Abstract

This paper offers guidance to policy makers from migrant receiving countries how to think about labor migration. In particular, it encourages them to consider labor admission policies as an instrument of national employment and economic development strategies. It proposes a conceptual framework for labor admission systems which is used to explore the objectives of labor admission, to characterize stylized country profiles, and to analyze the implications for policy design and implementation. It reviews admission systems against the background of a multi-country inventory and the conceptual framework. Specifically, it reviews admission systems in practice: the entry routes, applied instruments, and gaps. And it provides an overview of the magnitudes of recent foreign worker inflows channeled through the main admission schemes detailed in the inventory, distills key policy trends and converging practices in the reviewed countries and beyond, and summarizes and assesses the empirical evidence from available evaluations of admission policy schemes.
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(I) Introduction

This paper offers guidance to policy makers from migrant receiving countries how to think about labor migration. In particular, it encourages them to consider labor admission policies as an instrument of national employment and economic development strategies. International migration is gaining importance across the world, and both sending and receiving countries are increasingly realizing that they need a strategic approach for embedding departure and access policies into national development agendas. This paper focuses on guidance for labor admission policies from the receiving country’s point of view, but it will stress that for sustainable outcomes, such policies will also need to consider the perspectives of sending countries and migrants.

The paper begins with initial clarifications on the nature and scope of labor admission systems before progressing with three key sections. Section II proposes a conceptual framework for labor admission systems that is used to explore the objectives of labor admission, characterize stylized country profiles, and analyze the implications for policy design and implementation. Section III reviews admission systems against the background of a multi-country inventory (contained in the appendix) and the conceptual framework. Specifically, it reviews admission systems in practice: the entry routes, applied instruments, and gaps. Section IV offers magnitudes of labor migration, outlines trends, and assesses the effectiveness of current admission schemes.

(i) Key objectives and questions of labor admission policy

The main objectives of a new or reformed labor admission policy should be identified at the outset of the any policy making process. Surprisingly however, the economic and non-economic objectives of labor admission policies have been given little systematic attention, analysis, or discussion. Regardless of their objectives, labor admission systems introduce a set of restrictions on the movement of foreign workers to and within a country by issuing a certain number of work and residency permits attached to different selection criteria, lengths of stay, and work conditions. As such, labor admission systems need to address three main questions:

(1) Quantity: How many foreign workers does a country want to receive to increase the labor force?

(2) Characteristics: What characteristics should the selected migrants have (e.g., skill level, specific skills, broader social characteristics, integration ability, etc.)?

(3) Conditions: What conditions and rules should govern the stay of foreign workers (e.g., length of permit, wage and work conditions, social benefits, political rights, and the right to bring or sponsor other family members, such as a spouse, children, parents, siblings, etc.)?

(ii) Admission systems as labor market institutions

Thinking of admission policies as labor market institutions allows for a better understanding of their impact on the economy. According to Boeri and van Ours’ (2008) definition, “A labor market institution is a system of laws, norms, or conventions resulting from a collective choice and providing constraints or
incentives, that alter individual choices over labor and pay.” The three main reasons for the existence of labor market institutions are: (1) efficiency: to address market failures in the labor market; (2) equity: to redistribute wealth/profits; (3) political: to accommodate the interests of organized groups in the decision-making process. By affecting the decisions of firms and individual workers regarding work, wages, and the use of production factors, labor market institutions have a direct impact on the economy. From this labor market perspective, a foreign labor admission system can be defined as a set of labor market institutions that provide a legal and operational framework for the selection, recruitment, and integration of foreign workers in a domestic labor market.

(iii) Labor admission and the other immigration streams
This paper focuses on labor/economic migration, which only represents a portion of total admissions of migrants into a country. The other main admission streams relate to family unification and asylum, and these often outnumber the economic stream. Migrants admitted through the family or asylum streams may eventually integrate into the labor force (incidental labor migration) and can therefore influence or be influenced by labor admission policies. Moreover, the rules of family unification have an impact on the attractiveness of admission schemes. Particularly at the high-skill level, migrants seemingly take into consideration whether a spouse is able to work if the principal gets a visa.

(iv) Attractiveness
The attractiveness of a destination country for labor migrants depends primarily on domestic policies not related to admission rules. The key determinants for migration are well known, and include “push and pull” factors between sending and receiving countries, most prominently income/wage differences, demographic structure, and rule of law. The factors likely to influence migrants’ preferences for a specific destination country (compared to another) include the country’s professional reputation, attitudes towards migrants, skill recognition, labor market conditions, taxation, infrastructure, consumption possibilities, proximity to the migrant’s home country, etc. For instance, taxation, or the lack thereof, can be particularly important for high salaried workers and migrant investors. Networks of skilled or less-skilled workers also have a strong influence on the attractiveness of a receiving country or area for particular groups of migrant workers. Hence policies that do not relate directly to admissions can affect the supply of migrants (in terms of quantity and characteristics). As a result, downstream admission schemes may not be able to achieve immigration objectives if upstream domestic policies prove inappropriate or uncoordinated.

(v) Labor admission among alternative policy instruments
Finally, it is important to stress that labor admission systems are one of several policy instruments to address given policy objectives and therefore need to be assessed in terms of effectiveness, (cost) efficiency, and the overall net welfare effect (cost/benefit) relative to alternative interventions. For
example, if the policy objective is to speed up the adjustment of the labor market in sectors where recruitment difficulties are observed, one option is to increase immigration, but other alternatives include making adjustments in the training system, implementing active labor market policies, raising wages and improving work conditions, changing the production process, or outsourcing production to other countries. Each alternative has different costs and benefits in the short and long run, and different redistributive effects.

(II) Objectives and Country Profiles: Implications for Admission Policy Design and Implementation

This section offers a conceptual framework for policy analysts and decision makers to guide and structure their thinking about labor admission policies as an instrument of national employment and economic development strategies. The proposed conceptual framework has five elements, dealt with in the following subsections:

(i) Definition and clarification of the key policy objectives addressed by the labor admission system;
(ii) Differentiation between profiles of migrant-receiving countries according to their demographic structures and broad policy objectives;
(iii) Identification of economic and welfare effects of migration, stakeholder analysis, and global welfare improvement considerations;
(iv)Implications for the design of admission policies and instruments; and
(v) Identification of key implementation challenges.

(i) Definition and clarification of key objectives of immigration

Labor admission systems can address three types of policy objectives that will vary in importance and content across countries: (a) labor force size objectives, (b) human capital objectives, and (c) other development objectives. The following considerations reflect those typically raised in major migrant-receiving countries.

(a) Labor force size objectives

Economic/quantitative: Influencing the evolution of the labor force in quantitative terms has key economic implications for receiving countries. For some countries, increasing the size of the labor force is seen as an instrument to boost economic output, allow for exploitation of economies of scale, and fill an under-populated country. For others, a key objective is to stabilize the size labor force that is threatened by low fertility rates that risk negatively affecting productivity growth and the internal rate of return to social insurance programs in an aging and otherwise, perhaps, shrinking society. Last but not least, for some countries, the key objective is to reduce the absolute (or relative) size of the foreign labor force to accommodate a growing supply of national workers.
Economic/qualitative: Whether quantitative labor force objectives are met ultimately depends on the labor market integration outcomes of immigrants. This implies developing admission systems that recruit immigrants with given educational and social characteristics deemed most favorable for facilitating their integration and their ability to adapt to changing economic conditions.

Non-economic: Controlling the evolution of the labor force may also mean limiting the share of immigrants as a percent of the total labor force and population for non-economic considerations, mostly associated with maintaining a certain national character and culture.

(b) Human capital objectives

Productivity level and growth: Other things being equal, an increase in the level of human capital of a country’s labor force will have a positive impact on innovation and long term productivity and possibly on the growth dynamics of the population. Labor admission systems can help increase productivity and growth by selecting foreign workers with a high level of human capital and ability to integrate into the labor force.

Endogeneity/externality effects of a growing pool of talent: Beyond enhancing the level of human capital in the economy, building a pool of talented workers through selective admission policies can have positive externalities on the economy as a whole. Enhanced professional interactions eventually lead to new ideas and technologies applied to the production process. This may develop endogenous growth processes and should increase the rate of productivity growth.

Strategic behavior in competition for global talent: In the absence of a coordinated strategy to share global talent, major receiving countries risk facing a prisoners’ dilemma in which it becomes rational to adopt a unilateral strategy aimed at optimizing the share of talented foreign workers. As a result, rising bids for talented workers are expected to emerge; this phenomenon has been observed in the areas of sports, research, and management. Such a trend could broaden to other professional areas.

(c) Other development objectives

Labor admission policies can help leverage externalities and overcome market imperfections to achieve the following key development objectives:

Strategic industries and regional priorities: Jumpstarting a sector’s development often requires a critical size and momentum including of manpower, which can be difficult when relying only on the local workforce, especially in low-populated countries. Channeling foreign workers with adequate skills into emerging industries can help countries build a competitive advantage. It can also support existing firms that perform well on global markets. Such firms require foreign workers with adequate skills to expand and eventually foster the development of a whole sector. In countries with well-established industries, admission policies can help strategic sectors remain competitive in global markets while fostering industry development in low-population or lagging regions within the country.
**Adjustment speed:** Labor markets do not always adjust rapidly to changing economic conditions. Shortages are perceived when demand for workers in a particular sector of activity or occupation is greater than the supply of workers who are qualified, available, and willing to take the jobs offered at the current wage rate. In a shortage, employers are unable to fill all the vacancies at the prevailing wage. Conceptually, perceived shortages should disappear as employers adjust wages upward to attract more workers until the supply meets the demand. In the short run, various informational, institutional, and training constraints can be responsible for significant lags in the adjustment of supply and wages. Adjusting domestic training may take too much time and face institutional constraints. Moreover, the outcome may be uncertain as the demand for particular occupations may fluctuate with the economic cycles or disappear as new technologies are introduced. Increasing labor supply through immigration can be a cheaper and faster solution to accelerate adjustments in the labor market.

**Arbitrage:** When the reservation wage of foreign workers is well below the domestic market wage, there is an economic advantage for employers to hire migrants, and an interest by domestic workers (and to some degree by employers) to avoid wage/gross remuneration convergence between domestic and foreign workers. By allowing the immigration of workers with lower reservation wages than those of workers in the domestic labor force, governments effectively help to lower consumer prices, by lowering production costs that may positively affect the total population. This strategy is often used for lower-wage occupations, such as caregivers, au pairs, or agricultural workers. Such arbitrage, if sustained, may also allow the survival of sectors that otherwise would be forced to adjust or close. As a result, there will be powerful interests to maintain such a practice even if it hurts new domestic entrants to the labor market.

**Social contract and work conditions:** In addition to these three types of policy objectives, every host society has to define what it expects from the foreign workers it is willing to receive, and what it is ready to offer immigrants in return. This is part of the social contract and can be reflected in admission rules. Behavior expected of migrants can include labor market integration, language training, respect for the rules, and some degree of cultural integration. Receiving countries can offer a range of rights and social benefits, such as family unification and protection against abuse. Protecting migrant workers and their families against the specific risks and vulnerabilities they face needs to be taken into consideration. Permanent residents might eventually acquire the same rights and social benefits as domestic workers, but the profiles of temporary workers may call for under- or over-provisioning of specific social risk management instruments to take account of their special risks.¹

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¹ For a detailed assessment of social protection provisions for temporary migrant workers, see Holzmann and Pouget (2010b and 2012). For a quantitative assessment of the link of openness, skills and rights for migrants in 46 high- and middle income countries, see Ruhs (2011).
(ii) Differentiation between profiles of migrant-receiving countries

Countries differ in the importance given to, and at times the direction of, the objectives outlined above. This has a critical bearing on the design of admission policy and selection of policy instruments. Furthermore, each country’s objectives are critically influenced by its core demographic and economic characteristics; i.e., the position of the country at the time of reform initiation. Consequently, it is paramount for policy makers involved in admission reforms to think deeply about their main policy objectives and to be clear about their country-specific demographic and economic constraints and challenges as they develop appropriate policies and interventions. Getting inspiration from other countries’ experiences helps thereafter, but it should be recognized that a “one size fits all” approach does not exist.

