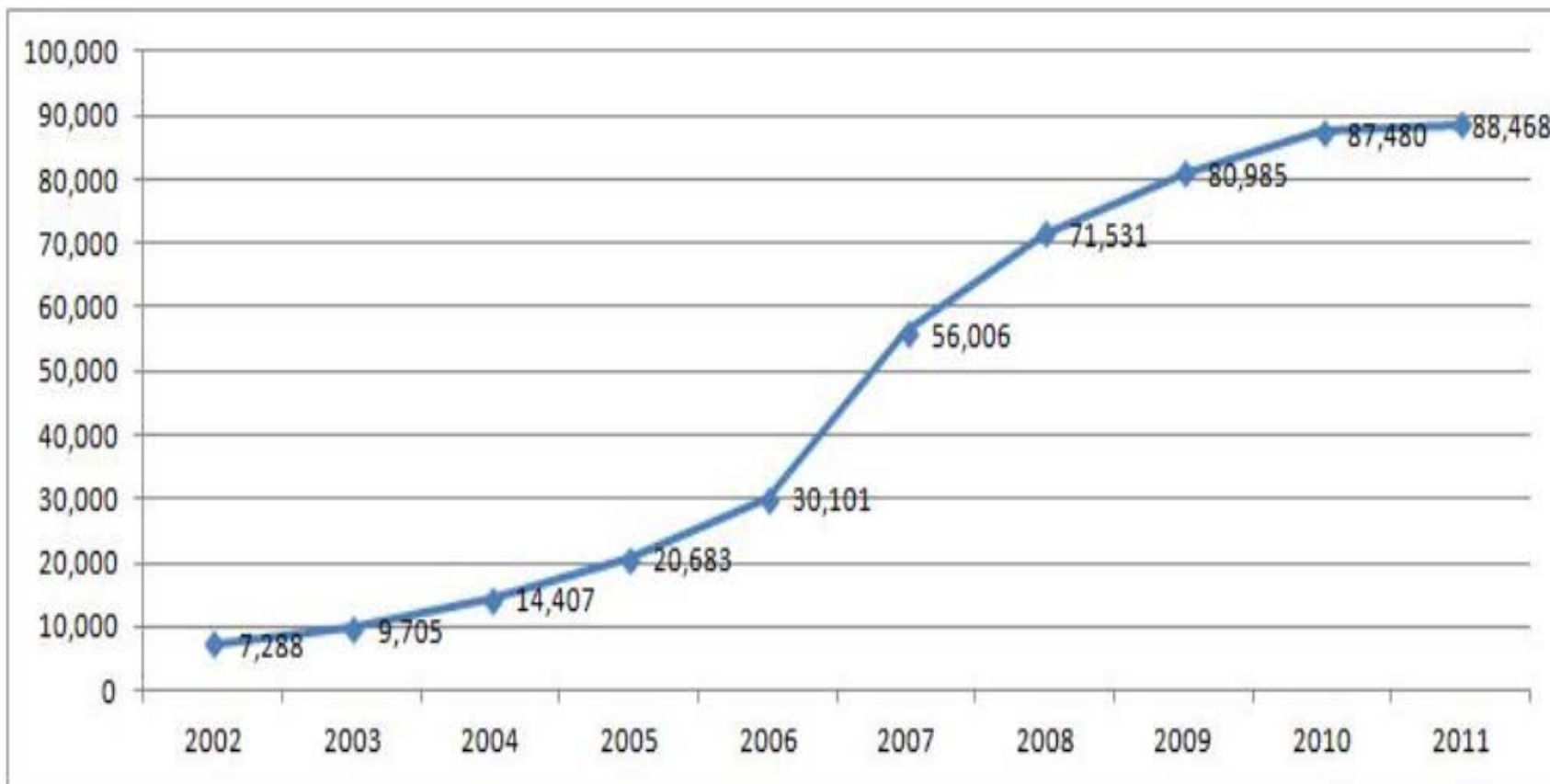
2008-12 First Basic Plan for Immigration Policy

- Securing growth potential by attracting highly skilled foreigners.
- Attracting manpower from overseas for the balanced development of the national economy.
- Creating a 'foreigner friendly' living environment.

