



**Migration Research Group**

**Efficient Practices for the Selection of  
Economic Migrants**

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## 1. Introduction

Europe's demographic predicament is by now clear enough. So is the fact that the market for goods, many types of services, and, indeed, workers of all skill levels now cuts across international borders. The role that immigration will play in maintaining the continent's economic vitality through the demographic transition, globalization, and other challenges, however, is anything but clear.

The advanced industrial world is deeply ambivalent about immigration. On one hand, there is great concern over the social and cultural change that immigration brings and the possibility that migration may threaten the sustainability of European welfare states. On the other hand, there is growing acknowledgement that Europe needs the young workers that the rest of the world has to offer and that the rhetoric of "zero immigration" is impossible to put to practice.

This latter, new line of thought has led many forward thinkers to conclude that Europe would benefit from a proactive approach to immigration, in which immigrants are recruited specifically for the economic benefits they bring (Independent Commission on Migration to Germany, 2001; Commission of the European Communities, 2003). Such a strategy would raise the proportion of immigrants that a country "chooses" for economic and related reasons relative to those over whose admissions it has relatively little control (immigrants who are reunifying with family members, humanitarian immigrants, and irregular migrants). This would have countries like France (which admits only about 10% of its permanent immigrants each year for "economic" motives), adopt policies more like those of countries such as Canada (which selects around 23% of its immigrants for economic purposes, primarily by level of education and other personal characteristics, and admits another 30% of its immigrants as the immediate family of these immigrants) (OECD, 2003, CIC Canada).

This essay discusses various strategies that have been developed for recruiting, selecting, and admitting economically active immigrants, and examines the advantages, pitfalls, and potential of each. It does not attempt to exhaustively catalog the immigration policies and outcomes of developed countries—an exercise which has been carried out elsewhere (OECD 2002; OECD, 2004; IOM, 2003). The strategies discussed here include ones that could be applied for temporary immigration programs, permanent settlement, or for both, and although the mechanics of successfully administering a temporary work program are too complex to be adequately discussed here, the important intersection between temporary migration and the selection of permanent immigrants will be addressed. Because the so-called "Traditional Countries of Immigration" (TCIs)—for the purpose of this essay, Australia, Canada, New Zealand, and the

United States—have long recruited immigrants for economic reasons and are most explicitly open to immigration (though many European nations now rival and, in some cases, exceed them on a per capita basis as a destination for immigrants), they will provide many important examples.

The essay begins by proposing a set of principles that should inform the design of immigrant recruitment practices and policies. It continues with a discussion of the evolution of “economic” immigration into the developed countries that actively welcome it on a significant scale, including the changing balance between permanent and temporary migration programs. It then describes the four major selection strategies used to choose both temporary and permanent immigrants and moves on to discuss variants of these techniques and other strategies that can facilitate the selection of economic immigrants. Finally, it will point out some emerging challenges and opportunities related to the recruitment of immigrants.

Three points should be emphasized at the outset of the discussion. The first is the importance of context in understanding the outcomes of immigration policy. “Best practices” applied clumsily in different economic, social, and historical settings may very well result in worst outcomes. In particular, a country’s labor market and social welfare policies strongly influence the labor market experience of immigrants, and thus the outcome of immigration policies. The second point is that while recruitment of “desired” economically active immigrants may be a valued economic resource, and may enhance social stability and the public perception of the overall experience with immigration, it cannot reduce or replace in any substantial way the “other” migration streams. Canada, for example, has achieved such a high percentage of selected immigrants primarily by expanding its entire immigration program quite significantly. Family reunification immigration makes labor immigration more stable, improves integration outcomes, and, in most countries, comes close to being a legal right for citizens and permanent settlers. Humanitarian immigration is clearly part of international law and is an important part of most developed countries’ foreign policy and chosen role in the world. Additional opportunities for legal immigration for economic reasons may discourage some “unwanted immigration” by providing an alternative to unjustified asylum claims or clandestine immigration and employment, but this effect is likely to be limited, particularly if legal immigration is offered only to the educated and skilled.

The third point is that “economic” immigrants need not be highly skilled. It is true that, for example, the vast majority of the TCIs’ permanent “economic” immigrants and the majority of their temporary migrants are required to have a college degree or equivalent skills or experience, but Europe is not obliged to follow this example and may benefit by not doing so. High skill migration is thought by many to alleviate income inequality, to lead to better integration outcomes and public acceptance of immigrants, and to create fewer burdens on the welfare system (for

examples of this thinking, see Bauer and Zimmerman, 1999; Bauer, Lofstrom and Zimmerman, 2000). In addition, only skilled migrants, by definition, can relieve a “skills shortage.” Without disputing these arguments, there remain legitimate reasons to consider accepting immigrants of a variety of skill levels. Europe’s unskilled workforce will be declining quite quickly in the coming years (Fotakis and Coomans, 2003), while demand for low skill, low status services such as home health care, domestic duties, or food service will likely remain robust and climb with increasing prosperity and demographic change. In addition, there are internationally traded sectors, such as agriculture or manufacturing, in which Europe may not be able to compete without access to lesser-skilled workers. Such demands can be met without legally admitted low skill immigration beyond that of humanitarian and family reunification immigrants, but this would involve its own costs, including the likely costs of accepting or combating illegal immigration. However, because high-skilled migrants are relatively scarce and choosing among skill sets and qualifications is an important part of the migrant “recruitment” process, much of this discussion will speak to the selection of skilled migrants.

## **2. Thinking Harder About “Recruiting” Immigrants**

Recruiting immigrants today is largely a matter of setting a framework for admitting immigrants: depending on the method, criteria and type of admission chosen, the recruiting process will be facilitated by outside allies, from employers and recruiting companies, to powerful networks of co-nationals, to foreign governments, to the initiative of migrants themselves. However, an effective admissions policy *should* be regarded as a recruitment process, and should address the following questions:

- What economic and social goals is the immigration program intended to meet, and what are the criteria for success derived from these goals?
- What personal characteristics should admitted migrants have, and how will these be assessed?
- What is the anticipated period that the immigrant will be allowed to stay and work, and what happens at the end of that period?
- What balances will be struck between the need of employers to respond quickly and precisely to economic demand by choosing their employees and the need to protect the labor market interests of resident workers and foreign workers from exploitation?

- How can the admissions process allow employers to gather information about the potential migrant and give the prospective migrant a chance to learn about the domestic labor market and acquire useful local knowledge and skills prior to admission to a given migration status?
- Will the strategy chosen and the administrative resources deployed to support it make the admission process timely enough to satisfy the program's goals?
- How will the number of migrants admitted be controlled?
- How will admissions be distributed "efficiently" across different immigration programs?
- In the case of sought-after highly skilled migrants, will the immigration "package" offered be enough to attract them?

A quick survey of the immigration programs of developing countries, particularly those of the TCIs, reveals evolving, and in many cases, converging practices.