To highlight the importance of differentiation, three stylized country economy profiles are presented; examples of countries that may fall broadly into each profile with its key characteristics are noted. It is fully understood that more country profiles could be productively distinguished for a more exhaustive country typology. This stylized country typology is not intended to provide a detailed overview of actual country profiles but rather to help policy makers and analysts think in a structured manner about the overriding objectives of admission policy reforms by comparing their specific country characteristics to more generic profiles.

The demographic dimension determines the admission policy structure, as it creates main constraints for the application of other admission instruments. Demographics also potentially lead to major policy trade-offs when development objectives that imply changes in immigration composition (at times, increasing labor immigration) conflict with the objectives of demographic balancing and foreign labor force caps (detailed in subsection iv). This practical consideration is directly reflected in the three stylized country profiles presented below:

(a) Traditional settlement economy: Characterized by low demographic density and some but bounded desire to expand the labor force through the admission of foreign workers on a permanent (and increasingly also on a temporary/provisional) basis (e.g., Australia, Canada, and New Zealand).

(b) Aging settlement-reluctant economy: Characterized by aging from above (due to increasing life expectancy) and below (due to decreasing total fertility rate/below reproduction level), with the prospect of a shrinking domestic labor force without migration, and interest in temporary workers but reluctance to accept permanent residents on a large scale (e.g., Europe, including Russia; also to some extent, the U.S., Hong Kong, and Singapore).

(c) Resource-rich emerging economy: Characterized by an overwhelming share of immigrants in the labor force at all skill levels, a rapidly growing domestic labor force, and objectives of demographic balancing and jobs for nationals (e.g., all six countries of the Gulf Cooperation Council (GCC); and to a lesser extent for the time being, other countries such as Malaysia).
The need for and implications of differentiation can be highlighted through a matrix that outlines the conjectured broad differences and similarities in objectives and their importance by the three stylized country profiles (see table 1).

Table 1: Differences and commonalities in objectives according to stylized country profiles

<table>
<thead>
<tr>
<th>Country Profile</th>
<th>Traditional settlement</th>
<th>Aging settlement-reluctant</th>
<th>Resource-rich emerging</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor Force</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size</td>
<td>Total size increasing</td>
<td>Total size stabilizing</td>
<td>Foreign share decreasing</td>
</tr>
<tr>
<td>Employment nationals</td>
<td>Low importance</td>
<td>Medium importance</td>
<td>Critical</td>
</tr>
<tr>
<td>Integration of migrants</td>
<td>Desired</td>
<td>Moderately (un)desired</td>
<td>Undesired</td>
</tr>
<tr>
<td><strong>Human Capital</strong></td>
<td>Maximizing productivity growth</td>
<td>Maximizing productivity growth</td>
<td>Maximizing productivity growth</td>
</tr>
<tr>
<td><strong>Economic Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector/regional priorities</td>
<td>High importance</td>
<td>Moderate importance</td>
<td>Low importance</td>
</tr>
<tr>
<td>Adjustment speed</td>
<td>Moderate importance</td>
<td>High importance</td>
<td>Very high importance</td>
</tr>
<tr>
<td>Arbitrage</td>
<td>High importance (re seasonal workers)</td>
<td>Very high importance (re seasonal worker)</td>
<td>Critical for economy (re temporary workers)</td>
</tr>
</tbody>
</table>

*Source: Authors’ elaboration.*

(iii) Economic and welfare effects of migration, stakeholder analysis, and global welfare improvement

The precise objectives and selected policy design will be dependent on the economic and welfare effects of immigration. Guiding the admission policy and avoiding conjectured or perceived effects determining the instrument selection require good data, empirical analysis, and an evidence-based approach for policy formulation and revisions.

The economic and welfare effects of admission policies (and changes to them) will often generate winners and losers (including migrants) in and between countries. It is crucial to understand the short and long term implications of admission policies to allow for the formulation of trade-offs and thus the design of compensation measures for key the stakeholders (employer, domestic labor force, government, sending and receiving country, migrants). The inflow of foreign workers differentially affects the economic conditions of different groups in the domestic economy. Economic theory predicts that, other things being equal, an inflow of migrant workers in a competitive labor market economy will negatively affect the wages of native workers, although only in the short run. In the longer run, countries will react to inflows
with adjustments in factor prices, output mix, and choice of production technology (Dustmann et al., 2008). The impacts of migration on wages and inequalities will depend on the skill composition of the local labor force and of the migrants. The skill group that becomes relatively scarcer will tend to gain from migration while the others will lose. Employers tend to benefit from migration, as migration allows them to recruit the most efficient workers at all skill levels while reducing production costs. The benefits of lower production costs also accrue to the consumers of goods and services produced by immigrants. Thus admission policies can potentially have a strong redistributive dimension, as they can reduce the negative impact of migration on wages and employment of native workers (mostly low-skilled in low-paid jobs), curb inequalities between low-skilled and high-skilled workers, and allow employers to gain from increased competition in the domestic labor market.

The predictions of the textbook model are only partially confirmed by the empirical evidence in OECD countries. Evidence from the U.S. and EU countries suggests that the impacts of immigration on wages and employment opportunities of natives are modest even in the short term, and are outweighed by the impacts of other factors that affect wages/employment prospects in the longer term (e.g., see Bodvarsson and Van den Berg, 2009; and Kahanec and Zimmermann, 2009). Negative impacts tend to be concentrated on the lowest-earning segment of the labor force and seem to be linked to the inflexibility of the labor market. Even though the empirical evidence on the impacts is mixed, distributive conflicts as perceived by key stakeholders in receiving countries remain at the heart of admission policies. In the presence of conflicting interests (real or perceived), the most vocal and best organized groups (e.g., employers’ associations) are often able to influence the decision-making process towards their own interests. To maximize the benefits for society as a whole, and to appropriately compensate the losers, admission systems should offer a platform to identify, convey, and balance the interests of the key stakeholders, including migrant workers and their families. Losers of admission reforms can receive compensation through training programs and social transfers.

Migration is a tool not only for economic development of the receiving country; it is potentially also an important development tool for the sending country, in terms of the lifetime prospects of migrants and their families. It is in the interest of governments around the globe to jointly create the conditions for human capital formation, skills mobility, and productive investments by migrant workers, to leverage labor mobility for better development outcomes. This calls for a smart migration management system (see Holzmann and Pouget, 2010a) that takes into account the interests of the various stakeholders involved for the benefits of all: the sending country, the receiving country, and the mobile worker. To this end, the objectives and interests in migration of the key stakeholders need to be clearly articulated; a mechanism needs to be established to balance the not necessarily overlapping objectives; and effective policies and public and private sector interventions need to be known and applied to achieve the objectives. Having such a comprehensive view on migration allows for the development and formulation of migration
policies, including policies for admission, and assists the search for “win-win-win” situations. Allowing workers to move beyond a country’s borders potentially increases the degrees of freedom at home.

(iv) Implications for the design of admission policies and instruments

Taking account of differences in objectives and their formulation conditional on specific country profiles has implications for the design of admission policies and the selection of appropriate instruments. Different objectives typically require different instruments for their achievement. In normal settings, the number of instruments needs to be at least equal to the number of objectives. More instruments create redundancy and thus degrees of freedom. Having fewer instruments than objectives requires a special relationship between the instruments to achieve the objectives. This can be illustrated with a few examples for receiving economies, but also has implications for sending countries (and migrants).

(a) Implications for the receiving country

Governments need to decide on the (broad) number and characteristics of migrants they want to receive, as well as the treatment they want to offer them (conditions). In the context of expanding economies and employment opportunities, there will be little tension between objectives and hence these objectives can be largely pursued in parallel with little conflict between their respective admission instruments. But when labor force and national development objectives collide, admission policies and instrument selection will come under pressure and policy trade-offs will emerge. In this case, receiving countries will find fewer best practices to guide the trade-offs. Labor admission systems for all three stylized country profiles have traditionally been developed in times of economic expansion with significant pressure to expand the labor force through immigration. Later, the same systems often have to accommodate stabilization or even reductions in the size of the foreign labor force, purposes for which they were not designed. This is particularly true in aging settlement-reluctant and resource-rich emerging economies, which face major trade-offs between development objectives and demographic balancing objectives. Best practice instruments developed in traditional settlement countries are not always relevant for countries characterized by the other profiles. The pressure to restrict immigration quantities is accompanied by increased pressure to improve the quality/skill level of selected immigrants. This restricts the supply of labor that sending countries typically have most of – low-skilled migrants. As a result of more restrictive and selective admission systems in terms of human capital requirements, international competition for highly skilled and exceptionally talented immigrants has emerged across the world, despite major differences in countries’ objectives (e.g., labor force size and economic development).

Regarding the recruitment of extraordinary talents and high-skilled workers to boost human capital, the government can largely rely on a streamlined demand-driven process through employers, as the overall recruitment will be small, and employers have strong incentives to identify the right people (who are expensive and internationally mobile). Regarding screening characteristics of migrants to support specific development objectives, there are two main approaches for selection: (1) mandatory eligibility criteria that
each migrant must meet, plus specification of relevant characteristics for priority sectors; and (2) points-based systems that offer some flexibility as they allow for substitutability between broader selection criteria, while points can be given for priority occupations. Admission of lower-skilled workers according to perceived labor needs will often happen through temporary and circular migration schemes. The tighter the overall quantity constraint for a country, the more specific the identification of priority occupation/sector/skill levels needs to be. But defining and identifying “labor shortages” is more of an art than a science (see box 1 in Section III).

Employers’ voices are critical for identifying labor shortages and priorities, as well as for identifying individual workers best qualified to fill these needs, but employers also have an interest in mis-representing the state of the world (e.g., by overstating potential shortages and avoiding wage increases for getting cheaper migrants). The more significant the rent employers can extract from immigrants and the tighter the quantitative constraints, the greater the misrepresentation will be. Similar biases exist for the national labor force and its representatives (e.g., trade unions).

Voices of sub-national units (e.g., regions and communities) are also critical, but are not always taken into account in policy design and instrument selection. Engaging local governments in admission systems is essential if receiving countries want to use labor immigration strategically for regional economic development purposes. Aligning the specific demographic and development objectives of sub-national units with national objectives can translate into different governance mechanisms and policy measures and may involve different degrees of autonomy for the local governments in the decision process. For example, local governments may: administer their own immigration system (such as Quebec does in Canada); sponsor foreign workers according to their perceived skill needs (such as in Australia); grant extra points within points-based systems for job offers in priority areas (such as in New Zealand); and use different occupational shortage lists for specific areas (such as Scotland in the U.K.).

Overall, there are no homogenous preferences on immigration policy for a migrant-receiving country, but there are likely to be tensions between different stakeholders. Such tensions will be higher the more fundamental objectives of immigration collide (foreign labor force size objectives versus human capital and economic development objectives). The risk is that these tensions will be reflected in admission policy choices and instrument selection that are based more on political power and less on negotiated compromise and welfare considerations.

(b) Implications for the sending country

The conjecture is that tensions can be reduced and the quality of admission policy selection and choices improved if the sending country’s development perspective is taken into account. For example, if the receiving country wants to establish a lid on migration and favor circular migration, the otherwise potentially negative effects on the sending country can be made positive if the receiving country’s policies are linked with more training and human capital development for the temporary migrants. Well-designed
and implemented temporary labor migration schemes have significant potential development benefits for all the stakeholders involved by: filling specific labor needs in a legal manner without degrading the wages and working conditions of native workers; curbing the costs of long term migrants’ integration for host countries; increasing income levels, savings, and potentially also human capital for migrant workers and their families; alleviating unemployment pressures and enhancing economic development in sending countries through the productive use of remittances and skill transfers, and through business creation by migrants upon their return; and potentially increasing the flow of foreign direct investment and technology transfers through the creation of transnational diaspora networks.

Even though it is ultimately the receiving country that decides on the conditions of access to its labor market, there may be a process of discussion and negotiation in which both the sending country and its migrants define the objectives they want to achieve by accepting the admission offer. Temporary migration schemes can therefore be explicitly aligned with and contribute to sending countries’ national development and employment policy strategies, including human capital formation, poverty alleviation, the productive use of remittances, and harnessing of the intellectual and financial resources of diaspora members. Temporary labor migration schemes can target a broad range of labor migrants, including seasonal workers, contract workers, service providers, intra-company transferees, self-employed and business workers, working holiday makers, trainees, non-seasonal low-skilled workers, or skilled professionals and technicians. The three main types of temporary migrants are: (i) low-skilled seasonal migrants in the agricultural sector; (ii) low- to mid-skilled workers in non-seasonal occupations; and (iii) skilled professionals and technicians. In this typology, the duration of the work permit is often, but not always, linked to the skill level of migrants as skill is likely to be positively related to productivity gains (especially for high-skilled workers in knowledge-intensive industries) and inversely related to integration costs in receiving countries.