Trends in the Number of International Students

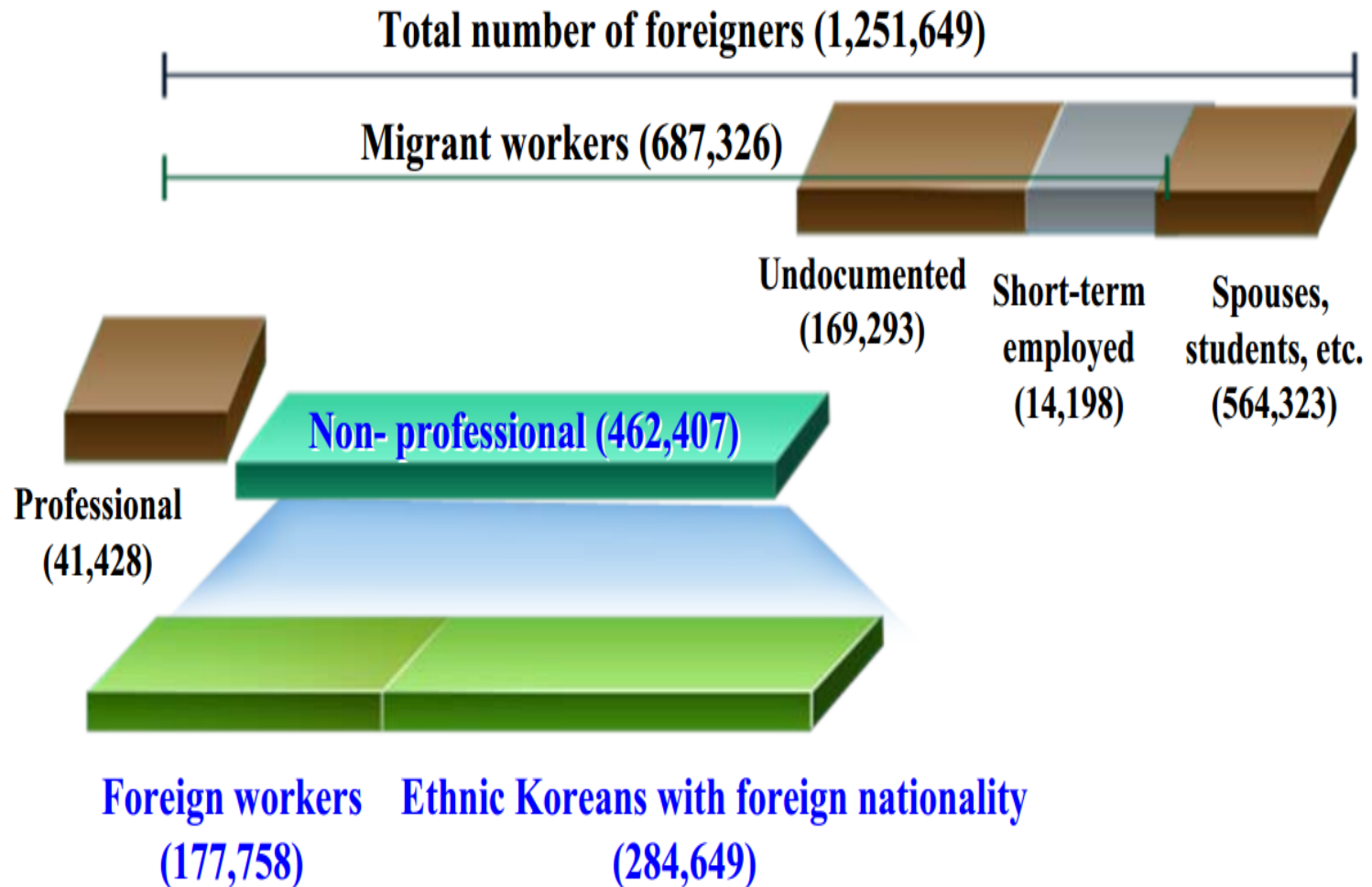
Source: Park, 2013, 17

(Unit : Persons)



South Korea: Composition of Foreigners as of November 2010 (Economically Active Population – 25,158,000)

Source: Jung, 2011



Taiwan

- Similar – low level of skilled intake, large unskilled
- Highly skilled in 2013, 27,627; peak 2006, 29,336
- Role of China
- Estimated shortage of workers in 2012, 175,845, 14.5% skilled

Skilled Migration to Developing Economies

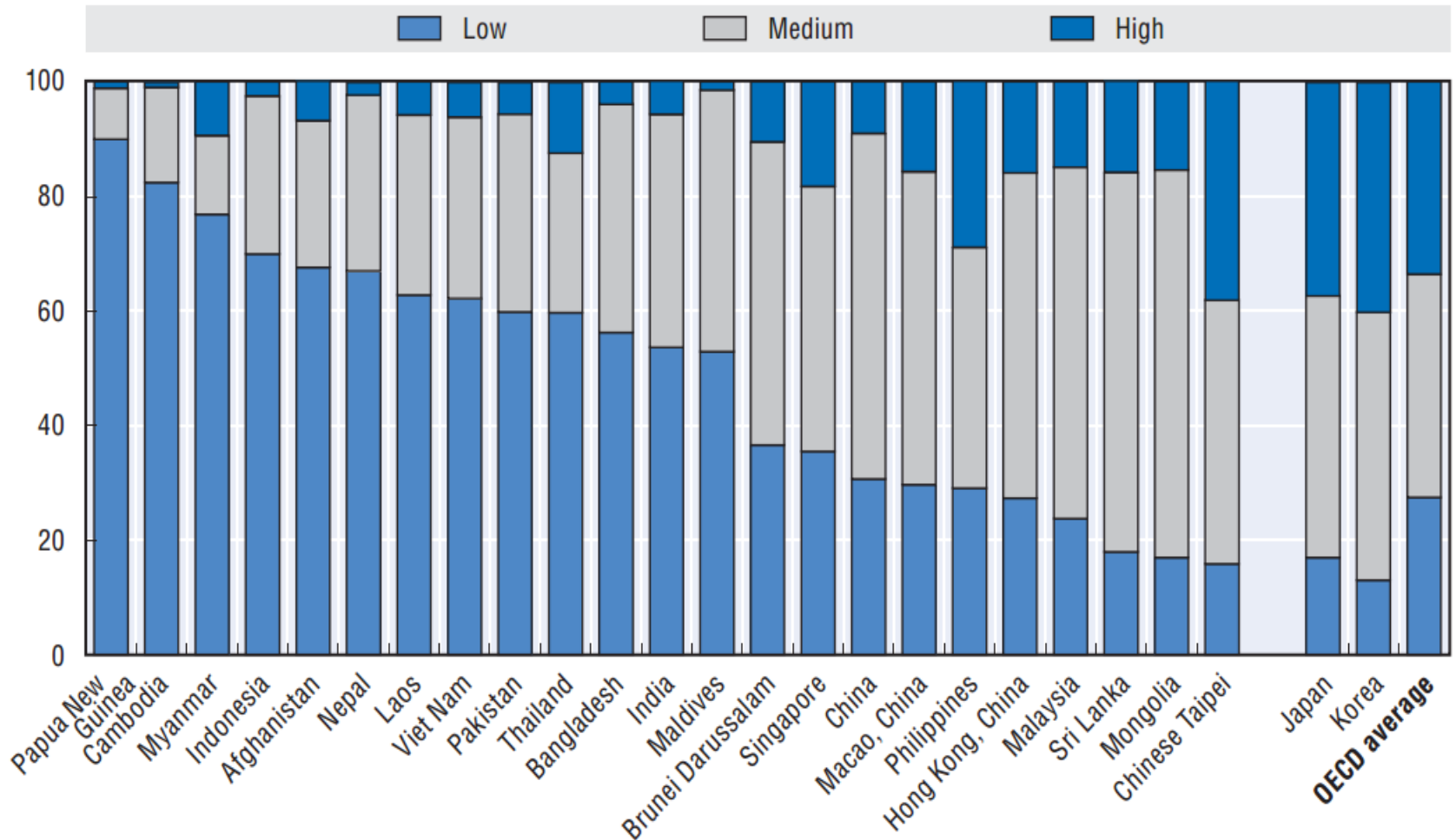
- The massive growth of investment by multinational operations in the region which has seen the MNCs transfer large numbers of MDC origin staff into Asia. Hence, by 2003 there were 911,062 Japanese citizens officially living overseas, many in other Asian countries (Iguchi, 2005).
- The mismatches between 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.