### *2.1 The State of the Art in Selecting Economic Immigrants*

Today, most better educated/skilled immigrants who are admitted to work in developing countries on a truly discretionary basis are selected on such factors as an employment offer and/or potential for employment, education, experience, age, and demonstrated business skills, among others. Increasingly, the willingness to commit to move to a specific location for a minimum number of years is gaining in importance in Canada and elsewhere. A significant, but usually smaller, group of immigrants are admitted to work in low-skilled occupations—but almost always on a temporary or seasonal basis, at least in theory. Finally, a very small number of immigrants are admitted because they will invest significant amounts of money in starting or expanding a domestic business. This discussion will focus on the much larger stream of immigrants who are admitted primarily because of their human, not financial, capital. This "economic stream" of workers is rounded out by a group whose admission is only partly discretionary: intra-company transferees and other professional workers whose entry may be protected under WTO, regional, and/or bilateral trade agreements.

There are two basic component flows to economic migration: permanent immigrant, or settlement, admissions which grant permanent permission to live and work in the destination country; and temporary, or "non-immigrant" (the U.S. term of art), admissions which grant stays

and work permits of a determinate length to a foreigner, usually anywhere from one to eight years.

Permanent visas for economic immigrants are rather limited. The four TCIs, for example, which have the longest and strongest traditions of granting permanent residence up front, admit a total of roughly 400,000 people, including principal applicants and their immediate family members, for permanent residence under their economic immigration streams each year.

On the other hand, temporary admissions of foreigners (also referred to here as labor migration) who enter either explicitly in order to work or gain a derivative right to do so have been growing by leaps and bounds, particularly in the TCIs but also in Europe, which is reconsidering (opponents of such openings will say “forgetting”) its experience with guest-worker programs in the 1960s and early 1970s. The U.S. has been most aggressive in this regard with its “H” class of visas but the other three TCIs have joined the competition with considerable vigor (Tables 1-4). Increasingly, temporary labor migration has become the means - the transmission-belt, as it were - through which ever-larger proportions of permanent immigrants initially find their way legally into immigration countries around the world.

Most formal economic entries in the economic migration stream, whether permanent or temporary, are skewed strongly toward better-educated and skilled foreigners. Admissions for jobs requiring few formal skills but that reward relevant experience, however, continue to be valued by receiving and sending countries alike and are thus a constant and significant presence in most immigration systems. The various schemes for agricultural and other seasonal work, as well as for caretaking, domestic services, and a constellation of personal (domestic) services recognize that reality.

While not all immigration countries treat foreigners who ply their labor and skills in the international migration system identically, most follow common mechanisms for the selection of permanent immigrants. Similarities between the systems countries use to match the proper worker to the proper job grow further when temporary immigration programs are examined.

## 2.2 *Converging Practices in Recruiting Immigrants*

The increasing popularity of temporary admissions across TCIs (and other states) has been paced by a remarkable convergence in admissions procedures. There are various reasons for this convergence. Among these is the reality of multilateral agreements, such as those relating to trade-in-services that are anchored on the principle of reciprocity, and demands among economic

partners to codify reciprocal access for each other's nationals in the areas of business, trade, investment, or cultural exchanges. Regional reciprocal arrangements have also proliferated (e.g., the Trans-Tasman Travel Arrangement and the visa free entry and rights to employment between the U.S., Canada, and, as of the beginning of 2004, Mexico in nearly seventy professional occupations under the North American Free Trade Agreement (NAFTA)).<sup>1</sup> Finally, certain categories of temporary entry allow employment that is in some ways "incidental" to the visa's primary purpose. Among those are student visas (under certain more or less restrictive circumstances), trainee or cultural exchange visas, under which a visitor is allowed to work as part of the training or exchange, or "holiday maker" visa holders who are allowed to work for a period of time during their stay in the host country.

However, there is another increasingly consequential reason for such convergence in practices. With "globalization" having advanced to the point where speaking of national firms may in many ways be anachronistic, at least among the advanced economies, competitive pressures have put a premium on cutting edge technical skills and talent—wherever these may be found. With trade barriers falling—in large part as a result of persistent efforts by the TCIs and the European Union—and with technology, like capital, recognizing neither borders nor nationality, individual initiative and talent are increasingly recognized as the most valuable global resources. The TCIs have long recognized this reality, designing and redesigning their immigration systems to gain ready access to those who have the desired human capital attributes. Increasingly, this has led to competition among TCIs in what might be called a human capital accretion "sweepstakes," a contest in which increasing numbers of European countries are now eager to participate, with Germany, the United Kingdom, and France leading the way.

The TCIs offer permanent immigration status up front to many of these foreign workers but the administratively simpler route of entering on a temporary visa and then applying for permanent residence is gaining in prominence, making some temporary visas into veritable "transition" visas. The most-traveled routes in this transition-to-permanence admission framework are high-skill temporary work and education visas. The first route initially involves temporary work in information technology and communications, engineering, the medical professions, or other high-skill sectors. The U.S.'s high skill H1-B visas may have provided the largest opening of this type, but the other TCIs have been expanding their own such pathways.

The second temporary-to-permanent route is through a country's institutions of higher education. In absolute numbers, the U.S. has been again the leader in this form of entry for decades. The other TCIs, however, have also expanded their opening to the student talent pool by removing

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<sup>1</sup> Mexicans have similar employment rights but require a visa to enter the U.S.



administrative barriers to hiring foreign students directly out of tertiary education and converting them, in due course, to permanent immigrants. The greatest activism in this area, however, may be coming from several European countries, such as France, Germany, or the United Kingdom, which have always had robust foreign student populations. (On a per capita basis, the foreign student populations in some of these countries exceed that of the United States.) These and other European destinations we are experiencing somewhat of a “windfall” in foreign student applications as a result of the U.S. pre-occupation with security screenings and the less welcoming attitude toward nationals from a large number of countries.

The expansion of the temporary and temporary-to-permanent immigration stream is re-fueling two “old” discourses. The first one focuses on the receiving countries’ failure to adequately adapt their own training and education systems to the requirements of the so-called “new economy” sufficiently and effectively enough to meet employment needs from within their own labor pool. The second dwells on the effect (and propriety) of deeper and more systematic “takings” by the TCIs (and, increasingly, by other advanced industrial societies) from the human capital pool of the developing world. Neither issue falls within the scope of this essay, but both raise enormously important questions.

### **3. Admitting Immigrants: Competing Selection Mechanisms**

All developed countries, and/or their corporate citizens, choose the foreign workers they are interested in admitting permanently on the presumption that such admissions serve national economic interests. But each country emphasizes different facets of that interest by using different selection strategies. In effect, most countries use different combinations of three general strategies: (1) admitting workers who have been hired by duly registered corporate entities for a specific job; (2) admitting people who are qualified in occupations that the government decides are in short supply; and (3) selecting immigrants based on their overall levels of human capital. The permanent-to-temporary transition route discussed above constitutes a fourth major (and fast expanding) selection strategy of sorts, although it necessarily makes use of at least one of the other three strategies. As a result, the systems used by TCI countries that select immigrants, both temporary and permanent, form a continuum of sorts.