Careful admission policy design is particularly important for the successful implementation of temporary labor migration schemes. To reach their development potential while avoiding overstaying, temporary migration schemes have to be designed in an “incentive-compatible manner” (Luthria, 2011), meaning that the incentives of the key stakeholders are compatible with the intended outcomes. This implies relevant design features such as: (i) identifying the costs of migration for the migrants, their employers, and the governments involved, and finding mutually beneficial cost-sharing mechanisms between the different stakeholders; (ii) setting a relevant duration for migrants’ stay and allowing for repeated stays; (iii) selecting workers with the relevant skill profile to fill the positions offered (avoiding overqualification); (iv) setting the expectations and providing the right incentives and provisions for migrants’ return and professional reintegration in their country of origin; and (v) meeting the needs of the private sector.
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(v) Key implementation challenges

Admission systems pose main implementation challenges that need to be considered as part and parcel of the overall policy design to be effective. The following challenges are considered the most critical generic ones, to which country-specific constraints need to be added for actual design.

Offering clear signals and incentives to recruit the best and the brightest at all skill levels:

Transparency and readability of admission systems is conjectured to be critical to enhance the attractiveness of receiving countries for the best and the brightest migrants. Well-designed admission policies need to offer clear signals and incentives to induce the most efficient foreign workers across the skill spectrum to apply. This implies establishing clear selection criteria, reasonable residency and work conditions, and transparent administrative procedures. As reviewed above, conditions for family unification and spousal work rights are particularly important at the highly skilled level. Mechanisms for skill recognition are also paramount for skilled workers to find occupations according to their specific skills and experience. Transition paths to permanent residency and citizenship allow immigrants to be incorporated into society in the long term, and act a powerful incentive for the most productive migrant workers to stay and work hard. As explained above, it is also particularly important that the incentives of key stakeholders are compatible with the intended outcomes. Finally, providing clear signals and incentives also implies not relying on policies that make the immigration system unpredictable for employers and workers, such as inflexible numerical limits. Backlogs and visa famines, both of which prevent employers and immigrants from planning ahead, are the biggest problems with quotas.

Overcoming asymmetric information on the labor market through appropriate screening mechanisms: While it may be easy to differentiate conceptually between the different country-level objectives and to define, for example, specific adjustment speed and start-up needs, the distinctions are blurred in reality. Defining and measuring labor market shortages and priorities is difficult even on a conceptual level, as is matching skills appropriately. Complicating matters further, the key stakeholders have an interest to hide information to maintain or even increase rents. This poses challenges for policy and instrument design, and requires the full application of industrial economics ex-ante, and impact evaluation design ex-post. Admission policies can offer screening and skills matching mechanisms in a context of asymmetric information between the receiving country’s government and employers and the foreign workers who enter the country. The purpose of these screening and matching mechanisms is to ensure that workers who are admitted possess attributes that employers recognize and value and which will allow them to make a strong economic contribution, both in the short term (by meeting employers’ immediate needs) and in the long term (by possessing sustainable employment prospects and/or the potential for long-term integration).

Since employers are uniquely placed to make decisions about workers’ skills and attributes, several of these mechanisms focus on giving employers opportunities to observe and test these skills in person.
Certain mechanisms, such as job search visas or provisional permits with limited access to social protection, allow for testing the most efficient workers before incorporating them on a permanent basis into the domestic workforce. Mechanisms of international skill recognition, such as official lists of recognized qualifications, can also reduce asymmetries of information about the skills of foreign workers. School-to-work permits offer a more direct way of identifying and recruiting foreign workers with recognized skills in the receiving country’s domestic labor market. Some conditions attached to foreign workers’ visas, such as requiring sufficient funding for self-maintenance, can also act as implicit screening mechanisms. Repeated temporary migration schemes with return conditional on respecting certain employment and residency rules offer another way of screening foreign workers. Last but not least, pre-selection of potential migration candidates by government agencies can act as a screening and matching mechanism. This can be done through bilateral or multilateral agreements or through public employment agencies. Several policy instruments that offer screening and matching mechanisms in an admission system are reviewed in Section III.

Striving for bureaucratic efficiency: The institutional setting and authority in charge of admission of foreign workers has to aim at ensuring an efficient recruitment process and be flexible enough to adapt to changing economic conditions and labor market needs. Efficient permit processing and delivery provides a positive incentive both to foreign workers and domestic employers to use the existing admission schemes instead of opting for unauthorized entry or employment. This involves creating an application process simple enough to navigate without requiring the assistance of a team of lawyers; particularly important for small and medium businesses that find it difficult to meet the administrative burden and that are most likely to use the informal system if unsuccessful. Enhanced bureaucratic efficiency also means building mechanisms for repeat users of the immigration system to manage their sponsorship applications without repeated paperwork. Finally, it is essential to ensure that the outcomes of the recruitment process are predictable, so that employers do not waste time and money on unsuccessful applications.

Evidence-based policy making and experimentation: Labor admission systems need to be regularly adjusted to changing economic conditions and therefore need to remain open to experimentation based on feedback and evidence from the field. To improve the effectiveness and relevance of the key components of any admission system, a continuous monitoring and evaluation (M&E) of the process, results, and outcomes has to be in place. This evaluation system relies on sound data, especially on the labor market outcomes of immigrants and their families and the entry routes under which they were admitted. This includes continuous qualitative monitoring of admission procedures but also quantitative impact evaluation of certain policy interventions against the defined policy objectives. Path-dependency and political pressure shape admission systems and constrain policy experimentation to a considerable extent. Evidence-based policy making can balance such forces and help build admission systems that are responsive to their measured impacts and benefits, as well as to perceived needs and opportunities as economic conditions change over time.
Providing effective enforcement mechanisms: Large inflows of unauthorized migrants can significantly alter the functioning of legal admission schemes and lead to undesired outcomes. A critical function of a smart admission system is therefore to provide effective enforcement mechanisms to ensure that foreign workers are channeled through the legal avenues offered by the different admission schemes in place. Enforcement cannot be effective without involving employers. To ensure the integrity of the admission system, governments should provide employers with clear, predictable, fair and well-enforced admission rules and procedures, and reward those employers who comply with the rules (Papademetriou and Sumption, 2011b). As part of a screening and incentive system, employers that consistently respect the admission rules and provide adequate work conditions could receive accreditation and/or be rewarded with simplified admission procedures, lower visa fees, or quota exemptions.

(III) Admission Systems in Practice: Reviewing the Main Entry Routes, Analyzing Existing Instruments, and Identifying Gaps

The admission systems in receiving countries have not been developed against a clear conceptual framework such as the one proposed herein. Rather, they are the product of historical developments and pragmatic reactions to perceived policy needs and opportunities. Still, they provide important information for assessing the conceptual framework and for improving policy design and implementation against the different policy objectives and country profiles.

In subsection (i) below, a review of an inventory of the main existing admission routes is presented, along with a discussion on the related policy issues and trade-offs for each route. The admission instruments currently in use in receiving countries are a result of policy experimentation and “learning by doing” and offer useful insights. In subsection (ii), the conceptual analysis is complemented by mapping existing admission policy instruments against the conceptual framework to identify current gaps and opportunities to improve the design and implementation of admission systems. Existing instruments are detailed by mapping them to key objectives and characteristics. In subsection (iii), the important gaps left by the existing instruments are summarized vis-à-vis the design of relevant admission systems against specific objectives and different country profiles. The analytical framework suggests how to address these gaps according to specific country objectives.

(i) Main existing migrants’ entry routes

The review of routes starts with the most generic entry routes used for the majority of admissions, both for permanent and temporary residency, and moves to more specific routes for certain categories of workers and temporary schemes:2

a. Pure points-based routes

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b. Standard employer-sponsored routes

c. Hybrid routes

d. Intra-company transfers

e. Exceptional talent streamlined routes (with no employer sponsor)

f. Investor and entrepreneur routes

g. Study-to-work permits

h. Job-search visas

i. Regional-sponsored routes

j. Temporary/circular migration schemes and bilateral agreements for lower skilled workers

a. Pure points-based routes

Points systems select temporary or permanent migrants based on a set of characteristics defined upfront by the government and to which a certain number of points are allocated. Points systems are a “work in progress” since they have either been initiated or reformed within the last decade in all reviewed countries, except for the U.S., which almost exclusively uses employer-selected mechanisms. The first points systems were introduced in Canada in 1967 and Australia in 1979; the most recent ones were introduced in Austria in 2011, Denmark in 2007, and Hong Kong in 2006. The main rationales behind points systems are: to select migrants based on their human capital components as captured by a set of characteristics deemed desirable from a societal and labor market point of view; to limit the costs of social and professional integration of migrants; and to enhance the host country’s society and economy to the greatest extent possible. They focus on a number of objectively measurable indicators, such as recognized qualifications abroad and in the host country, work experience abroad and in the host country, past or prospective earnings, language skills, age, and family situation. Australia and New Zealand award extra points for qualifications and work experience in low-population or lagging areas of the country, or for sponsorship by local governments in designated areas. Points systems usually allow for some degree of substitutability between selection criteria, but they can also impose mandatory requirements for which points are not necessarily awarded. The main advantages of points systems are their clarity and transparency both for applicants and host country stakeholders. Points systems are biased towards attracting higher-skilled workers with a high level of human capital and a strong adaptive capacity in the host society. Traditionally, points systems were used to select migrants on a permanent basis, but more recently, countries such as Denmark, Hong Kong, and the U.K. have used them to admit workers initially on a temporary basis with possible transition towards permanent residency after a few years of employment. One main drawback of pure points systems relates to labor market outcomes: immigrants arrive without a job offer and therefore without a guarantee that they will find a job according to their skill level. Issues of over-qualification and skill mismatch are persistently reported in major receiving countries using points systems. The labor market insertion of immigrants in those countries is reportedly also more difficult than in employment-based systems, such as in the U.S.
b. **Standard employer-sponsored routes**

The common denominator of employment-based selection mechanisms is to make a worker’s admission conditional on securing a valid job offer by a registered employer before entering the country. The U.S. labor migration admission system is almost entirely employment-based. Other countries that rely heavily on employment-based admission include Sweden, Spain, and Norway. As the rationale for employment-based mechanisms is to align admission policy with current labor market needs, they are used in combination with one or several instruments to identify labor market needs. Labor market tests, under which employers are required to advertise vacancies in the local labor force before applying for a foreign worker’s work permit, are used selectively in the U.S. for both permanent and temporary migration, in Canada for temporary migration only, in New Zealand for temporary migration only, and in the U.K. for some types of visas. The employment-based approach is also used in combination with occupation shortage lists: admission is granted to foreign workers who obtain job offers in occupations listed in the shortage list. This system is used in Australia and New Zealand for both permanent and temporary migration, and in Denmark, Singapore, and the U.K. for temporary migration. A third alternative within the employment-based approach is to collect a foreign worker tax (or levy) on employers, such as in Singapore, Hong Kong, and the U.S. This tax can have various purposes, but is often designed to discourage employers from hiring foreign workers unless they face a genuine need.