Drivers of Migration

- Mismatch between skills needed in Labour Market and Output from Training Institutes
- However governments often acting to reduce skilled immigration (eg Indonesia)

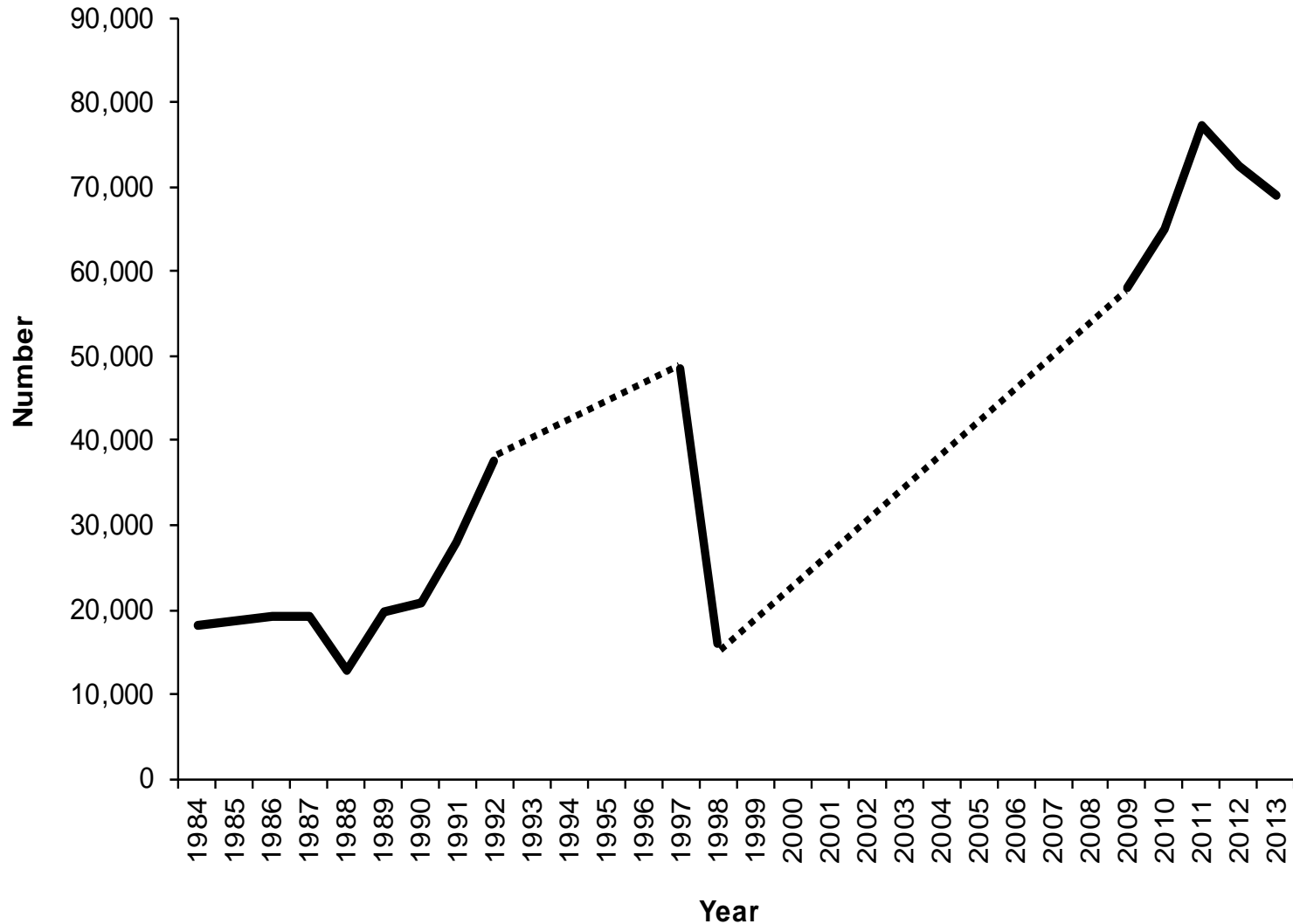
Educational Structure of the Population Aged 15 and Over in Asian Economies, 2010