At one TCI end is the U.S., which emphasizes immediate economic needs and allows employers to choose directly virtually all economic stream migrants. At the other end lies Canada, which admits almost all of its permanent economic stream immigrants through a “points system” that selects immigrants on the basis of a mix of skills, experience, education, age, and other characteristics that presumably maximize the probability of both immediate *and* long-term labor

market and economic success. New Zealand and Australia, who admit most of their economic immigrants under similar points systems but also have a small number of permanent and temporary employment-based admissions, lie in between on the continuum. In the U.S., Australia, and New Zealand, a small number of immigrants receive preference in admission in order to fill specific labor needs identified by the government.<sup>2</sup> Occupations identified include medical doctors who will work in underserved areas (in the US), and medical and information technology professionals (in New Zealand and Australia).

The principal agent in each selection scheme varies accordingly. In the United States, the principal agent is almost always the employer, both for the permanent and the temporary employment-based systems. In the other three countries, the principal agent for the permanent immigration system is the public servant, with the employer playing only a minor role. In all TCIs, employers play a principal role in the fast-expanding temporary worker admissions system. In Australia and New Zealand, non-government occupational assessing bodies also play a key role in verifying the skills of potential immigrants.

Most of Europe also falls in between on this continuum. The United Kingdom (U.K.) may be most advanced in its participation in the selection sweepstakes. For example, the U.K. uses simultaneously a points system, an employment-based system, and sector-driven admissions (the latter two primarily for temporary immigration). The United Kingdom's most important innovation, however, may be an administrative innovation through which "pre-cleared" employers (presumably those with good records of "playing by the rules") can gain access to a needed foreign employee within a week or less (Jupp, 2003).

The U.K., however, is not the only hotbed of experimentation in the employment of temporary foreign workers. Italy, for instance, has taken a variant of a page from a French practice of about thirty years ago and allows employers who have found an unauthorized foreign worker to go to the Ministry of Welfare and register him or her.

### 3.1 *Employment-based Selection*

The primary focus of U.S. economic stream immigration is on rectifying labor market shortages and mismatches—with an increasingly pronounced tendency toward simplifying the labor market tests it requires. Specifically, the U.S. law has since 1990 established a maximum "quota" of

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<sup>2</sup> In the US, physicians who will serve medically underserved areas are exempted from labor market tests and receive "second preference" status. In New Zealand, a number of prioritized occupations are eligible for New Zealand's "work-to-residence" transition visa. In Australia, prioritized occupations receive extra points in the points test.

140,000 “permanent” visas for employment-based immigration (Table 10). More than 90 percent of such visas target well-educated and skilled immigrants and their immediate families. Australia maintains a database to match employers and skilled migrants and admits about 21% of its economic permanent migrants through employment-based admissions. A number of New Zealand’s new “work-to-residence” visas are predicated on an offer of employment from a government-approved employer when the visa is issued and later when the immigrant applies for permanent status. These entries also bypass the points system. Canada makes no permanent admissions based primarily on employment but, like Australia and New Zealand, gives applicants with an employment offer an advantage in entry under the points system (discussed below).

Allowing employers to select immigrants has several advantages. It makes immigration directly sensitive to labor needs, puts the admission decision into the hand of those best able to assess the immigrant’s immediate labor market prospects, reduces bureaucracy and cost, and ensures that immigrants have jobs when they arrive. Tying immigrants to a job, and requiring that they notify the immigration service when they change jobs (if this is permitted), also facilitates monitoring of working and pay conditions by the government. In addition, tying admission of an immigrant to a specific job that “cannot be filled with a native worker” is thought to bolster political support for labor immigration. The temporary labor immigration programs, both high-skill and low-skill, in all of the TCIs and in most European countries continue to use the employment-based selection approach.

However, placing so much of the recruitment process into the hand of employers runs the risk that employers may use immigrants to undercut more expensive domestic workers, or that immigrants may be exploited with inferior wages or working conditions. When immigrants are granted permanent work and residency rights, this risk decreases dramatically because they are free to change jobs, but it can be quite substantial in the case of temporary admissions, where the immigrant may have to leave the country if they lose their job. Making work permits “portable” to other jobs with as few restrictions as possible is one way of reducing this risk.

As a result of these concerns developed countries use a menu of controls to ensure that admitted workers are needed and that migrant workers and their already-resident colleagues are not affected adversely by the immigration process. Most use caps or quotas to restrict the number of employment-based admissions that are permitted in a given year. They may also restrict the ability of the employers of migrants to sub-contract their services to other entities. In most cases, countries restrict employment-based admissions to certain types of occupations, educational level or sectors. In the United States, for example, almost all permanent employment-based admissions and most temporary work visas are for immigrants who have a college education or

better. The United States also admits between 5,000 and 10,000 permanent immigrants and much larger temporary migrants to fill low skill positions, but virtually all of these admissions are restricted either by sector (the agricultural sector) or by type of work (the work involved must be seasonal, temporary or to meet the demands of “peak load”) and are often subject to an annual cap (Table 1).

### 3.2 *Regulating Employment-based Admissions*

- **Case-by-case certifications (pre-entry control)**

One method of selecting foreign workers is to test each application against the available pool of eligible<sup>3</sup> domestic workers interested in the job opening. This process, called “labor certification” in the U.S., “job validation” in Canada, and “labour market testing” in Australia and elsewhere, requires the petitioner (typically the prospective employer) to demonstrate two things to the government’s satisfaction: first, that no eligible workers are available for the job in question; and second, that the employment of the foreign national will not depress the wages and working conditions of other workers in similar jobs. This approach is still the dominant process for admitting economic immigrants (chiefly temporary ones) in continental European states. In Member States of the European Union and European Economic Area (EEA) and, these requirements are sometime taken to another level, as employers may be required to demonstrate that they were unable able to find nationally resident workers, but also unable to attract workers from other EU/EEA states.

These requirements have proved extremely vexing both on methodological and on administrative grounds. As a result, one notices a slowly emerging consensus that questions the value and efficacy of processes that rely on case-by-case assessments for choosing labor-market-bound immigrants as increasingly at odds with today’s global competitive realities. More specifically, firms today often choose workers (domestic or foreign) because small differences in attributes (both in the quality and in the specificity of skills) can lead to substantial differences in the firm’s ability to compete, and being obliged to hire a resident candidate who is “sufficiently” or “equally” qualified in the government’s eye may leave firms at a significant competitive disadvantage. Additionally, the bureaucratic burden and delay imposed by the case-by-case approach can seriously undermine the economic benefits gained by labor migration. On the other hand, a test to see if resident workers are willing to take the job is somewhat spurious if wages and working conditions are not improved to attract them. Thus, this “test” has the potential to serve neither employers nor workers well.