Even though employers select immigrants, the government can still impose minimum requirements on employers and foreign workers, including minimum skill and salary levels, language proficiency, and conditions on the recruitment of foreign workers and training or retraining of local workers. Some employers require an official accreditation to recruit certain categories of workers. Employer-sponsored migrants often, but not always, have their residence and work permits tied to a specific employer. Employment-based systems can be used for temporary migration but can also provide provisional pathways or direct access to permanent residence. The main advantages of employment-based systems relate to a direct and efficient labor market integration of selected migrants and the involvement of employers in screening foreign workers. The risk is that employers will influence the system according to their own interests by overstating labor shortages to secure access to cheap labor for lowered production costs. Tying workers to specific employers increases the potential for exploitative practices at the workplace and prevents migrants from changing jobs in response to changing labor market conditions. This allows employers to pay below-market wages and condone poor work conditions. Some degree of internal mobility (i.e., the ability to change employers) can be introduced after a probationary period to limit the power asymmetry that favors employers.

c. **Hybrid routes**

To strive for demand-driven admission systems while targeting migrants with specific human capital characteristics for broader social and economic goals, certain countries use “hybrid selection systems” in which employment-based and government-based selection mechanisms are combined (Papademetriou et
Receiving countries can rely on both systems concurrently, as is now done in Australia, Canada, Hong Kong, and Singapore. Another possibility is to include an employment-based dimension in existing points systems: within their points systems, Canada and New Zealand award points for a job offer from a licensed company for certain categories of workers, while Singapore and the U.K. require a job offer but also use a points test to maintain minimum thresholds for the “quality” of the workers that employers select. Adding a points test or selected human capital requirements to employer-sponsored admissions is also a way of combining human capital objectives and labor market considerations; this is done in the U.S. for permanent admission of highly skilled professionals and in Singapore for mid-level professionals. Beyond selection mechanisms, an important screening device is found in provisional/work-to-residency schemes. Traditional immigration (settlement) countries such as Australia, Canada, and New Zealand explicitly use such work-to-residency schemes to make permanent admission conditional on successful labor market integration of selected foreign workers, and therefore screen the most efficient workers before incorporating them on a permanent basis into the domestic workforce. Temporary permits such as the H1-B or L visas in the U.S. can potentially play this screening role and implicitly provide a transition path towards permanent residency. The new Canadian Experience Class allows the transition from temporary to permanent residency for certain mid- to high-skilled foreign workers with two years of work experience or a degree from a post-secondary institution and one year of full-time skilled work experience in Canada. In the other non-traditional immigration countries under review, access to permanent residency for certain categories of workers can only happen after workers hold a valid temporary work permit for a certain number of years (e.g., four years in Denmark, seven years in Hong Kong, and five years in the U.K.). In all cases, screening of foreign workers operates through provisional schemes. Such mixed selection mechanisms allow for labor admission systems that are both responsive to labor market needs and that select workers with certain characteristics considered important for their long-term integration or for governments to reach their development objectives.

d. Intra-company transfers

Intra-company transfers (ICTs) are an important component of many immigration systems: they represent the largest subsection of employer-sponsored flows in the U.K., for example, and almost as big as H-1B visa entries in the U.S. This route is often managed differently: for example, it rarely requires a labor market test, since companies must be able to move staff between their offices in different countries, at least those staff performing high-level duties. Such schemes bring up key policy issues, such as: how to regulate wages and work conditions, especially when workers remain on a foreign payroll; whether to allow workers to transition to permanent residence or to consider ICTs a strictly temporary route; and whether it should be the government or multinational companies who impose basic requirements on workers’ characteristics. Answers to these questions are essential given ICTs’ importance in scope, but they also determine companies’ ease of doing business in the receiving country and impact companies’ ability to attract international talent.
e. **Exceptional talent streamlined routes (with no employer sponsor)**

Some major receiving countries (including Australia, New Zealand, and the U.S.) use special streamlined routes for the admission of foreign workers with extraordinary talents in specific sectors such as the arts, the media, sports, business, research, academia, and religious work. The admission of talented foreign workers under this type of scheme is usually conditional on evidence of international recognition of exceptional talent and/or sponsorship from a national citizen or domestic institution. When it is employer-selected, such as in the U.S. or New Zealand for extraordinary talents in business, no labor market test is applied as the idea that members of the domestic labor force might be directly displaced is less relevant at such levels of skills and earnings. The U.K. has recently abolished Tier 1 (general) of its point system, which previously allowed workers to immigrate without a pre-arranged job offer, replacing it with a streamlined route for exceptional talents who can make the biggest contribution to science, engineering, and the arts.

f. **Investor and entrepreneur routes**

Most countries under review have special schemes for investors and entrepreneurs. These schemes usually set investment requirements, including a minimum amount of investment and evidence of certain positive impacts of the business activity on the local economy in terms of employment and innovation. The rationale behind streamlined admission procedures for investors and entrepreneurs is similar to the exceptional talent streamlined routes: to give priority to a small number of migrants who can bring a significant positive contribution to their host society and economy at low costs in terms of integration and without fear of displacement of native workers.

g. **Study-to-work permits**

As a higher education degree from a local university can potentially provide adequate signaling to employers on foreign graduates’ skills, school-to-work permits offer the most direct way of identifying and recruiting foreign workers with recognized skills in the receiving country’s domestic labor market. Australia, Canada, Hong Kong, New Zealand, the U.K., and the U.S. have special schemes to retain the most capable international graduates. Those schemes are usually temporary or provisional to allow foreign graduates to gain the skills and professional experience needed for successful application to permanent residency. The major risk of such schemes is that the labor market outcomes of foreign graduates once they become permanent may suffer if the universities themselves and/or the transition to permanent residence are not sufficiently selective. Australia has pulled back from its previously heavy reliance on foreign students and has reformed the route to make it more selective, as many of these students did not subsequently fare well in the labor market. This can be explained by the fact that many students seek access to permanent residency through degrees in less selective universities, which provides poor signaling in the labor market. The current U.K. government has proposed abolishing the post-study work route and replacing it with a standard employment-based scheme without a labor market test.
h. Job-search visas

Job-search visas allow for testing of foreign workers on the local job market before integrating them into the domestic workforce. New Zealand offers job-search visas for nine months to allow workers to search for skilled employment. Job-search visa holders who obtain a job offer for at least twelve months of full-time skilled employment can apply for a two year skilled work visa and gain relevant professional experience in New Zealand that can be used to eventually apply for permanent residency through the points system. Job-search visas can be used as a strong screening device for the selection of skilled workers but are likely to remain limited in scope as employment-based temporary or provisional entry routes offer more direct ways to address perceived labor market needs.

i. Regional-sponsored routes

Australia and New Zealand use special admission channels to encourage migration towards low-population areas or lagging regions of their countries. In Australia, a provisional points-tested visa with lower pass mark is available as a pathway for permanent residency for foreign workers with regional sponsorship or sponsorship by a relative living in a designated area. Australia also has an employer-based scheme with regional sponsorship to encourage skilled immigration to areas outside the major coastal cities and to allow Australian employers in low-population areas to address shortages in high-skilled occupations. New Zealand awards extra points for a job offer outside Auckland. Canada allows provinces to administer their own immigration programs to benefit the provincial economies. Admission criteria vary across provinces according to their local labor market needs. All of these regional-sponsored schemes are for permanent immigration.

j. Temporary/circular migration schemes and bilateral agreements for lower skilled workers

There are three main types of admission schemes for lower skilled workers: seasonal agricultural workers programs, domestic helpers programs, and temporary schemes in specific occupations requiring low-level technical training. Most countries also have special inter-governmental agreements for the exchange of young holiday makers. The vast majority of special schemes for lower-skilled workers share one key characteristic: they are temporary schemes with compulsory return at the end of the work period. Some admission schemes for lower-skilled workers, such as the Sectors Based Scheme in the U.K. and the Live-in Caregivers Scheme in Canada, provide the opportunity to apply for permanent residency but this is the exception rather than the rule. Labor agreements or memoranda of understanding between sending and receiving countries’ governments are commonly used in addition to other selection mechanisms to preselect temporary foreign workers. These agreements can be bilateral or multilateral and usually target specific sectors, occupations, or forms of migration, such as seasonal migration or working holiday makers. Both Australia and New Zealand have signed memoranda of understanding with selected Pacific Island States to provide a legal channel for seasonal migration in the horticulture and viticulture industries. Canada has similar agreements with Mexico, Guatemala, and a set of Caribbean States. Reciprocal agreements between most of the countries under review allow for temporary exchange of
young people interested in a work and tourism experience abroad. Labor agreements act as a pre-selection mechanism since they restrict the admission of foreign workers to certain sending countries’ nationals and usually apply quotas. Once seasonal workers are pre-selected, usually by sending countries’ governments or community leaders, their final selection is employment-based (with a labor market test in Canada) and goes through approved employers or operators based in the receiving country. In the case of working holiday makers, the selection is typically government-based, with eligibility criteria including age, self-maintenance funds, and medical insurance.

(ii) Analyzing existing admission policy instruments

This subsection maps existing policy instruments against the conceptual framework. More specifically, it maps the most developed policy instruments against the key policy objectives (demographic, human capital, and economic development) and admission parameters: quantity (of migrants), their characteristics, and the offered conditions (see table 2). The purpose of this exercise is to highlight the differences in the applied state-of-the-art instruments across the key policy objectives and admission parameters. For example, in the case of pure demographic objectives, the quantity of migrants is regulated with instruments ranging from quotas or targets to tax-subsidy mechanisms. In the case of pure arbitrage objectives, there are no quantitative restrictions or they are typically very generous.

Table 2: Mapping existing admission policy instruments against the key objectives and parameters

<table>
<thead>
<tr>
<th>Policy Objectives</th>
<th>Admission Parameters</th>
<th>Quantity</th>
<th>Characteristics</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic</td>
<td>Control of labor force evolution (quantity and quality)</td>
<td>Quotas Target/Range values Tax according to share of foreign workers in company/sector, or subsidy for expatriate workers</td>
<td>Requirements reflecting adaptability criteria for labor market integration: language, skill level, local study/work experience, partner skills, etc.</td>
<td>Conditions are more restricted where the demographic goal is to reduce reliance on foreign workers, and more generous in countries seeking to boost their labor forces through permanent immigration</td>
</tr>
<tr>
<td>Human Capital 1</td>
<td>Targeting extraordinary and lesser talents</td>
<td>Streamlined access for extraordinary talents and entrepreneurs/investors Targets by skill levels</td>
<td>Special requirements for extraordinary talents: evidence of international recognition of exceptional talent and sponsor with national reputation School-to-work permits Lists of recognized qualifications and training institutions</td>
<td>Generous conditions on residency, family unification, spouse work, and citizenship for extraordinary talented/ high-skilled workers</td>
</tr>
</tbody>
</table>
### Human Capital 2
Reducing reliance on low-skilled workers

| Quotas and taxation according to skill level and employer's dependency on low-skilled workers | Minimum requirements set by the government: salary level, skill level, language, age, etc. | Screening through: Provisional pathways towards permanent residency, Regulation of recruiters and bilateral agreements, Waiting periods and differentiated access to social security benefits/access conditional on employment, Circular migration schemes with return conditional on respecting admission rules |
| Restrictions or quotas by sector. | Points-based systems allowing for substitutability between selection criteria | Pre-selection by government agencies |

### Development 1
Strategic industrial and regional policy

| Streamlined admissions for employment and investment in priority sectors or regions: extra points if points-based or lift LM test if employer-based Quota waiver or relaxation according to priority industries and regions | Strategic Skills Lists for selected sectors/industries | Incentives for workers in priority sectors or regions: preferential access to permanent residency or longer work permits + full social benefits and family reunion for workers in priority sectors or areas. |

### Development 2
Adjustment Speed

| Labor market test Quota relaxation according to identified shortages Lower taxation (foreign levy) for occupations in perceived shortage | List of occupations/skills in shortage Skill Matching Databases | Temporary migration schemes Differential access to social benefits |

### Development 3
Arbitrage

| Quantitative restrictions: none or generous Sponsorship system | Typically low skilled workers | Circular migration schemes with return conditional on respecting admission rules Often minimum provisions of social protection |

Source: Authors’ elaboration.

This mapping exercise can also be considered as the nucleus of a future results framework that links the expected outcome of admission policies with the applied instruments and their key dimensions/parameters. Such a framework is currently missing.