Source: OECD, 2012, 166



Indonesia: Number of Expatriates, 1984-2013

Source: Hugo, 1993, 172; *Migration News*, February 1996, vol. 3, no. 2; Sipahutar, 2013; Indonesia Investments, 13 February 2014



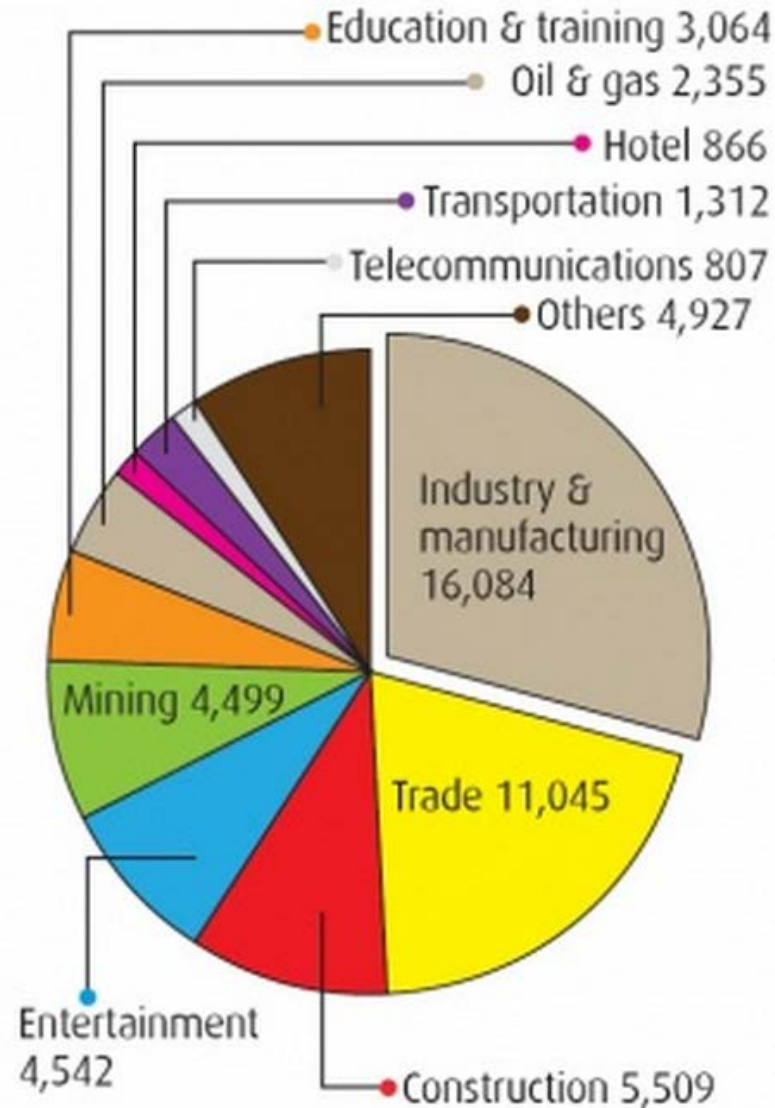
Indonesia: Countries of Origin of Skilled Workers in Order of Size of Flow, 1984-2012

Source: *Jakarta Post*, 16 September 2013; Ministry of Manpower, 1993; Manning and Cronin, 2008, 7

1984 (18,066)	1992 (37,663)	2004 (19,218)	2012 (72,427)
Taiwan	USA	Japan	China
South Korea	UK	South Korea	Japan
USA	South Korea	Australia	South Korea
Malaysia	Australia	USA	India
UK	Taiwan	UK	Malaysia
France	Singapore	India	Thailand
Philippines	Philippines	China	USA
Netherlands	France	Malaysia	Australia
Germany	Malaysia	Philippines	Philippines
Australia	Canada	Taiwan	UK

Indonesia: Industries in Which Foreign Skilled Workers are Employed, 2011

Source: Indonesian Directorate General of Immigration



China

- Increase in number of foreigners from 74,000 in 2000 to 220,000 in 2011
- 2010 Census, 593,832 foreigners
- Shanghai – “China’s most global city”
172,000 official foreign residents in 2012
- 480,000 temporary foreign professional workers in 2009

National Medium and Long Term Talent Development Plan 2010-2020

- To create a national skilled labour force by 2020
- *Rencai* – highly skilled individuals
- 1000 Talent Program 2008 – increased to 2000 in 2012

Premier Wen 2013...

‘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’.
(Huiyao, 2013, 10)

Three Streams of Skilled Migrants

- The Chinese abroad, including returnees.
- Retired university professors from the west to teach in Chinese universities.
- Highly skilled workers, especially in the high tech sector.

State Administration for Foreign Experts Affairs (SAFEA)