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<sup>3</sup> The term “eligible” workers will be used to denote all domestic workers, as well as other workers who may have the right to work in each country.

Britain, when it revised its temporary work permit program in 2000, largely retained the case-by-case admissions model, but streamlined the process by creating a two-tier system. For top-tier applicants—including intra-company transferees, board-level managers, and workers whose occupational skills are determined by the government to be greatly needed—the requirement that the employer search for resident workers is waived. In that regard, entries in this tier emulate the U.S.' H-1B system. Second tier applicants, like first tier applicants, are not subject to a numerical cap, but their employers are required to show proof that they have searched for qualified British residents and EEA nationals to fill the position.

- **Multi-Case Attestations**

An alternative, pioneered in the US, to approving an immigrant's employment eligibility on a case-by-case basis prior to his or her admission is granting the employer access to certain types of foreign workers on the basis of an "attestation." Attestations are a legally binding employer declarations about the terms and conditions under which a foreign worker will be engaged, and are used for both high and low-skill temporary work visas. Attestations are designed to reduce up-front barriers and delays to the entry of certain foreign workers while still protecting the wages and other labor market interests of domestic worker so compliance is safeguarded through post-entry auditing and enforcement of the employer declarations. Attestations (or, more formally, "labor conditions applications," LCAs), focus on four major policy objectives.

- First, safeguarding basic interests of domestic workers in terms of wages and working conditions while offering employers willing to play by pre-agreed rules timely and predictable access to needed foreign workers.
- Second, meeting a "public process" test by giving potentially affected parties (such as other workers in a firm or their representatives) an opportunity to know about and challenge the matters to which an employer attests.
- Third, responding most directly to changing conditions in labor markets (by allowing employers the freedom to choose and gain swift access to foreign workers they need) while requiring the least amount of hands-on engagement by the government in areas such as employment demand data and labor market testing procedures where it has proved to be weakest.

- Finally, inducing more cooperative labor-management relations by streamlining access to foreign workers under working terms and conditions that are transparent and to which both worker representatives and management have opportunities to influence.

Whether attestations are accomplishing these policy goals or not is the subject of much dispute, and attestations have received strong criticism for failing to sufficiently protect both domestic and foreign workers. Strengthening oversight of worker's working conditions and compensation after their employment begins is one way of addressing these concerns. Australia, for example, monitors employers who sponsor employees for temporary visas to ensure compliance with the employment contract. Sponsors must show that they are paying the proper wages, taxes, and pensions, and fulfilling any other obligations agreed to, such as implementing training programs for local workers. Site visits are used to confirm information the employer provides. In the event of a violation, the temporary visas in question can be cancelled and the employer may be declared ineligible for future sponsorship.

New Zealand uses a slightly different sort of control at a, thus far, extremely small scale. In the "work-to-residence" program, employers are "accredited" annually by the government on the basis of good labor relations, sound finances, and a history of employing and training native workers. Once accredited, employers can bring in workers on 30-month visas without any labor market tests and with minimal paperwork and delay. At the end of two years, these workers can apply for permanent residence.

### 3.3 Labor Market "Waivers"

In a second general strategy for selecting immigrants, the government identifies labor market segments that are experiencing supply shortages or need strengthening with well-prepared foreigners and grants preference to applicants qualified in those occupations or intending to work in those sectors. These candidates may be admitted outright, granted streamlined processed faster, granted additional credit in a "points system, or exempted from bureaucratic obstacles such as the requirement that employers search for resident workers. Labor-market waivers of this sort often consider a variety of indicators such as vacancy rates, wage growth, forecasted demand, the unemployment rate, and the time needed to train new workers. The process is neither as methodologically robust as it appears at first nor simple. In practice, governments are most likely to respond to lobbying by employers and tend to use the simplest of "tests": when employers cannot find employees at the current market wage, a shortage is deemed to exist and the inflow valve is adjusted accordingly. In some cases, labor unions and other stakeholders may also be part of the process of "authenticating" that a shortage exists.

New Zealand, and, to a lesser extent, the United States, identifies specific supply shortages and streamline visa applications in those occupations. The United Kingdom streamlines admissions in a few priority occupations, primarily medical ones, granting temporary work permits in these categories without requiring that the employer demonstrate that no willing resident worker can be found. Other countries have given explicit priority to the entry of information technology and communications professionals. France does so by granting streamlined permanent residence permission to foreign students who graduate from a French university with an IT degree (OECD, 2002). The U.K., Canada, and several other OECD countries now facilitate employer-access to foreign students and under the still pending German immigration law Germany would too. Australia keeps a list of occupations that receive preferential treatment when being assessed in their general economic immigration category.

### 3.4 *Talent Accrual: Choosing the Best and the Brightest*

This strategy looks at the immigrant's skills independently of the context of a specific job offer or specific occupation. It recognizes that many highly skilled immigrants will change jobs often and may even change occupations. The characteristics that make immigrants immediately employable may not necessarily be those that lead to long-term employment success or optimal integration outcomes. Thus, the talent accrual approach aims to admit the “best and brightest” as defined by such indicators as the number of years of schooling, training or experience, relevant language ability and degrees or certifications when they can be properly assessed.

Canada, Australia, and New Zealand rely most heavily on this method.<sup>4</sup> In each of these countries, a points system is used to select a large proportion of the immigrant, and the pending German legislation would also. In all three systems, education and experience in any skilled field are heavily relied upon as the primary criteria used in rating applicants. In one selection category, the U.S. also makes use of a variant of the talent accrual approach. Persons of “extraordinary ability” can be admitted simply by demonstrating the high quality of their credentials *and professional accomplishments*, although these are a small proportion of permanent admissions.

- **The points tests**

Because the employer plays a less pivotal role in the process of choosing immigrants in a talent accrual strategy, and because the immigrant is not necessarily destined for a specific job, these

systems rely little on labor market tests *per se*. In the points test system, only those foreign workers whose quantifiable personal attributes add up to a pre-agreed “pass-mark” are allowed to immigrate and/or settle.<sup>5</sup> Among the characteristics currently receiving the highest point totals across all three countries are education and specific training, work experience, especially in occupations in demand, age, language skills—generally in that order. Offers of employment generally play a small and diminishing role (Table 5).

Other factors that promote integration or employability, such as sponsorship by a family member or experience working or studying in the country of destination, are also included. In this way, there is significant “overlap” of criteria both with the family reunification stream and with employment-based admissions—acknowledging the social and labor market value of these additional immigrant selection systems. Business skills and the willingness to invest substantial sums in economic enterprises in the country of destination are also rewarded throughout the TCIs and elsewhere, sometimes within the points system (in Australia and the U.K., which has its own points system for entrepreneurs, separate from the one it uses to select skilled workers), and at other times independently of it (the U.S., Canada and, presumably Germany).