### (iii) Identifying gaps

This subsection highlights some important gaps left by the existing instruments when it comes to designing relevant admission systems against specific objectives and different country profiles.
(a) Difficulties in determining the right quantities: drawbacks of numerical limits

Numerical levels of immigration are used in two different ways depending on the global labor force objectives of the country: as target levels to be attained for settlement countries and as limits not to be exceeded for aging economies. The target values or target-range values used in settlement countries such as Australia and Canada do not necessarily have to respond to perceived labor needs, as the primary objective is to expand the labor force. This expansionary objective allows for accommodating other policy objectives without major restrictions or trade-offs. In aging countries, caps and quotas often, but not always, place a numerical limit on entries of foreign workers each year. They can fix the maximum number of foreign workers to be legally admitted in a country in total, or they can be applied to specific schemes or categories of migrant workers. In each case, policy makers will have to prioritize admissions under a given quantity constraint, and will therefore face trade-offs when pursuing potentially conflicting policy objectives. The U.S. uses caps for only some permanent and temporary categories or schemes of its admission system. More unusual, the U.K. immigration cap applies to net immigration (inflow minus outflow) rather than gross inflow. As opposed to shortage lists or labor market tests, numerical limits rarely correspond to perceived labor market needs. They are often the outcome of a political process instead of a thorough labor market analysis. Policy makers’ primary interest in caps and quotas is to convey a message to the public that immigration flows are not left unmanaged or unrestricted (OECD, 2006). This can potentially restore or increase public confidence in the immigration system (Papademetriou and Sumption, 2010). The main drawbacks of caps include: (a) backlogs and long waiting times in the application process: backlogs occur when applications can be rolled over from one period to the next, and can generate long waiting times when demand for visas exceeds supply; (b) shortages of visas for certain categories of workers: a cap on immigration implies trade-offs between different admission routes and therefore requires determining the relative priority of each category of foreign workers; (c) reduced selectivity when visas are allocated on a first-come, first-served basis; (d) reduced predictability and planning potential for employers, especially when visas are heavily oversubscribed; (e) reduced responsiveness of immigration flows to the economic cycle and changing labor needs; and (f) the risk of restricting employers’ access to the best talents from abroad (for a detailed review, see Papademetriou and Sumption, 2010). In the U.S. for example, the annual cap on the H1-B visa has in the past been met within a day, leaving no visas available for most H-1B employers for the rest of the year (OECD, 2009). It is also worth noting that during economic recessions, quotas are often not met at all, as happened when the H1-B quota was raised in the late 1990s and then went unmet during the dot.com bust. The U.S. also uses a cap for the most highly skilled category of its permanent immigration system, but the limit is seldom met because of steep human capital requirements. Some of the ways to get around these problems include providing strategic exemptions from the caps for employers or workers who meet certain criteria (salary level, human capital level, specific skills) and using mechanisms to prioritize “underneath” the cap, so that priority applications according to the human capital and development
objectives of the country are most likely to be satisfied. Numerical limits can also be used in combination with other policy instruments, including fees for employers who want to hire when the cap has been exhausted, or alongside higher salary and human capital requirements for oversubscribed categories at the top end of the skill spectrum. Continuous M&E of the cap regarding not only its impacts on the composition of migrant inflows, but also on oversubscription and processing times are essential to adjust the cap based on perceived and changing economic needs.

(b) Difficulties in linking labor admission systems to perceived labor market needs

If labor admission systems are aimed at accelerating the adjustment of the labor market in certain sectors where vacancies are hard to fill, they should be as responsive as possible to the “needs” of the labor market by providing enough foreign workers with the relevant characteristics to fill perceived shortages. There are two main approaches to linking an admission system with labor market needs. Both face practical limits in actually accelerating labor market adjustments.

One approach for identifying labor market shortages that justify the admission of foreign workers is a labor market test in which the employer has to demonstrate to the government that no domestic worker is available to take the advertised position and that hiring a foreign worker will not depress the wage and work conditions of domestic workers in the same type of occupation. In this process, the employer must typically prove that he has searched actively for a domestic candidate through adequate public advertising and/or public job placement services. Labor market tests are usually performed locally or regionally, mostly in Canada and the U.S., but also selectively and for certain categories of migrants in Hong Kong, New Zealand, and the U.K. An alternative to the labor market test that also aims at preventing displacement of domestic workers is imposition of a tax or foreign worker levy on the employers who hire foreign workers. The tax income can then be used to compensate the losers of migration in the domestic labor market, and to cover the diverse costs of immigration in terms of integration (e.g., language training), agency costs, and potential adverse fiscal impacts (future welfare claims). This instrument is used by Singapore, Hong Kong, and the U.S. for certain categories of workers. In the U.S., the tax collected is allocated to a fund for the training of domestic workers in occupations with skill shortages, whereas in Hong Kong it goes towards training and retraining of vulnerable local workers who change employment in an economic restructuring process. The main advantage of labor market tests and foreign worker levies is that they rely on employers’ hiring decisions as a direct way of assessing labor market needs on a continuous basis. They may also encourage employers to explore local alternatives to migration and therefore mitigate the negative impacts of migration in terms of displacement of domestic workers and downward pressure on wage and work conditions—although the true effectiveness of labor market testing is not known. But the bureaucratic process associated with labor market testing can be cumbersome and cause major delays in issuing work permits. For instance, heavy bureaucratic procedures are partially responsible for significant processing delays in the employment-based immigration system in the U.S. This limits the effectiveness of labor market tests to speed the adjustment of the labor market.
With foreign levies, the main risk is that employers will transfer the burden of the tax to their foreign employees through lower wages and worse work conditions, especially at the low-skilled level.

The main alternative to labor market testing is to establish occupational shortage lists based on a series of quantitative and qualitative labor market indicators, and to facilitate the admission of foreign workers seeking jobs corresponding to positions identified on the shortage lists. In practice, countries that use shortage lists within an employer-driven immigration system typically exempt employers from the labor market test if the occupation for which they are hiring appears on the shortage list. Shortage lists can also be used within a points system to grant extra points to shortage occupations. Another approach is to restrict the hiring of foreign workers to occupations on the shortage list, although a strong drawback to this is the inevitable inaccuracy of the lists themselves, and the fact that shortages of very specific skills can exist even if the broader occupation is not deemed to experience a shortage. As a result, use of this second approach is rare. Using shortage lists as an alternative to the labor market test has the advantages of reducing the scope of discretionary decisions and relieving employers hiring into occupations on the shortage list of lengthy bureaucratic processes associated with labor market testing. However, using shortage lists requires intensive and comprehensive empirical research to identify the conditions of labor market shortages. As outlined in box 1, identifying the conditions of labor shortages is methodologically complex and is more of an art than a science. This process can also be subject to lobbying by employers, which calls for independent advisory bodies in charge of identifying the conditions of shortages based on rigorous methodologies (Papademetriou et al., 2009b).
Box 1. The fallacy of labor shortages

One key goal of admission policies is to accelerate the adjustment of the labor market in certain sectors where vacancies are found hard to fill. To meet this goal, the labor admission system should be as responsive as possible to perceived labor shortages. In practice, this function of the admission system is far from straightforward, as shortage analysis is flawed with conceptual uncertainty and empirical difficulties.

Conceptual uncertainty. Shortages are perceived in a market economy when the labor market does not clear: demand for workers in a particular sector of activity or occupation is greater than the supply of workers who are qualified, available, and willing to take the jobs offered at the current wage rate. Employers are unable to fill all the vacancies at the prevailing wage. In theory, labor shortages should disappear as employers adjust wages upward to attract more workers until the supply meets the demand. In practice, different types of shortages arise from diverse labor market situations and require adaptive responses from employers, workers, and policy makers. In the short run, various informational, institutional, and training constraints can be responsible for significant lags in the adjustment of supply and wages: labor shortages can emerge due to: employers’ slow reaction to recognize the difficulties of recruiting workers for a certain type of occupation; institutional barriers that deter recruitment efforts; fixed wage compensation structures in certain firms; insufficient investment in skills development in certain areas and sectors of the economy; rapid structural change in a low unemployment context; cyclical surges in employment in part of the economy; and weaknesses or lack of responsiveness of the training system. Shortages can be dynamic when demand continually grows more rapidly than supply. Vacancies may also remain unfilled because of an unattractive geographic location or unfavorable work conditions. In short, shortages may reflect a variety of labor market situations; therefore, it is difficult to find a coherent and operational definition at the conceptual level.

Empirical difficulties. Because different types of labor shortages exist, it is hard to identify them empirically. According to the U.S. Bureau of Labor Statistics, “no single empirical measure of occupational shortages exists, nor does it appear that one can easily be developed” (Veneri, 1999). Identifying the conditions of labor shortages is more of an art than a science and requires both top-down indicators of labor market conditions, such as data on employment, unemployment rates, job vacancies, and wages, and bottom-up qualitative indicators from surveys of employers, recruitment experts, and other local stakeholders. Reviewing multiple indicators of labor market conditions and tracking them over time allows for a more balanced assessment of potential labor shortages, but none of these indicators can provide a clear indication of existing shortages. Rapidly raising wages or low unemployment rates can indicate shortages but may also reflect other labor market situations. Vacancy rates or the average time taken to fill vacancies would be the most obvious indicators, but these depend on employers’ perceptions of how many workers they can recruit and therefore on broader changes in the labor supply. Vacancy rates also depend significantly on the occupation’s turnover, and since frictional unemployment is also higher in jobs with high turnover, a more relevant indicator is the vacancy-to-unemployment ratio. Beyond the choice of indicators, there is no turning point after which one can objectively confirm the existence of a shortage (Sumption, 2011). Lags in data collection render shortage analysis even more complicated, as labor market conditions change continuously. Shortages may disappear by the time data are collected and analyzed. Finally, the definitions of occupational categories are far from obvious and the available data on occupational groups can often be misleading for identification of labor shortages, as the skills required to perform one type of job can be used to perform other tasks, and the skills needed change over time.
Box 1 (cont’d)

**Refining the methodology.** One possible reaction to the conceptual and empirical obstacles is to strive for enhanced methodologies that use multiple labor market indicators over time to identify labor shortages. In this case, policy makers need to rely on rigorous qualitative and quantitative empirical research by independent advisory bodies if they aim to answer labor market needs through the admission of foreign workers. An interesting example is the Migration Advisory Committee (MAC) in the U.K. The U.K. introduced a shortage occupation list in 2008, containing nineteen occupation titles, to relieve employers from the obligation of passing the labor market test, and more recently began to use the list to prioritize applications under the cap that applies to Tier 2 of its points system. The MAC is a “non-departmental public body set up to provide transparent, independent and evidence-based advice to the government on where skilled labor market shortages exist that can sensibly be filled by migration” (MAC, 2008). The shortage analysis is based on twelve indicators, including vacancy rates, duration and application rates, wage changes and premiums, and employment and unemployment changes. The analysis uses national labor market data to provide the basis for top-down analysis and bottom-up micro-level information from localized analysis of specific sectors, including employers’ skills surveys that collect qualitative evidence on both recruitment difficulties and skills inadequacy among the existing workforce. The MAC provides three conclusions: (1) whether an occupation is skilled; (2) whether an occupation is experiencing shortage; and (3) whether it is sensible to fill an identified shortage with foreign workers. The shortage list is revised twice a year, using indicators from the previous year.

**The limits of shortage analysis.** Even the most comprehensive methodologies do not get around the fundamental problems of shortage analysis, namely that: (a) the appropriate response to perceived shortages differs depending on the reasons for the shortages, which are usually not visible from the data themselves; (b) occupational groups are loosely defined in terms of skills and do not perfectly determine their substitutability with other workers, as a result of which, being on a shortage list is neither necessary nor sufficient to demonstrate that the employer faces recruiting difficulties; (c) occupation lists are inherently backward looking, out of date, and only useful to the extent that the future is predictable from the past (which often it is not); and (d) there is a risk that the process of translating shortage lists into immigration policy will overcorrect for problems that would actually have been transient or not particularly serious. The multitude of approaches used in OECD countries suggests that there is not yet an established methodology to identify labor market shortages (OECD, 2003, Part II), only inspirations to draw on for individual country settings. Given the conceptual, empirical, and methodological limits of shortage analysis, the alternatives to shortage lists to recruit foreign workers should be piloted and tested (such as labor market tests or taxation of employers for their use of migrants). Yet such approaches are likely to raise problems of their own and also need thorough piloting, analysis, and impact evaluation.