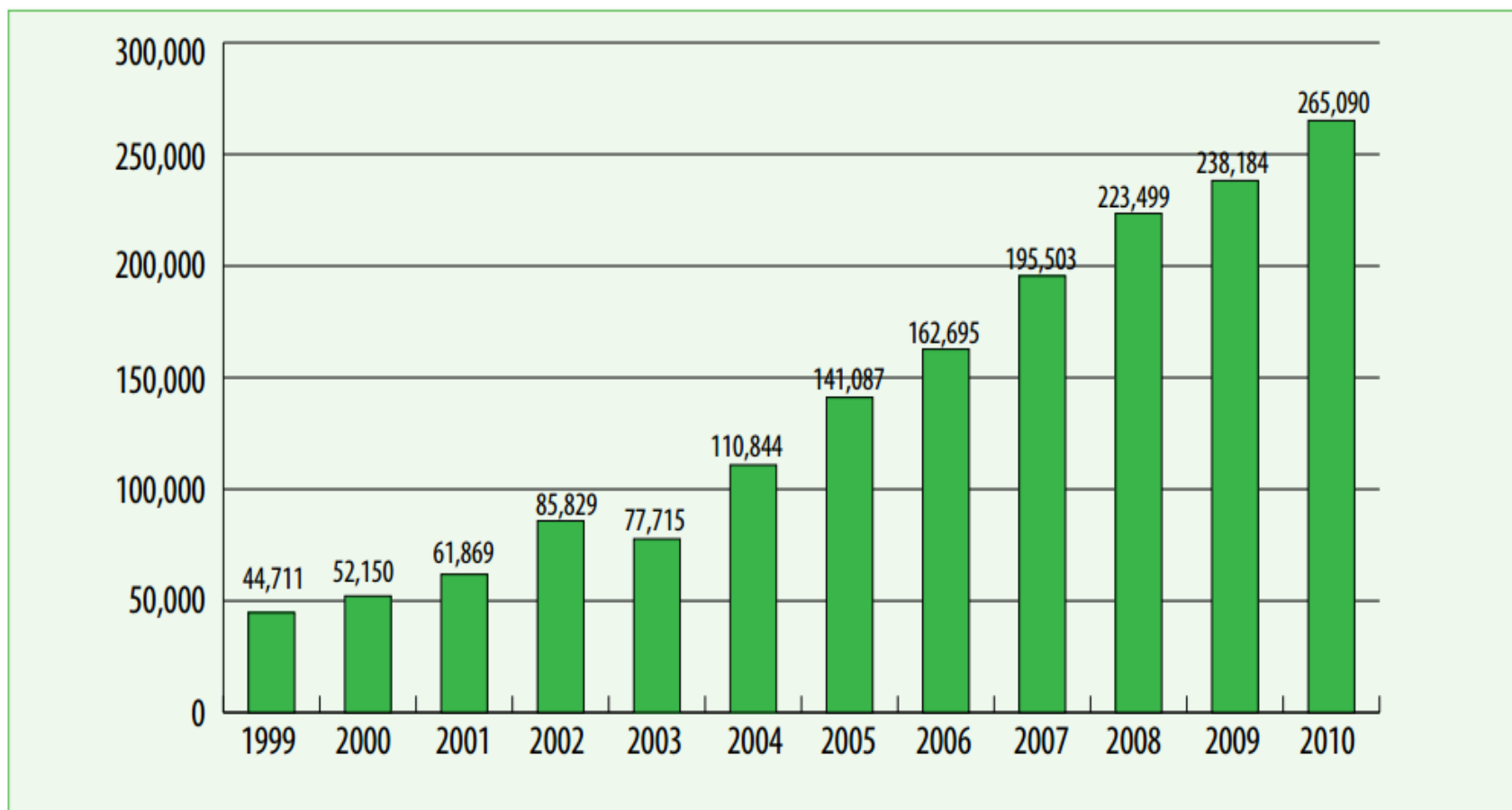
- There are programs to attract expats to work in China on a short term basis – some 480,000 foreign professionals in 2009.
- There are plans to introduce a Green Card system for ‘permanent foreign residents’. A prototype was introduced in 2003 but very few were issued.
- Increasing the number of foreign students

However, while there have been some small initiatives and considerable discussion, the OECD's assessment in 2012 largely still holds (OECD, 2012, 179).

‘The current legal framework for issuing residence permits, put in place in 1996, has not been modified to reflect China's new role in the world economy’.

Total International Students in China, 1999-2010

Source: United Nations Educational, Scientific and Cultural Organisation, 2013, 20



The Middle East

- Major global destination – 14.3% of immigrants
- Origins in
 - Small numbers of native population
 - Low levels of education traditionally
- Change with global oil boom of 1970s
 - Shift in balance of skilled and low skilled workers
 - Shift in origin away from Arab countries to Asia
 - Skilled dominated by OECD origins but Asia increasing

Distinctive Features

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

Barriers to Local Application to Enter 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.

Lack of Data

- The scale is substantially less than low skilled migration. For example, Deffner (2014, 14) found that 76 percent of Indians in Muscat have not graduated secondary school and only 15 percent are university graduates.
- The countries of origin of skilled migrants are quite different to low skilled migrants, with North America, Europe and Australia-New Zealand being significant origins of skilled migrants while South and Southeast Asia and other Arab countries dominate low skilled migration.
- The main Asian nations sending skilled migrants are India and, to a lesser extent, Philippines, Bangladesh and Pakistan.

Rising Opposition to Foreign Workers, Especially Skilled

‘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’.

Deffner (2014, 4)

Policies to Replace Skilled Workers with Locals

- *Nitaqat* (Saudization) – also Omanization, Bahrainization, Emiratization, Kuwaitization and Qatarization
- Overtones of 2011 “Arab Spring”
- Increasing open opportunities but skill levels not adequate and demands for salary and conditions too high