Generally, supporters perceive several advantages to points selection systems over other selection mechanisms:

- First, they are thought to inspire confidence because they seem to apply universal, and ostensibly hard (i.e., quantitative data-based) selection criteria to economic-stream immigrants. Hence, they are less susceptible to the criticisms associated with the case-by-case system's "gamesmanship" between employers and bureaucrats.
- Second, depending on the attributes a point system emphasizes, it is thought to reassure key segments of the receiving society that economic-stream immigrants are selected on the basis of criteria that place the highest priority on the receiving state's economic interests. In an increasingly competitive world, this line of reasoning goes, choosing highly skilled immigrants makes economic immigration politically more defensible than the alternatives discussed earlier. This primarily due to two reasons. First, because of the obvious potential far wider economic multipliers, measured in “downstream” economic and labor market gains. Second, because point systems are less politically “visible” (and hence “targetable”) than the government certifying that *no domestic workers* are available to do a specific job time and

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<sup>4</sup> Since Canada's inauguration of the independent category's main element—selected workers—in 1967, the relationship of independent immigration to overall economic and labor-market success has been affirmed repeatedly. (See Canada, 1975; Hawkins, 1989; and Economic Council of Canada, 1991)

<sup>5</sup> The pass-mark is re-set more or less frequently.



again or that a specific sector can continue to absorb large numbers of foreign professionals without affecting the opportunities of domestic professionals.

- Third, a point system can adopt new characteristics, discard obsolete ones, and “tweak” the process by changing categories’ relative weights and/or the overall pass mark. This is thought to be administratively valuable in that regulators can respond quickly to shifting economic priorities and/or perceptions of what is “good” for the receiving economy and society. In addition, because the points system assesses people according to a variety of criteria, it can easily make immigrant admissions serve several national goals (economic, demographic, social) within a single selection system.
- Finally, properly conceived and implemented, *and accompanied by opportunities for firms to select key workers on their own*, a points system is thought to reinforce the government’s ability to manage the system by allowing it to adapt admissions to general occupational trends and the broad needs of the economy.

The points system approach, thus far, has been used exclusively to admit highly skilled immigrants. However, the general principle—that of “earning” admission through personal characteristics and behavior—could be used with other criteria and for lesser-skilled immigrants. While it might be difficult to make the points framework practical for the purpose of admitting lesser-qualified immigrants for the first time, it could be used for the purpose of granting permanent settlement rights to temporary workers or for regularizing unauthorized immigrants. For example, one approach to “earned regularization” of the United States’ unauthorized immigrant population proposed by this author would give immigrants the chance to earn points (or “credits”) for such characteristics as steady employment and tax-paying, having legally resident family members, English language ability, and evidence of social integration.

### 3.5 “Filtration” systems

The fourth major strategy admits immigrants ‘temporarily’ for work—usually but not exclusively to fill a specific, high-skill vacancy—or as university students and later gives them the chance to become permanent residents. This method selects immigrants at two points: first, when the individual is admitted on a temporary visa, and again, when the temporary immigrant is considered for permanent residence. Thus, it is possible to use one set of selection criteria (drawn from the strategies above) for the first selection and another set for the second.

This dual-stage selection can allow the government—or employers—to select immigrants based on observed performance. In addition, the experience of working or studying in the host country often better equips temporarily-resident foreigners for work there and allows them to decide if

they would like to make it their permanent home. New Zealand's most recent version of its points system, introduced in 2003, made qualifications and experience *gained in New Zealand* a major factor in selection and this clearly and directly rewards those currently employed in New Zealand (Tables 6 and 7).

This strategy also reflects two basic realities of temporary work and study programs: first, that many temporary immigrants want to become long-term residents and will find a way to do so; and secondly, that temporary workers (particularly skilled workers) generally become more valuable to their employers (and the broader economy) with time, and may be occupying jobs that are in fact permanent. The recruitment of immigrants through university systems is discussed more directly later in the paper. Here, the focus is on the transition from temporary work permits to permanent residence.

The United States has long led the way with this method. In 2002, for instance, 134,918 permanent immigrants admitted through employment-based preferences—about 77% of all permanent employment admissions—adjusted from some type of temporary visa. For another glimpse of the importance of this de facto transition system for the United States, 102,316 of *all* permanent immigrants (including those reunifying with family) adjusted from temporary *work* visas (USCIS, 2003). (All U.S. figures include the principal visa-holders as well as dependents).

The United States' H1-B visa category has been perhaps the most important (although not the only) route for temporary-to-permanent immigrant transitions. The H1-B visa allows highly skilled (college educated or better) professionals from any country to receive a three-year (extendable to six) work and residency permit. Large proportions H-1B workers adjust to permanent employment-based and other statuses, a process that the U.S. Congress has facilitated further recently. H-1B workers are not required to demonstrate that they intend to return home and are allowed to bring family members. The latter are not given permission to accept derivative employment but can be employed if they get their own H-1B visa.

The qualifications required of H-1B workers correspond quite closely with those expected of most permanent "employment-based" immigrant categories, making the H-1B a natural funnel into permanent immigration. As of 2000, the H1-B program grants visa holders a (theoretically) unlimited number of one-year extensions beyond the normal six-year stay if the foreign worker has a pending application for permanent residence or other status. From the perspective of both applicant and employer, the H-1B has the advantage of being more administratively simple—the temporary visa requires the employer to file an attestation, while permanent sponsorship typically requires a case-by-case determination of a vacancy. Thus, although the up-front adjudication

cost of an H-1B visa is higher (with a \$1,000 fee levied on top of processing costs) than for permanent employment immigration, lower legal fees and speedier processing make it an attractive alternative.

H-1B admissions are subject to a numerical cap set by Congress, but certain categories of employers, including government research facilities, universities and non-profit research institutions, are exempt from the cap, as are applicants applying for extensions of existing H-1B visas. As a result, in the program's 13 year life, H-1B admissions have not always reached their designated cap, and many types of admissions occur even after the cap has been pierced.

This route to permanent residence can be cast both in a good and a bad light. For those more skeptical about or who oppose temporary immigration in general, using temporary work permits as a holding pen for those desiring permanent residence gives employers even more power over would-be immigrants. This perspective thus views temporary work programs as poor alternatives to streamlined and expanded opportunities for employer-sponsored permanent immigration. In addition, the multiple applications and adjudications required in this transition visa are a significant bureaucratic burden. On the other hand, the "filtering" effect of the temporary-to-permanent transition may be a particularly efficient way to "ration" permanent immigration slots.