(c) Difficulties of skill recognition: issues of skill mismatch and over-qualification

One major challenge of labor admission systems is to provide relevant mechanisms to recognize foreign credentials and match the skills of foreign workers with employers’ needs in the presence of asymmetric information. Mechanisms of international skill recognition, such as official lists of recognized qualifications, can help reduce asymmetries of information on the skills of foreign workers. Canada uses a National Occupational Classification as the national reference on occupations. It covers 30,000 job titles in 520 occupational group descriptions, and serves as a basis to assess the work experience of applicants for its points system. In Australia, applicants to the points system must have their skills assessed by a recognized authority based on the Skilled Occupation List (SOL). Since 2010, the Australian and New
Zealand Standard Classification of Occupations is used by both countries to assess the skills of applicants to skilled visa programs. In Australia’s and New Zealand’s points systems, applicants must have a recognized post-secondary qualification assessed by a recognized qualification authority. The Skilled Recognized Graduate Program in Australia allows for temporary admission (with possibility to apply for permanent residency through the points system at any time) of young graduates from a list of overseas institutions recognized by Australian employers as offering world-class degree programs in certain fields in high demand (currently engineering). Despite the existence of such skill matching mechanisms, issues of over-qualification and skill mismatch are persistently reported in major receiving countries, including advanced settlement countries such as Canada. This is a particular concern for those countries that use points-based systems for the admission of permanent immigrants. For skilled workers, a degree from a local university can potentially provide adequate signaling to employers on foreign graduates’ skills. School-to-work permits, as used in Australia, Canada, Hong Kong, New Zealand, the U.K., and the U.S., can offer a direct way of identifying and recruiting foreign workers with recognized skills in the receiving country’s domestic labor market. However, as has happened in Australia, foreign students can seek access to permanent residency through degrees in less selective universities, which provides poor signaling in the labor market. In this case, stronger human capital requirements are needed to ensure good labor market outcomes of foreign graduates.

(d) Existing instruments are not sufficiently differentiated with regard to the specific objectives in different country profiles

The most advanced policy instruments have been developed to accommodate expansionary labor force objectives in settlement countries, but they may not always be suited to the specific restrictions of non-settlement aging and resource-rich, low-population emerging economies. Table 3 provides a mapping and assessment exercise intended to provoke discussion and action. It suggests that admission schemes for typical settlement countries are well-developed; those for non-settlement aging countries are developed and applied in some countries, but are under revision; and those for emerging (and resource-rich) economies, with priorities of jobs for national workers and demographic rebalancing, are little developed and are essentially still works-in-progress. But there are interesting innovations under preparation in GCC countries to “nationalize” their labor markets to provide more job opportunities for their growing labor force. One innovation is the “Firm Classification System” in the UAE, and another is the “Traffic Light Scheme” in the Kingdom of Saudi Arabia – KSA (see Vazquez-Alvarez, 2011). The latter plans to link a market-driven process for the share of foreign labor force for each sector with “sticks and carrots” (i.e., penalties and incentives) depending on the area in which a firm is situated. KSA plans to implement the scheme in autumn 2011.
Table 3: Assessment of admission policy instruments per country profiles

<table>
<thead>
<tr>
<th>Policy Objectives</th>
<th>Country Profile</th>
<th>Traditional settlement</th>
<th>Aging settlement-reluctant</th>
<th>Resource-rich emerging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic</td>
<td>Labor Force Size</td>
<td>Well developed and applied</td>
<td>Developed and applied in some countries</td>
<td>Lacking and under discussion/development</td>
</tr>
<tr>
<td>Human Capital</td>
<td>Attracting Talents</td>
<td>Well developed and applied</td>
<td>Developed and applied in some countries</td>
<td>No ear-marked admission policies but under discussion</td>
</tr>
<tr>
<td>Development 1</td>
<td>Strategic Industrial and Regional Policy</td>
<td>Well developed and applied</td>
<td>Developed and applied in some countries</td>
<td>No ear-marked admission policies but under discussion</td>
</tr>
<tr>
<td>Development 2</td>
<td>Adjustment Speed</td>
<td>Under implementation and testing</td>
<td>Developed and applied in some countries</td>
<td>Developed and applied in some countries</td>
</tr>
<tr>
<td>Development 3</td>
<td>Arbitrage</td>
<td>Developed and applied for seasonal workers</td>
<td>Developed and applied for seasonal workers</td>
<td>Developed and applied for temporary workers</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration.

(IV) Magnitudes, Trends, and Assessment

This section complements the review of admission policies by providing magnitudes of recent flows of foreign workers associated with each of the main schemes, by distilling recent policy trends to guide countries new to admission policy making, and by offering an assessment of the effectiveness of existing admission policies.

(i) Magnitudes: a snapshot of recent entry flows

This subsection first places labor admission flows within the broader immigration systems of major OECD receiving countries. It follows with a brief overview of recent labor migrant admission figures in absolute terms for the schemes under review, which should help distill trends. This subsection does not provide a detailed analysis of immigration flows and stocks but rather aims to offer a snapshot of the magnitudes of recent foreign worker inflows channeled through the main admission schemes detailed in the inventory and discussed in this paper. The figures displayed come from official sources from each country (see inventory in the appendix) and only cover entries of foreign workers, excluding family dependents.
The scope of labor admission systems: Even in immigration intensive countries, pure labor migration is only a relatively small share of total immigration. Much of the immigration comes from other streams, including humanitarian immigration, family unification, and asylum seekers, as well as migration under free-movement regimes. Figure 1, based on the OECD International Migration database for 2008, provides a sense of the scope of labor admissions relative to the broader permanent legal immigration systems in receiving countries.

Figure 1: Permanent legal immigration flows by category of entry, selected OECD countries, 2008 (percentage of the total population)

Permanent labor immigration schemes in traditional immigration countries: In 2009-2010, Australia registered 59,892 entries under its points system, 30,268 entries under its employment-based immigration scheme for high-skilled workers, and 2,183 entries under its regional-sponsored migration scheme. In 2009, Canada registered 40,735 entries of skilled workers under its points system (470,052 from 2000 to 2009) and 11,801 entries (38,749 from 2000 to 2009) under its Provincial Nominee Program for permanent immigration of skilled workers at the provincial level. In 2008-2009, New Zealand received 27,011 skilled workers through its points system; from 2002 to 2009, 3,202 skilled workers on the Long Term Skill Shortage List had access to an employment-based provisional permit, among which 1,539 were granted access to permanent residency, and 7,977 talent workers had access to an employment-based provisional permit, of which 3,842 were granted access to permanent residency. In 2009, the U.S. registered 40,924 admissions under its permanent immigration scheme for exceptional high-skilled foreign workers; 45,552 admissions of high-skilled foreign workers; 40,398 admissions of low- to mid-
skilled workers; 13,472 admissions of specific categories of skilled workers; and 3,688 admissions of business investors.

Major temporary labor migration schemes in traditional immigration countries: The temporary Business Sponsorship program in Australia channeled 67,980 entries in 2009-2010. Canada admitted on average 136,019 foreign workers per year through its Temporary Foreign Workers Program between 2000-2009, and registered 10,195 entries per year on average from 2002-2009 through its temporary scheme for low-skilled workers. New Zealand issued 37,278 temporary work permits in 2008-2009 through its Essential Skills category, and 5,914 job-search permits for foreign students graduated in New Zealand. On average between 2000-2009, the U.S. admitted 131,285 foreign workers per year through its H1-B visa for skilled professionals in “specialty occupations”; 39,927 lower-skilled agricultural workers per year through its H2-A visa; 67,847 lower-skilled non-agricultural workers per year through its H2-B visa; and 127,036 intra-company transferees through its L visa program.

Provisional and temporary labor schemes in non-traditional immigration countries: Denmark granted 156 permits in 2008 and 1,117 in 2009 through its GreenCard scheme; 200 permits in 2009 through its employer-driven provisional scheme for high-skilled professionals; and 2,057 permits in 2009 through its Pay Limit scheme. Hong Kong registered 1,479 entries in 2009 and 1,808 entries in 2010 through its points system for high-skilled workers; 6,125 entries in 2009 and 10,101 entries in 2010 through its study-to-work scheme for foreign graduates; and 28,842 entries in 2009 and 35,194 entries in 2010 through its employment-based provisional scheme for skilled professionals and business people. The U.K. admitted 7,785 foreign workers in 2008 and 13,930 in 2009 through Tier 1 of its points system for high-skilled workers; 760 foreign graduates in 2008 and 245 in 2009 through Tier 1 for post-study workers; 8,555 employer-sponsored workers and 23,030 intra-company transferees in 2009 through Tier 2; and 31,105 temporary foreign workers in 2009 through Tier 5 for skilled workers in specific occupations.

Entrepreneur and investor schemes: Australia registered 6,789 entries through its provisional Business Skills program in 2009-2010. Canada received 3,423 workers through its permanent immigration scheme for business people in 2009. Hong Kong received 7,221 investors in 2009 and 8,924 in 2010 through its Capital Investment Entrant Scheme. In New Zealand, from 1999 to 2009, 5,336 principal applicants were granted a long term business visa; from 2002-03 to 2008-09, 5,102 business workers were approved for residency through the Business Immigration Policy, of which 413 were approved for residency in 2008-2009. In the U.K., 25 entrepreneurs and 45 investors were accepted in 2008 and 120 entrepreneurs and 155 investors were accepted in 2009 under Tier 1 of the points system. The U.S. admitted 3,688 immigrants in 2009 and 7,693 between 2000 and 2009 through its permanent immigration scheme for business investors.
Seasonal migration schemes are usually smaller in scope. New Zealand admitted 7,157 seasonal workers in 2008-2009, with a cap of 8,000. So far, only 56 workers have participated in the Australian Pacific Seasonal Worker Pilot Scheme initiated in 2008.

(ii) Policy trends and converging practices

A review of the admission policies and their changes over the last two decades suggests a number of clear policy trends and converging practices around: increased selectivity of human capital; a move towards hybrid systems; the use of provisional schemes to transition to permanent residency; and an increase in employment-based temporary worker schemes.

Increased selectivity on human capital for improved labor market performance and higher productivity: Several countries are becoming increasingly selective regarding foreign workers’ human capital characteristics to maximize their labor market performance and to reap the benefits of a more educated foreign workforce. Since 1999, Australia has moved towards a more selective immigration system targeted at high-skilled foreign workers and improved labor market performance of immigrants and their children. Strengthened points test requirements related to skills, age, and English proficiency and the compulsory skill recognition by a relevant assessing authority have contributed to increasing the skill level of labor immigrants. Foreign workers admitted under the skilled migration program now represent the majority of immigrants in Australia. Moving forward in this direction, Australia further increased the English language requirements and scoring for skilled work experience in 2007, and thoroughly revised its points table in 2010-2011 on the basis of evidence about immigrants’ labor market integration. In direct response to persistent underperformance of immigrants in the labor market, Canada also reformed its points system in 2002 to give more importance to human capital in a broader sense, including enhancing migrants’ capacity to adapt to a flexible and changing labor market, to perform in the knowledge economy, and to adjust to a new cultural environment. In response to evidence on immigrants’ labor market outcomes, Canada increased the role of employer-based selection and now awards points for arranged employment offers within its points system. Denmark introduced a points system with a shortage list for high-skilled immigration in 2007. As in other traditional immigration countries, the Danish points system tests for language skills and social adaptability through work experience in a European country. All other admission schemes in Denmark also target high-skilled foreign workers. Hong Kong established a points system for high-skilled foreign workers in 2006, and introduced a reform in 2008 to increase the upper age limit and adjust the mark scheme to increase its attractiveness for talented foreign professionals. One key policy objective of Hong Kong’s admission system is attracting high-skilled workers and talented professionals to enhance Hong Kong’s economic competitiveness in the global labor market. Other recent admission schemes in Hong Kong also respond to this global competitiveness objective: a study-to-work program was introduced in 2008 to retain foreign graduates from local higher education institutions, and an employment-based permit with higher qualification and work experience requirements was established in 2003. New Zealand’s points system for high-skilled workers was introduced in 1991,
and reformed in 2007 to grant extra points for: employment offers, qualifications, and work experience in identified future growth areas; academic experience in New Zealand; and partner’s qualifications and skilled job offer. Finally, the U.K. introduced its points system in 2008, with a strong bias towards the admission of skilled foreign workers; this system is being thoroughly revised under the current government with a view to reducing the number of skilled workers admitted, but also increasing the skill level of those granted temporary work rights or long term settlement. Similarly, reluctant immigration countries such as France and Germany are willing to admit skilled workers, and stress the need for bringing in the best and the brightest in their political debates. Some evidence on the labor market impacts of such reforms is presented in the assessment subsection below.