Return Migration

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

Source: United Nations 2013d

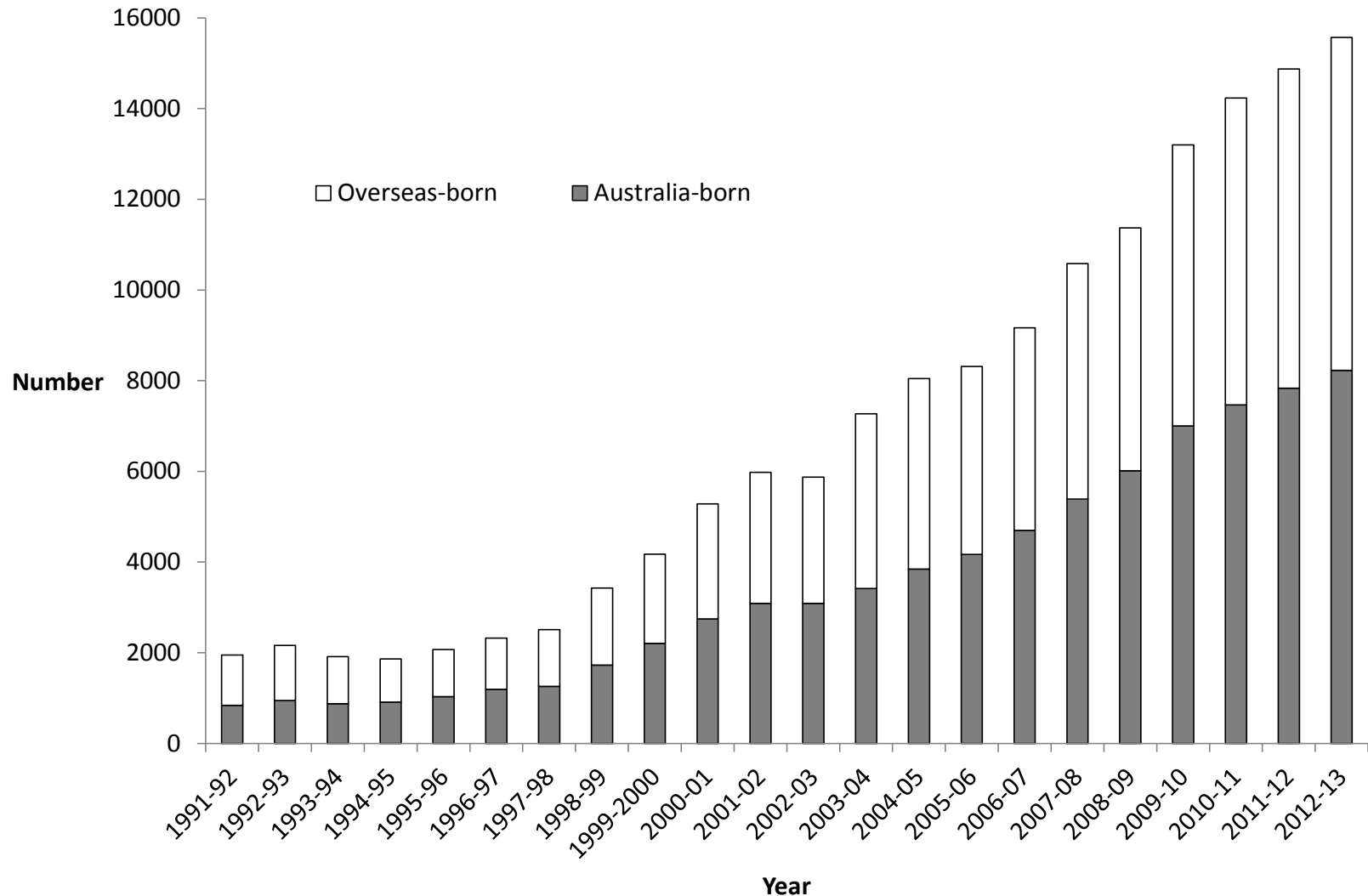
	Yes	No	Total
1976	3	2	5
1996	12	19	31
2005	21	12	33
2011	25	15	40

Programs

- Korea, Taiwan, China
- Shift in Policy in China
- Limited success – eg Malaysia
- However significant spontaneous return migration – not reflected because OECD countries do *not* collect data on emigration

Australia: Permanent Departures to ASEAN Countries by Birthplace, 1991-92 to 2012-13

Source: DIBP, unpublished data



Australia: Permanent Migration From and To Southeast Asia, 1991-2013

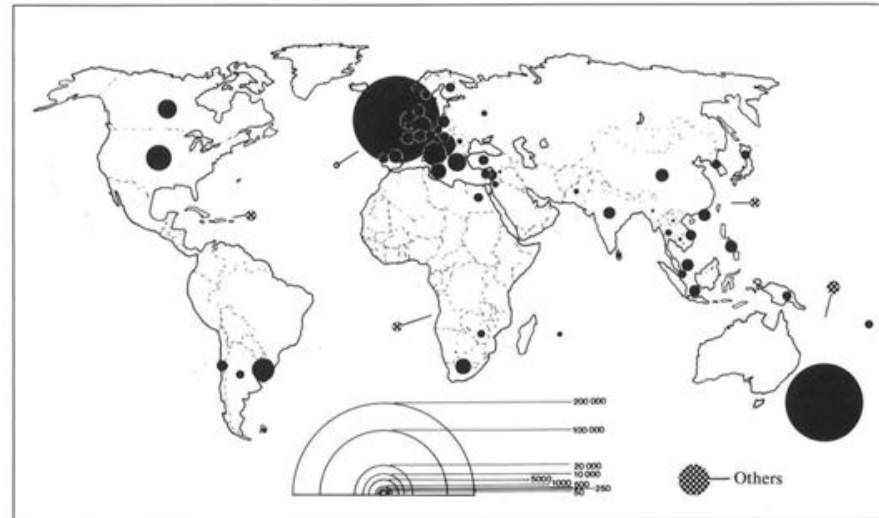
Source: Calculated from unpublished DIBP data

Permanent Settlers from Southeast Asia	467,371
Permanent Departures to Southeast Asia	152,171
Net Migration	315,200
Australia-Born Departures	77,988
ASEAN-Born Departures	44,214
Other Birthplace	29,469