To a significant degree, this "filter and transition" approach to choosing permanent economic stream immigrants has been adopted by other immigration systems. In Australia, New Zealand, and Canada which, unlike the United States and most European countries, select the bulk of their immigrants based on the applicant's general skills and education, domestic work experience or education on a temporary visa earns an applicant extra points. So does a job offer. In these ways, applicants are able to "work their way in" to permanent immigration.

For a period, New Zealand took this system one better, by granting a one-year temporary visa to marginal applicants who, if they could secure a job offer, would qualify as permanent immigrants—in effect, creating a "job searcher's visa" (Delamere, 1999). Under that country's current point system, a variant of this provision remains available to applicants who score above the pass mark but are judged to have not demonstrated sufficient employment prospects. These individuals are thus issued temporary residence permission, with the possibility of a transition to permanent status. New Zealand also has a "work to residence" visa that allows migrants employed by government-approved employers, in high-need occupations, or with exceptional talents to enter on a 30-month visa and apply for permanent residency after 24 months.

Britain's Highly Skilled Migrant Programme, started in 2002, grants all of the highly skilled migrants admitted through the program's point system a one-year initial stay (Table 9). The program allows migrants to extend their stay for an additional three years, after which the migrant may apply for permanent settlement rights. It is too early to tell at what rate migrants will seek permanent settlement in the program, and at what rate they will be accepted. (At this time, the criteria for receiving settlement permission through the program appear rather undemanding).

## **4. Other Immigrant Recruitment Tools**

### *4.1 Bilateral Cooperation*

In the strategies outlined above, the government plays a relatively passive role in the recruitment process, serving primarily as a gatekeeper. However, government or quasi-governmental entities can play a more activist role, particularly when the personal characteristics of the desired migrants are not greatly differentiated (i.e., for low-skilled jobs) and where private recruitment mechanisms have led to problems of abuse. This type of approach can be even more effective when it is administered bilaterally, as has been done by a number of European countries. (The approach is rarely used by the TCIs.)

In the immigrant sending country, the government (or its designated agent) can verify the *bona fides* of potential workers and give all relevant information that "qualifies" them for work abroad. In the immigrant receiving country, the government can verify the wages, working conditions, and types of jobs offered through post-entry inspections and audits. Thus, the difference between a so-called "government-to-government program" and an "employer-driven" admissions program becomes not so much a matter of principle but of the degree of government involvement: rather than playing a passive enforcement and regulatory role, the governments involved play an active administrative role, granting itself additional oversight and thus, presumably, safeguarding the program's integrity. Of course, such activism implies a substantial fiscal cost.

Canada provides one model of such a program in the form of a temporary agricultural worker program that last year offered about 17,000 visas. The program has been in place since the 1960s<sup>6</sup>. At that time, Canada negotiated bilateral agreements with Mexico and several Caribbean states to provide temporary workers to fill vacancies in agricultural sectors from Quebec to Saskatchewan. Under the Canadian temporary agricultural worker program, employers request

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<sup>6</sup> Even Mexico, which sends workers to Canada and the United States for their lower-skilled programs, also "recruits" low-skill temporary labor. Over 100,000 temporary workers a year come from Central America alone, primarily for agricultural work in Southern Mexico.

foreign agricultural workers through the Canadian labor department (Human Resources Development Canada—HRDC). HRDC aids the employers in assessing the availability of domestic workers for the vacant positions. Farmers are allowed to access Mexican and other program workers only if HRDC acknowledges that a shortage of Canadian workers exists *and* if they are members in good standing of Foreign Agriculture Resource Management Services (FARM), a non-profit association of Canadian farmers and businesses. Employers pay a fee for each vacancy registered. Applicants who meet the requisite criteria undergo a medical check and confirmation of credentials<sup>7</sup> by the Secretariat of Labor and Social Welfare in Mexico. FARM arranges contracts and travel arrangements (these costs are later deducted from workers' pay). Workers are provided with free housing, inspected annually, and are assigned to a job. Employers can request specific workers by name and typically do so. Temporary workers generally work 6 ½ days per week for pay similar to that earned by Canadians. (The Mexican consulate in Canada also monitors the workers' welfare.) Income taxes, unemployment insurance, accident insurance, and pension funds are deducted from salaries but workers may apply for an income tax refund upon return home and a pension return once retired. The final paycheck is withheld until the worker returns to his home country (Canada/Mexico Agricultural Worker Agreement; Greenhill, 2000; and Canadian Embassy in Mexico, 2001; Department of Citizenship and Immigration, Canada).

The Canada-Mexico program has received less criticism than low-skill agricultural work programs in other countries. This is especially the case with regard to migrant rights, working conditions, and control of overstays and illegal work. That the program has also had its own problems, however, points to the challenges other such programs have always faced. An earlier version of the program, for instance, conducted with Jamaica, was marred by allegations of political patronage and embezzlement on the Jamaican end. In the current program with Mexico, both migrants and employers have complained of bureaucratic hassles, and the program has not been free of charges that it does too little to protect the workers. Further, the lack of widespread criticism of the program may well relate to its size (it is quite small) and thus its relative "anonymity." Finally, costs have been significantly higher than those of temporary agricultural worker programs elsewhere that have less government regulation. Rather than a best practice that deserves replication elsewhere, the Mexico-Canada program demonstrates the value of bilateral cooperation in designing and executing similar programs; it also speaks to the importance of enforcing responsibly contractual terms in the administration of temporary worker programs, particularly in low-wage sectors.

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<sup>7</sup> The program is coordinated in the Mexican government by Secretaria de Relaciones Exteriores but it is the Secretaria del Trabajo y Prevision Social that is in charge of the recruitment process and observance of

#### 4.2 Databases

Databases are now a tool that immigration programs can deploy more readily and reliably than in the past to reduce time spent on administrative controls. For example, a shared database can be used both to register an employer's intent to hire a foreign worker, to make the job announcement available to local, regional, and national employment agencies (in cases where employers are required to search for resident workers), and/or to advertise the vacancy to qualified candidates from abroad. Once permission to recruit a foreign worker is granted to an employer, a database of applicants who have already been pre-cleared to emigrate—that is, their identities, credentials, employment experience, and legal and security vettings have all received at least initial verification—can speed the process enormously.

Australia maintains a web-based "Skill Matching Database." Employers can search an archive of resumes of *pre-approved* candidates (if the employer decides to nominate a candidate from the database, no further visa application is required). This database can be used for three of Australia's migration categories: (a) entry under a "labour agreement," by which an employer receives pre-approval to hire immigrants to fill vacancies; (b) under Regional Skilled Migration, in which employers in certain low-immigration regions may sponsor applicants after demonstrating inability to fill a vacancy; and (c) in the "State/Territory Nominated Independent" category; whereby the government of an Australian state or territory selects candidates for admission even though they do not have a specific job offer. In each case, employers or states may also sponsor candidates who are not included in the Skill Matching Database. All of these categories are only for skilled migrants (both temporary and permanent), but only the State/Territory Nominated Independent category requires the applicant to pass Australia's "points test."<sup>8</sup>

#### 4.3 Intra-Company Transfers and Trade Treaty Workers

Another significant and widening route through which migrants are admitted into the advanced industrial nations is through the temporary entry of workers whose access to the labor market of the host country is allowed in part to facilitate international commerce or falls under the terms of a trade agreement. One general model for these entries are schedules of commitments made under "Mode 4"<sup>9</sup> of the WTO's General Agreement on Trade in Services. Provisions made under regional and bilateral trade agreements often follow the framework set by the GATS except for

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the terms and conditions of employment.