A move towards hybrid systems for the selection of foreign workers: As explained above, most countries under review have moved towards “hybrid selection systems” (Papademetriou et al., 2008) in which employment-based and government-based selection mechanisms are combined to design admission systems that are both responsive to labor market needs and select immigrants or temporary workers with specific human capital characteristics considered important for their long term integration, or for the government to reach certain policy objectives. For example, since 2008, Denmark has used a hybrid admission system which mixes different selection mechanisms to screen and select high-skilled immigrants with strong employment and economic potential. It builds on both government-based selection mechanisms (a points system and shortage list) and employment-based selection mechanisms. Similar hybrid admission systems are also used by Australia, Canada, Hong Kong, New Zealand, and the U.K. In response to evidence on immigrants’ unsatisfactory labor market outcomes, both Canada and Australia increased the role of employer selection in their immigration systems: Canada now awards points for an arranged job offer within its points-based route, and Australia is increasingly relying on its employment-based immigration scheme for high-skilled workers (38 percent of skilled immigration in 2009-2010). New Zealand has awarded points for a job offer within its points system since 2007. Receiving countries are also increasingly using provisional work-to-residency permits as a hybrid admission route, especially when the initial entry is employer-selected, and the application for permanent residence is based on a set of criteria including the employment track record (sometimes via a points test). This trend is reviewed below.

Using provisional schemes to transition to permanent residency: As discussed above, provisional or work-to-residency schemes are increasingly used to make permanent admission conditional on successful labor market integration of the selected foreign workers, and therefore screen the most efficient migrants before incorporating them into the labor workforce on a permanent basis. The Skilled Graduate Program introduced in 2001 in Australia allows foreign graduates from Australian universities who are unable to pass the points test to remain in Australia for eighteen months to gain the skills and experience needed for successful application to permanent immigration through the points system. With the Long Term Skill Shortage List Work category introduced in 2002, New Zealand established an employment-based
provisional scheme for skilled workers in high demand. The Canadian Experience Class was introduced in 2008 to provide a transition path from temporary to permanent residency for certain skilled foreign workers (mid- to high-skill level) with previous work or academic experience in Canada. Such provisional schemes are used across the board in the non-traditional immigration countries under review, since none of them provide direct access to permanent residency. They apply mainly to skilled worker categories.

**Increasing reliance on employment-based temporary worker schemes as an alternative to permanent labor migration:** Both Canada and the U.S. are increasingly relying on employment-based temporary migration to overcome the rigidities and failures of their respective permanent immigration systems. In Canada, existing evidence indicates that the government-based points system faces limitations in accurately forecasting labor demand in the short run and matching immigrants’ skills supply with employers’ demand. The direct result has been an increased reliance on employment-based temporary admissions to increase flexibility and skills matching on the labor market in the short run; in the 2000s, the average annual number of entries of temporary skilled foreign workers was more than double the annual admission of permanent skilled immigrants through the points system and other permanent admission schemes. In the U.S., the two major limits of the employment-based immigration system are the rigidity of the admission ceilings and the major administrative and processing delays (Martin, 2006). Given these limits, the permanent immigration system fails in meeting U.S. employers’ needs for (or expectations of) foreign workers. Both foreign workers and employers have adapted to the failures of the permanent immigration system by increasingly relying on temporary migration. Temporary admissions of foreign workers far outweigh employment-based admissions of permanent immigrants. Just as in Canada, the U.S. has already moved towards an admission system based on large-scale temporary migration of foreign workers as a more responsive answer to meeting its changing labor market needs. As in the provisional schemes reviewed above, a large proportion of foreign workers admitted under certain temporary schemes shift to permanent resident status when they are allowed to. H1-B, L, and O visas allow for such an adjustment. Temporary schemes also allow for the screening of skilled workers by employers.

(iii) A brief assessment of the effectiveness of admission policies

Impact evaluations of admission schemes are still the exception rather than the rule, and have been done almost exclusively in Anglo-Saxon countries, where evidence is collected on a regular basis for improved policy making.

**Evidence that increased selectivity in points systems and increased reliance on employment-based selection improve immigrants’ employment outcomes:** Clear evidence that increased selectivity in points-based admission systems improves the labor market outcomes of immigrants comes from Australia, where the first points test was introduced in 1979. In 1997, the waiting period for eligibility for short term social benefits increased to two years, and in 1999, further reforms led to a strengthening of the
points test requirements related to skills, age, and English proficiency, and compulsory skill recognition by a relevant assessing authority. Since the 1999 reforms, skilled migration has grown substantially, both in absolute and relative terms, accounting for 64 percent of the total immigration program entries in 2009-2010. Skilled migration has outgrown family immigration (35.7 percent of the total immigration in 2009-2010), leading to an increasing share of high-skilled workers in the immigrant population. Employment-based immigration represented 38 percent of skilled immigration in 2009-2010, with many applicants already in Australia on a temporary visa. Top occupations for skilled immigrants in late 2000s include accountants, computing professionals, nurses, engineers, managers, and medical practitioners. Higher skills and language requirements and the steady growth of employment-based immigration have contributed to improved labor market outcomes among immigrants, with particularly high employment rates among skilled immigrants (Richardson et al., 2004). More than half of the current immigrants accepted under the points system have Australian qualifications and there is evidence of greater acceptability of local qualifications by Australian employers (Richardson et al., 2004). Despite reported problems of over-qualification, labor market integration of skilled immigrants and their children is very favorable in international comparison (Liebig, 2007). In Canada, the adoption of new selection criteria in 2002 also improved the economic performance of selected skilled workers. Empirical analysis suggests that the most relevant factors for economic performance of immigrants are, in order of importance: arranged employment; language abilities; and prior work experience in Canada. Foreign skilled workers admitted with an arranged employment offer report significantly higher earnings than foreign skilled workers who come without an offer, and are more likely to be in full-time employment (see Citizenship and Immigration Canada, 2010). Both in Canada and Australia, increased reliance on employment-based admissions has had a positive impact on the labor market outcomes of immigrants.

**Positive evidence on the screening and skill matching functions of provisional schemes:** In New Zealand, former temporary work permit holders who transition to permanent residency display strong labor market outcomes and skill match (IMSED, 2010b). Most workers have access to permanent residency through the points system before reaching the two years requirement for work-to-residency admission, especially high-skilled workers on the Long Term Skill Shortage List. The Canadian Experience Class (provisional scheme for skilled workers) is too recent for a rigorous assessment, but there is evidence that foreign workers with previous Canadian work experience have better employment and earning outcomes than immigrants with no pre-immigration local human capital experience (Sweetman and Warman, 2009). This suggests that this scheme can screen to select the best workers and improve the labor market outcomes of immigrants.

**The rigidities of the U.S. admission system:** Rigid admission ceilings and heavy bureaucratic procedures leading to major processing delays are the main limits of the employment-based immigration system in the U.S. (Martin, 2006). When requested by the Department of Labor, the permanent labor certification process and visa application and processing require the support of a lawyer. Labor
certification alone usually takes less than a year, but when the visa application is added it can take several years for approval. Given the importance of employer sponsorship and the delays in the admission procedure, most applicants to permanent resident status are already in the U.S. working on a temporary visa. Temporary schemes are therefore overwhelmingly used as a more flexible alternative to the permanent immigration system. The H1-B program for temporary skilled workers is used de facto by employers and foreign workers as a transitional program towards permanent residency. It also allows for screening of skilled foreign workers.

**Pilot evaluation of the New Zealand Recognized Seasonal Employer (RSE) scheme:** The government of New Zealand is collaborating with the World Bank to monitor and evaluate the outcomes of this recent policy scheme. New Zealand’s Department of Labour has already produced a report which provides a description and assessment of the first two seasons of the RSE (IMSED, 2010b). Employers reportedly benefit from a reliable and productive workforce. Satisfied employers tend to recruit the same workers from one season to the next, and invest in training, new equipment, and better work and living conditions. Most seasonal workers are subsistence farmers who return home with savings, with a small number of overstays. The M&E component has also led to improvements in the design and implementation of certain aspects of this policy scheme. Pre-departure briefings have been improved to better meet seasonal workers’ needs, notably with stronger emphasis on educating workers about sound budgeting and financial decisions. Another improvement was realized in the area of saving mechanisms: since workers failed to save enough in the first season and expressed interest in saving more in subsequent seasons, several employers set up voluntary saving schemes comprising access to a bank account and remittance transfer facilities. These examples show that the M&E effort carried out by New Zealand’s government has allowed significant improvements in the design and implementation of certain work-related benefits.

Despite these indications of effectiveness (or not) of labor admission schemes, much more rigorous M&E is needed to understand better what works and does not work in this evolving policy area. The binding constraint is not the lack of available methodology. There has been an explosion of rigorous M&E in some subsets of public policy interventions (such as social protection, active labor market policies, education, and health) in low and middle income countries, in which the World Bank has played a leading role. For migration policies, recognition of the importance of rigorous M&E still needs to be developed and grown. New Zealand is a good example of how a country can build on a thorough and systematic evaluation of migration programs.

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(V) Conclusions

This paper offers a conceptual framework and a review of admission policies for migrant workers that is based on an inventory of immigration intensive countries and on lessons from a burgeoning literature. Countries currently reviewing and reforming their admission policies can benefit from the critical information and guidance herein. The main lessons can be summarized as follows:

(i) For a successful labor admission policy, it is critical to think carefully through key policy objectives of such a policy and its changes. An objective-based approach is important for all public policy areas, but is critical for migration as little structured information and lessons are available to build on. It is proposed that three types of key objectives be differentiated: (1) labor force objectives; (2) human capital objectives; and (3) strategic development objectives. For each objective, labor admission systems will attempt to address three main parameters/dimensions: (1) Quantity: how many foreign workers does a country want to receive to increase the labor force? (2) Characteristics: what characteristics should the selected migrants have (skill level, specific skills, broader social characteristics, integration ability, etc.)? (3) Conditions: what conditions and rules should govern the stay of foreign workers (length of permit, wage and work conditions, social benefits, rights)?

(ii) Countries differ in the importance given to, and at times, the direction of, the objectives outlined above. To highlight the importance of differentiation, three stylized country economy profiles are investigated: (1) settlement economies characterized by low demographic density and desire to have larger labor force (e.g., Australia, Canada, and New Zealand); (2) non-settlement aging economies characterized by aging from above (increasing life expectancy) and below (decreasing total fertility rate/below reproduction level), with the prospect of a shrinking domestic labor force in the absence of migration (e.g., Europe, including Russia; Hong Kong, Singapore, and to some extent, the U.S.); and (3) resource-rich, low-population emerging economies characterized by a high share of immigrants in the labor force, a rapidly growing domestic labor force, and objectives of demographic balancing and jobs for the nationals (e.g., all six countries of the GCC).

(iii) Country objectives have a bearing on the design of admission policy and selection of policy instruments. In the context of expanding economies or settlement countries with expansionary labor force objectives, there will be little conflict between objectives, and hence they can be largely pursued in parallel with complementarities between admission instruments. But when labor force and national development objectives collide and policy makers have to operate under quantity constraints, admission policies and instrument selection will come under pressure, and policy trade-offs will emerge. In this case, receiving countries will find few best practices to address the trade-offs. The most advanced policy instruments used in settlement countries have been developed to accommodate expansionary labor force objectives. Such instruments are usually well developed and applied in settlement countries but they may
not always be suited to the specific restrictions of non-settlement aging and resource-rich, low-population emerging economies.

(iv) The review of existing admission systems highlights some important gaps left by the existing instruments when it comes to designing relevant admission systems against specific objectives and different country profiles. Specific gaps include: (1) difficulties in determining the right quantities and implementing numerical limits for admissions; (2) difficulties in linking labor admission systems to perceived labor market needs; and (3) difficulties with skill recognition, leading to issues of skill mismatch and over-qualification. Additionally, existing instruments are not sufficiently differentiated with regard to the specific objectives in different country profiles. Admission schemes for typical settlement countries are well developed; those for non-settlement aging countries are developed and applied in some countries; those for resource-rich, low-population emerging economies with priorities of jobs for national workers and demographic rebalancing are little developed and are essentially still works-in-progress.

(v) The review of admission policies of immigration-intensive countries suggests that this still a moving knowledge agenda with some lessons to draw on, but important trends are emerging. The key trends identified include:

- Admission policies exhibit an increasing selectivity for human capital along with increased reliance on employment-based selection to contribute to improved labor market performance and global competitiveness;
- There is a notable movement towards hybrid systems for the selection of foreign workers, with the selection of foreign workers conditional both on a valid job offer from a licensed company in the destination country and on a set of eligibility criteria defined by the government;
- Receiving countries are increasingly using provisional schemes as a transition path towards permanent residency and potentially as a screening device;
- There is also increasing reliance on employment-based temporary worker schemes as an alternative to immediate permanent labor migration to better adjust to changing economic conditions.