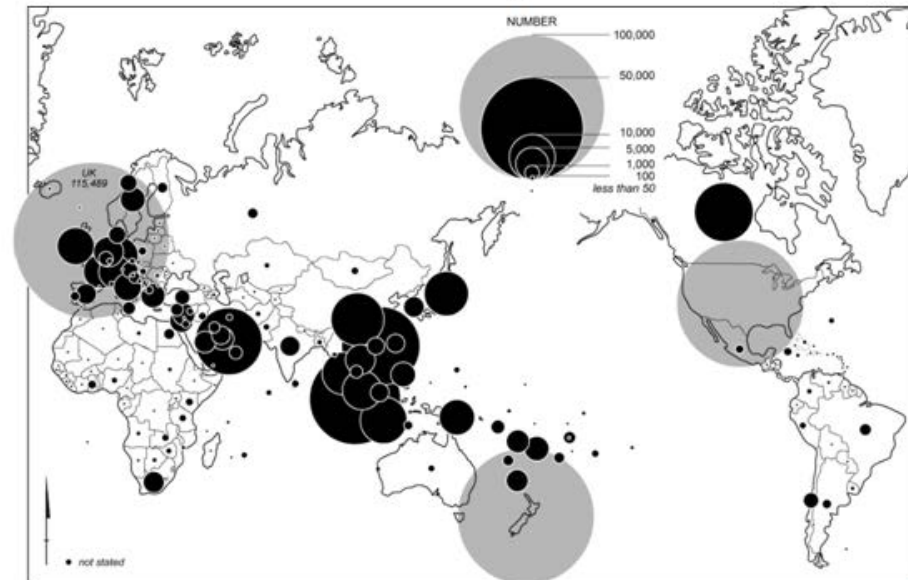
Permanent Departures of Australia-Born Persons by Country of Intended Residency, 1980-90 and 1993-2013

Source: DIBP, unpublished data; Hugo, 1994, 52

1980-90



1993-2013



Characteristics of Return Flow

- Dominated by young and middle aged working families
- Highly skilled
- Varies greatly between countries – eg high in China, very low in India

New “Return” Policies

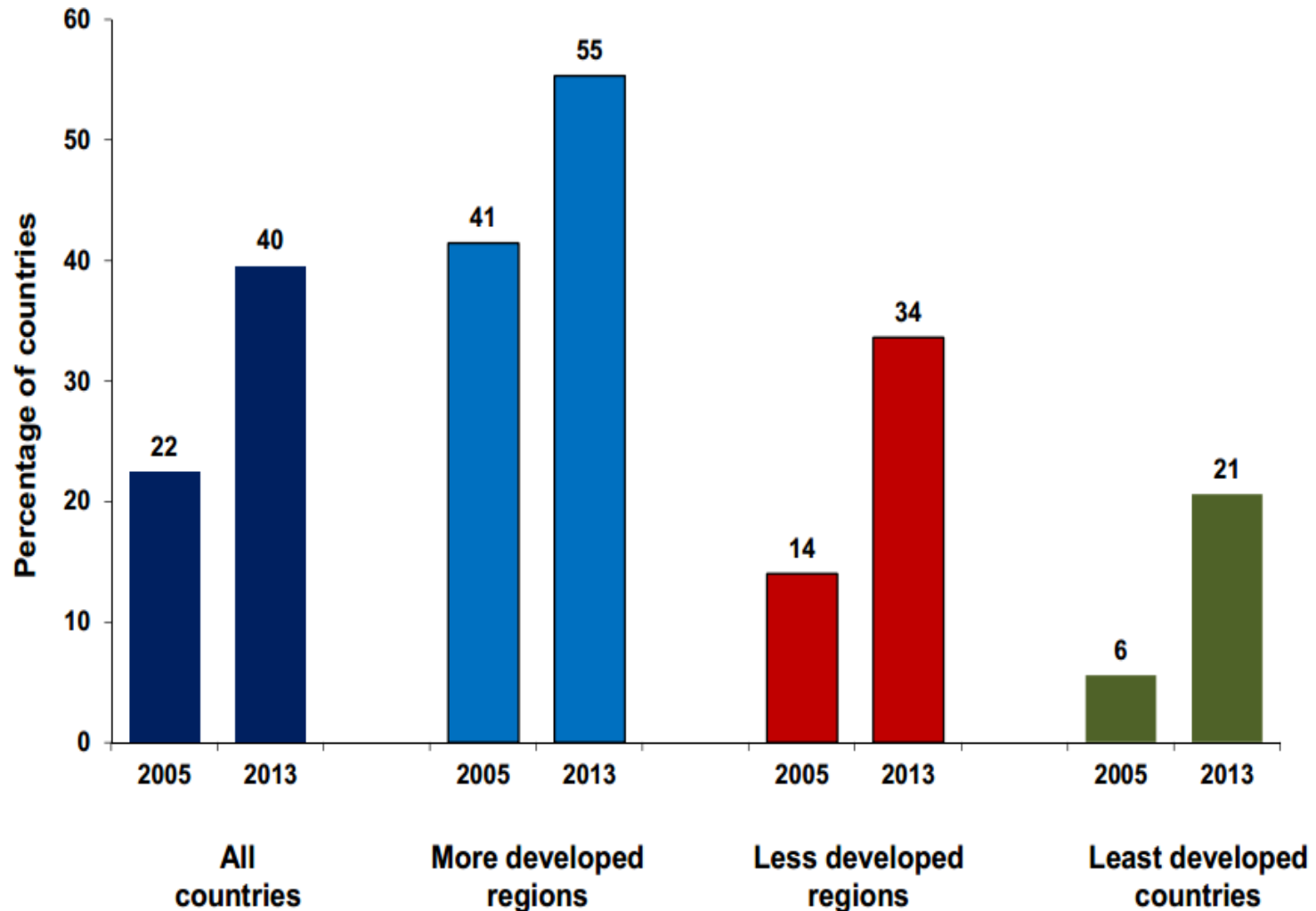
- Circulation or temporary movement between the destination country and the homeland. This can be associated with dual citizenship and holding positions in both countries. In Australia, for example, a study of China-born academics showed all maintained strong relationships with universities in China through joint positions and frequent visiting spells in China (Hugo, 2010).
- *‘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.