<sup>8</sup> The database can be accessed on-line at <http://www.immi.gov.au/skills/index.htm>

<sup>9</sup> Mode 4 of providing services is the movement of a "natural person" to provide a service in the territory of another country. The other modes are the importing of a service (Mode 1), movement of a person to receive

NAFTA, which narrowly preceded—and in some ways may have served as a model for—GATS. The GATS structure leaves a large scope for countries to set their “commitments” in this regard, and most have been far less aggressive in pursuing Mode 4 openings than they have other trade topics (Carzaniga, 2002).

The movements of intra-company transferees and personnel transferred by a firm based in a foreign country to perform contract work in another country are widely accepted, but almost all developed countries retain significant restrictions on such workers, including the right to require a visa for entry, minimum requirements on how long intra-company transferees must have worked for their employer, and limits on the length of stay, qualifications, and eligible occupations. With few exceptions, such workers must be highly skilled and/or have firm-specific experience<sup>10</sup>. Developed countries remain highly reluctant to give *individuals* access to their labor market under trade agreements (with the creation and expansion of the European Union and European Economic Area being the most radical exception and the NAFTA also breaking new ground through the movements of professionals in designated occupations). They also vary on whether temporary status can be converted into permanent status in employment categories negotiated under trade agreements.

Intra-company transfer entries can be significant (in the case of the United Kingdom, for example, 30% of general temporary work permits go to intra-company transferees) but are perhaps not best thought of as an immigrant recruitment tool. The decision to proactively admit immigrants generally leads to admissions policies that are more generous in terms of eligible occupations and length of stay than those arrived at via trade agreements. Furthermore, few developed countries are eager to enshrine immigration policy in international treaties. However, there are perhaps a few lessons to be drawn from such admissions: in many cases the administrative procedure for admitting “treaty migrants” is faster and less cumbersome than that for admitting other migrants. While some might charge that this opens a “back door” for immigration, others would argue that it shows the administrative ease and efficiency that can be achieved when migration policy is responsive to broader economic objectives.

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a service in another country (Mode 2), and provision of a service through a branch office or subsidiary in the other country (Mode 3).

<sup>10</sup> These restrictions mean that most workers moving under the provisions of trade agreements are nationals of advanced industrial nations moving to other developed nations or to developing countries, rather than vice-versa. Europe and the TCIs have a considerable advantage in the skilled services industries served by these migration provisions, while developing countries’ comparative advantage lies in less-skilled labor, which is excluded from these provisions.

#### 4.4 *Student admissions*

The education of foreign nationals has now become an important way that advanced industrial nations recruit immigrants and a significant industry in its own right<sup>11</sup>(Table 11). Hence the recruitment of students deserves discussion that goes beyond the brief comments made under the “transition” systems above. The “funnel” that draws foreigners in as students and then allows them to stay as temporary workers or permanent settlers is particularly attractive from the receiving country’s perspective because education in a domestic institution is a “known” for both employers and bureaucrats—and because it may promote better on-the-job and language skills and integration outcomes.

Countries have several policy levers that guide this recruitment mechanism. First, and most obvious among these, is the initial admission of students. Decisions about the quantity of student visas issued and the administrative ease of admitting foreign students, as well as (in countries where the university system is state-controlled) the policies of educational institutions toward foreign students all establish the “pool” from which future workers will be drawn. Even seemingly unrelated policies, such as the United States’ 2002 decision to require nationals of certain Middle-eastern and Asian countries to register with authorities, may lead students to seek out less intimidating environments in other developed nations.

As with temporary work visas, whether or not a migrant is allowed to transition from a student visa directly to a permanent or temporary work visa without leaving the country is an important factor is a critical factor. If applicants are permitted such a transitions and administrative concerns allow it to happen in a timely fashion, students can make a seamless transition to work. This transition can be further facilitated by allowing students to undertake employment not directly related to their studies, either concurrent with their studies, during school breaks, or after their studies. Employment under the terms of a student visa allows employers to gather more information about prospective students and the student to learn more about the labor market and workplace. Work or residency permission related to a student visa can also serve as a “bridge” that allows a job search to take place or bypasses problems cause by administrative delays. In the United States, for example, it is not uncommon for a recent graduate to begin work under the terms of a student visa while her application for an employer-sponsored visa is processed.

Finally, the qualifications required for participation in labor migration programs also determine whether students will be able to stay (or return) to work after completing their studies.



Requirements that applicants for labor immigration have work experience, for example, put recent graduates at a disadvantage and may force them to return to their home country. Australia, New Zealand, and Canada reward experience heavily in their points system, but compensate young graduates by also granting points to those who have studied in domestic universities. France takes another approach by granting graduates of national universities with degrees in high demand fields (information technology) near-automatic work permits (OECD, 2002).

## **5. Making Foreign Worker Recruitment Work: Additional Considerations**

Several other factors determine the effectiveness of the constellation of policies developed countries currently draw on to recruit foreign workers. First among these is the efficiency of the process through which migrants are admitted. Long processing times and unnecessary documentation requirements can destroy much of the benefit of labor immigration—particularly migration intended to relieve skill shortages or meet peak labor demand. To reduce inefficiencies, governments can start by adopting innovations such as accelerated processing of high priority applicants fewer procedures for “low risk” sectors, that is, sectors in which shortages are endemic. They can also consider employing alternatives to case-by-case processing and labor market tests, such as “attestations,” and/or charging a fee for the privilege of employing a foreign migrant. Migrants entering for work in professional occupations might also be asked to pay a modest fee before entry or after they have secured employment.

Furthermore, if migration is to be an economic asset, governments will need to dedicate a commensurate amount of resources to administering admissions and enforcing program terms; fees from applications, however, can reduce the required outlay enormously. Enforcement of the recruitment, working, and wage conditions of employer-driven temporary work programs in particular is a critically important investment in good governance. Practices such as employing a worker abroad chiefly for the prospect of allowing him or her to enter a country as an intra-company transferee should be vigorously guarded against. Similarly, the practice of sponsoring temporary immigrants whose services will merely be subcontracted to another firm must be both better understood and regulated more smartly. Ultimately, the integrity of programs that are politically controversial is the best guarantee that they can survive so that they can continue to offer the returns they are designed to yield.