Discussion

- UN notes significant shift from S-N to S-S migration in 2013
- However there also has been a massive change in increased skill migration to South
- Since GFC several European countries have net emigration relationship with Asia – South Europe, Ireland

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

Source: United Nations, 2013c, 112



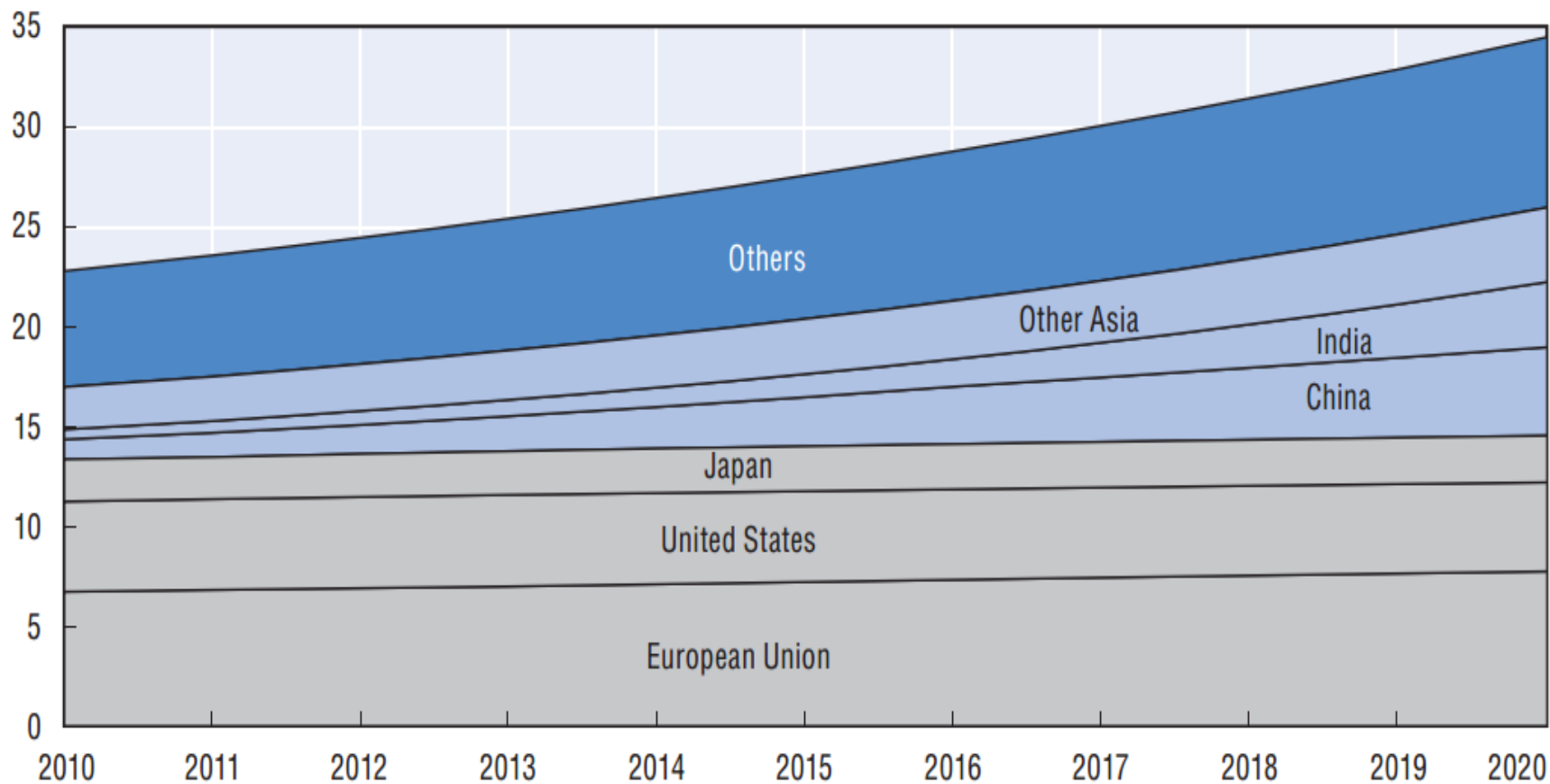
East Asia and the Pacific: Inbound Mobile Students by Country, 2010

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

Global Middle Class Consumption, in 2005 USD PPP, 2010-20

Source: OECD, 2012, 176



Increasing Role of Bilateral and Multilateral Arrangements

- Proliferation of MOUs, FTAs, bilateral arrangements
- Key players South Korea and Philippines
- Vary in extent to which followed, few involve skilled migration
- ASEAN – 2015 ASEAN Economic Community
- Five Pillars include free flow of skilled labour

“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”.

OECD (2012, 177)

Conclusion

- Last decade has seen a massive increase in
 - Asia's share of global economy
 - Increased share of global immigrants
 - A major increase in skilled migration
- Shift occurring in Asian countries toward seeing migration as an integral part of a modern global economy
- Remaining major challenges – governance, public opportunities, corruption, rent taking, lack of adjustment and integration strategies