In addition to these administrative considerations, countries should continue to be realistic about their ability to identify “skills shortages” quickly and accurately enough to justify government

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<sup>11</sup> In addition to the tuition fees and other revenue generated by foreign students, the contributions of foreign students (particularly graduate students) as researchers in the academic setting must be counted as a

activism in selecting immigrants. In addition, the advantages and disadvantage of imposing numerical caps on particular migration programs must be weighed carefully. While politically expedient, such caps (particularly if set by legislative action) may force migration admissions to trail cyclical changes in the economy and demand for skill sets by a wide margin.

Coherence and balance are also important factors in the effective management of economic migration. If properly “joined” by opportunities to convert status, student, temporary work, and permanent settlement immigration programs can allow the efficient and just allocation of immigration rights and make all three programs easier to administer without creating populations of “long term temporary” immigrants or placing would-be permanent immigrants in potentially exploitative situations. Coherence across programs is also necessary to balance the pressure to satisfying immediate skill shortage and labor needs with the goal of admitting immigrants who will be successful workers and citizens over the long term. Australia and Great Britain, for example, attempt to achieve this balance by mixing admission based on points systems with employer-driven admissions.

Another method of achieving better diversity and balance in the recruitment in the allocation of immigrant visas is by allowing local and provincial governments to participate in the selection of immigrants. Canada allows its territories to select a small (in 2002, almost 1 percent) portion of its permanent immigrants, and the province of Quebec takes special responsibility for selecting all immigrants intending to settle there. Australia allows provincial and territorial governments to sponsor migrants and has a streamlined admissions process for businesses in rural and low population-growth areas that wish to sponsor skilled immigrants.

Finally, policymakers should consider the overall “package” their policies present to perspective migrants (as well as their employers). For instance, if the competition for skilled workers heats up, the immigration policies and processes offered by a country may become an advantage or disadvantage for employers. There are anecdotes to the effect that some of the highly qualified migrants coming to Germany under its “green card” program are staying only long enough to cultivate a job offer in the United States. This would imply that the German program is serving as a “steppingstone” to and losing sought-after migrants to the United States H-1B program. There is no evidence to suggest that any sort of “migration competition” occurring in this case (if these anecdotes amount to anything, it probably has more to do with the relative economic conditions and the size of the co-national immigrant community in each country) but a comparison of the two programs offers an illustration of the potential for such competition. The German program offers migrants a temporary stay of up to five years with little prospect of permanent immigration. The

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significant resource.

United States' program, on the other hand, offers a six-year stay with a high probability of permanent immigration. Widening the advantage for the United States is the fact that the German program asks candidates to stay temporarily in a country where refining their language skills may be a significant (yet non-portable) investment and that exacts relatively heavy taxes and social contributions whose full benefits the migrant will not be able to reap.

## **6. Conclusion**

In immigration, as much as in any field of public policy, government's best strategy is to do only that which it can and does do well or that which no other entity can do, and leave the rest to private actors. The evolution of policies for the admission of immigrants for economic purposes gives some indication of where this principle should lead. For immigration that is chiefly designed to satisfy immediate labor needs or skills shortages, the selection of immigrants has been largely turned over to employers, with growing efforts to make that process as predictable and smooth as possible for employers who "play by the rules." Where the bureaucracy retains a powerful role (as in the points systems), the goals of the program are broader and criteria for selecting immigrants have been kept appropriately general, with longer-term economic and integration prospects in mind. Increasingly, governments are wisely resisting the temptation to identify skill shortages themselves and "micro-manage" admissions. Nevertheless, some of the occupations that the advanced industrial nations give admission priority to serve social goals as much as economic ones (doctors, nurses, and other health care workers, for example) and are thus rightly the domain of government.

Experimentation and the willingness to make necessary adjustments to programs are the hallmarks of successful immigrant admissions systems. In the past two decades, experimentation, particularly in the TCIs, has led to the development of immigrant admissions strategies that are based not exclusively on a specific job, nor purely on human capital characteristics, but on a hybrid of selection strategies and methodologies. The development of temporary-to-permanent transition visas is one of the best examples of such a hybrid. Although it raises new challenges, the addition of the "transition visa" to the immigration policy lexicon gives policymakers an important new tool. The bimodal policy categories of "temporary" and "permanent" have never adequately accommodated the actual desires and behavior of migrants or their employers. The transition visa may be a next step in making immigration policy work with, rather than against, labor markets and human nature, but the concept needs to continue to be tested and refined as it is applied.

A willingness to experiment will also pay dividends in how best to engage local and provincial/state governments in the selection of immigrants. Allowing these governments to select a small proportion of immigrants adds diversity to the stream of immigrants and puts selection in the hands of those best able to assess a local community's needs. However, these selection mechanisms will need to be adapted over time. Immigrants, like the native-born, follow job opportunities, most of which are in or near certain larger and medium-sized cities. The less economically and demographically dynamic regions and cities that might most appreciate the contributions of migrants may be least able to attract them. With experience, these jurisdictions may be able to use the ability to select "their own" immigrants to identify and attract those most likely to settle permanently in their localities and to fit their economic and social needs.

If the actual selection of specific immigrants is an area where the government's strengths are relatively limited, then enforcement of an immigration program's terms and conditions is an area where only the government has competence. For countries that choose to use migration as an economic tool, investments in protecting the system from fraud and abuse and in verifying the compensation and working conditions of admitted immigrants are both a necessary cost of doing business in the immigration realm and a way to build public confidence in immigration in general. Good enforcement requires setting up realistic regulations that minimize perverse incentives and power dynamics, choosing intelligent and efficient ways to back up those regulations, and finally, dedicating adequate resources.

Nor does enforcement need to be costly—to the government, immigrants, or workers. One way to maximize efficiency in enforcement is to put resources into verifying the terms of employment after the fact: site visits and audits of employers who have not yet developed a track record of behavior on the issue, as well as the more rigorous enforcement of *general* labor laws in sectors and companies that employ large numbers of migrants, are less burdensome and more effective ways to maintain the system's integrity than is throwing up bureaucratic barriers prior to the admission of an immigrant. Enforcement is particularly important for programs that are more likely to invite abuse: short-term, low-skill labor migration in which worker's work permission is tied to the job or that are in problem-ridden employment sectors (agriculture, domestic services) where workers have few other options need more scrutiny than do high skill or permanent migration programs. Thus, programs can be "triaged" and resources directed to those most in need of supervision.

Enforcement of program terms and working conditions is thus as critical a point for the success of an immigrant "recruitment" program as is creating a sensible framework for admitting immigrants. After all, in the admission of immigrants, government will find many allies and facilitators in the

private sector. The greater task, however, may be in demonstrating that recruited immigrants are a net public benefit and in distinguishing labor migration programs in the public mind from irregular migration flows and the oft-maligned asylum system. In this project, there can be no more important task than keeping labor immigration programs honest.

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