(vi) Many of these policy changes are still guided by political expedience, trial and error, and only to a very limited extent by rigorous M&E. This calls for making rigorous (quantitative and qualitative) M&E part and parcel of any policy design to achieve the stated objectives, avoid deception, and allow for faster policy adjustments.
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Appendix A: Policy Inventory of Admission Systems for Foreign Workers in Selected Receiving Countries

As of August 11, 2011

Key aspects of admission systems under review:

SCHEME TYPE & POLICY OBJECTIVES
- Scheme type: seasonal, temporary for specific employment sectors and skill categories, provisional schemes (education-to-residency, business-to-residency, work-to-residency), contract workers, permanent immigration, etc.
- Policy objectives and skill level: identified labor market needs, skill level, sectors of employment, type of occupations, workers' profile, screening, regional development, global competitiveness, etc.
- Residency rules and conditions: residency rules, permit length, change of employer (internal mobility), renewability, return, access to permanent residency, family reunification, wage and work conditions, social benefits, etc.

POLICY INSTRUMENTS & GOVERNANCE
- Selection mechanisms: employment-based/government-based and points systems/hybrid systems + labor market testing/shortage lists/quotas, caps and numerical targets/foreign worker levy
- Recruitment mechanisms: in-country recruitment after individual application to authorities, job-search visas, recruitment abroad, skill matching databases, recruitment agencies, pre-selection through bilateral programs, etc.
- Governance and enforcement mechanisms: authorities in charge, partners involved, governance mechanisms, operational aspects, responsibilities of each stakeholder, etc.

EVALUATION
- History and Reforms: starting date, evolution, reforms
- Admission Statistics: recent yearly admissions by scheme
- Assessment: available monitoring & evaluation results, reported policy issues

Traditional Immigration Countries under review:
- Australia
- Canada
- New Zealand
- United States

Other Receiving Countries under review:
- Denmark
- Hong Kong
- Singapore
- United Kingdom
### Scheme Type & Policy Objectives

<table>
<thead>
<tr>
<th>Scheme Name &amp; Type</th>
<th>Policy Objectives &amp; Skill Level</th>
<th>Residency Rules &amp; Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Skilled Migration (GSM) Program</td>
<td>Selecting high-skilled immigrants to fill occupations in demand in Australia and to maximize labor market performance of permanent immigrants and their children.</td>
<td>Family unification allowed. All new Australian permanent residents must wait for 2 years to become eligible for short term social security benefits (health, unemployment, disability, and others) and 10 years for Old Age and Disability Pensions. Immigrants or their sponsors must be able to support themselves and their families during the first 2 years. Wage equality with natives applies.</td>
</tr>
<tr>
<td>Employer Nomination Scheme (ENS)</td>
<td>(1) Allow Australian employers to face skills shortages in high skilled occupations; (2) Increase the competitiveness of Australian labor market; (3) Maintain training opportunities for domestic workers; (4) Ensure the integrity of the skilled migration program; (5) Ensure net benefit of immigration for the Australian economy.</td>
<td>Family unification allowed. All new Australian permanent residents must wait for 2 years to become eligible for short term social security benefits (health, unemployment, disability, and others) and 10 years for Old Age and Disability Pensions. Immigrants or their sponsors must be able to support themselves and their families during the first 2 years. Wage equality with natives applies.</td>
</tr>
<tr>
<td>Regional Sponsored Migration Scheme (RSMS)</td>
<td>(1) Encourage skilled immigration to areas outside the major coastal cities; (2) Allow Australian employers in low population areas to fill skills shortages in high skilled occupations; (3) Increase the competitiveness of Australian labor market; (4) Ensure the integrity of the skilled migration program; (5) ensure net benefit of immigration for the Australian economy.</td>
<td>Family unification allowed. All new Australian permanent residents must wait for 2 years to become eligible for short term social security benefits (health, unemployment, disability, and others) and 10 years for Old Age and Disability Pensions. Immigrants or their sponsors must be able to support themselves and their families during the first 2 years. Wage equality</td>
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</tbody>
</table>

### Policy Instruments & Governance

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<tr>
<th>Selection mechanisms</th>
<th>Recruitment mechanisms</th>
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<tbody>
<tr>
<td>Points systems with shortage list. Basic requirements: (1) Age under 50; (2) Competent in English; (3) Qualifications: post-secondary degree and skills assessment by relevant assessing authority; (4) Nominated occupation: nominated occupation on Skilled Occupation List; (5) Evidence of recent skilled work experience or having completed the Australian Study requirement. Points awarded for: (a) Age; (b) English language ability; (c) Australian or overseas skilled employment in nominated occupation or a closely related occupation undertaken in past 10 years; (d) Qualifications: Australian or recognized overseas (by relevant assessing authority); (e) Australian study requirement: min 2 years full-time; (f) Study in a regional area; (g) Completion of a recognized professional year; (h) Credentialed Community language; (i) Partner skills: primary applicant's partner meets threshold requirement for skilled migration visa; (j) Nomination by State/territory government; (k) Designated area sponsorship. A provisional points-tested visa with lower pass mark is available as a pathway for permanent residency. It requires regional sponsorship or sponsorship by a relative living in a designated area.</td>
<td>Application from abroad or in Australia to the Department of Immigration and Citizenship. Online visa application service. GSM visas come in several categories (subclasses), some of which are onshore and others offshore. Applicants must have their skills assessed as suitable for their occupation by a recognized assessing authority (outlined on the Skilled Occupation Lists by DIOC). The Department of Immigration and Citizenship is the authority in charge of processing visa applications and issuance, and enforcing immigration laws and border control. Applications introduced in 1979. In 1997, waiting period for eligibility for short term social benefits increased to 2 years. 1999 reforms led to a strengthening of the points test requirements related to skills, age and Australian proficiency + compulsory skill recognition by a relevant assessing authority. Language requirements increased in 2007. Further amendments to points test made in 2011.</td>
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### Evaluation

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<tr>
<td>The first points test introduced in 1979. In 1997, waiting period for eligibility for short term social benefits increased to 2 years. 1999 reforms led to a strengthening of the points test requirements related to skills, age and Australian proficiency + compulsory skill recognition by a relevant assessing authority. Language requirements increased in 2007. Further amendments to points test made in 2011.</td>
<td>59,892 entries in 2009-2010 among which 37,315 independent, 18,889 state/territory sponsored, and 3,688 Australian sponsored.</td>
<td>Since the 1999 reform, skilled migration has grown substantially both in absolute and relative terms, accounting for 64% of the total immigration program entries in 2009-2010. Skilled migration has outgrown family immigration (35.7% of the total immigration in 2009-2010), leading to an increasing share of high skilled workers in the immigrant population. Top occupations for skilled immigrants in late 2000s include accountants, computing professionals, nurses, engineers, managers and medical practitioners. Higher skills, language requirements, and the steady growth of employment-based immigration have contributed to improved labor market outcomes among immigrants, with particularly high employment rates among skilled immigrants. Employment-based immigration represented 38% of skilled immigration in 2009-2010, with many applicants already in Australia on a temporary visa. Despite reported problems of over-qualification, labor market integration of skilled immigrants and their children is very favorable in international comparison.</td>
</tr>
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</table>

### Employer Nomination Scheme (ENS)

**Employment-based Immigration Scheme for High Skilled Foreign Workers**

1. Allow Australian employers to face skills shortages in high skilled occupations; 2. Increase the competitiveness of Australian labor market; 3. Maintain training opportunities for domestic workers; 4. Ensure the integrity of the skilled migration program; 5. Ensure net benefit of immigration for the Australian economy.

**Employment-based with shortage list.** Application open to highly-skilled foreign workers abroad or in Australia on a temporary visa. Workers with valid application for the General Skilled Migration Program are eligible for a fee-free visa application. Functional English for applicants and their family members is required. An extra fee for language training is charged if English requirements are not met. Employers search for suitable workers through socio-professional networks or the Skill Matching Database available from the Department’s website and including foreign workers who have applied to the General Skilled Migration Visa and are ready to be sponsored by an employer. Employers pay a fee when filling a nomination through the ENS. Applicant workers file a visa application once the employer nomination is approved by DIOC. 7,077 entries in 2003-2004, 30,268 entries in 2009-2010. 11.5% increase from 2008-2009.

**Regional Sponsored Migration Scheme (RSMS)**

**Employment-based Immigration Scheme for High Skilled Foreign Workers in Peripheral Regions of Australia**

1. Encourage skilled immigration to areas outside the major coastal cities; 2. Allow Australian employers in low population areas to fill skills shortages in high skilled occupations; 3. Increase the competitiveness of Australian labor market; 4. Ensure the integrity of the skilled migration program; 5. ensure net benefit of immigration for the Australian economy.

**Employment-based with regional sponsorship.** Application open to highly-skilled foreign workers abroad or in Australia on a temporary visa. The nominated position must be located in a regional or low population growth area of Australia and the applicant must hold a post-secondary degree. Workers with valid application for the General Skilled Migration Program are eligible for a fee-free visa application. Functional English for applicants and their family members is required. An extra fee for language training is charged if English requirements are not met. Employers search for suitable workers through socio-professional networks or the Skill Matching Database available from the Department’s website and including foreign workers who have applied to the General Skilled Migration Visa and are ready to be sponsored by an employer in a low population area. The employer has to obtain the certification of a Regional Nominating body before filling the nomination to DIOC. Applicant workers file a visa application once the certified employer nomination is approved by DIOC. 2,183 entries in 2003-2004, 10,213 entries in 2009-2010. 15.9% increase from 2008-2009.
### Labor Agreements

| Employment-based Immigration Scheme for High Skilled Foreign Workers | Allow employers for the recruitment of a specified number of skilled workers from overseas to fill identified skill shortages while ensuring the commitment of employers to the longer term improvement of employment and training for domestic workers. | Family unification allowed. All new Australian permanent residents must wait for 2 years to become eligible for short term social security benefits (health, unemployment, disability, and others) and 10 years for Old Age and Disability Pensions. Immigrants or their sponsors must be able to support themselves and their families during the first 2 years. Wage equality with natives applies. | Employment-based. Application open to highly-skilled foreign workers abroad or in Australia on a temporary visa. Workers with valid application for the General Skilled Migration Program are eligible for a fee-free visa application. Functional English for applicants and their family members is required. An extra fee for language training is charged if English requirements are not met. | Employers search for suitable workers through socio-professional networks or the Skill Matching Database available from the Department’s website and including foreign workers who have applied to the General Skilled Migration Visa and are ready to be sponsored by an employer in a low population area. The employer enters in a formal Labour Agreement with DIC after providing evidence of skill shortage, potential benefits for the Australian economy and salary and work conditions offered. Once the Labour Agreement is accepted, the employer files the nomination to DIC. Applicant workers file a visa application once the employer nomination is approved by DIC. | Item | 306 entries in 2009-2010. |

### Business Skills

| Provisional or permanent immigration scheme for business people and investors | Attract business people and investors committed to use their business skills and/or investment to contribute to economic development of specific areas. In particular, Australia is actively encouraging business people to contribute to local economic development in regional, rural or low growth areas of the country. | The majority of business people enter Australia on a provisional visa for 4 years and, after positive screening of their business or investment activity, apply for permanent residency. High level business immigrants can have direct access to permanent residency with sponsorship by a local government. Family unification allowed. | Applicants for Business Skills visas must demonstrate that they will provide valuable input to the Australian economy by their active involvement in business ownership or activities which brings one of the following contributions: (1) develop links with international markets; (2) create or maintain employment in Australia; (3) export Australian goods or services; (4) produce goods or services that would otherwise be imported; (5) introduce new or improved technology; (5) add commercial activity or competitiveness within sectors of the Australian economy. Applicants for Investor visas must maintain their investment for 4 years before having access to permanent residency. Sponsorship by local governments is available for each visa category and brings substantial concessions to attract investments in lagging or peripheral areas. | Applicants are in charge of filing their application to the Department of Immigration and Citizenship. In case of sponsorship by a local government, applicants must obtain a sponsorship approval by a local government representative. | The Department of Immigration and Citizenship is the authority in charge of processing visa applications and issuance. Business Skills visa holders must complete surveys to monitor their business activity in Australia. | 6,789 entries in 2009-2010. |

### Distinguished Talent

| Permanent immigration scheme for people with extraordinary skills or talents | Attract individuals with extraordinary talent in a specific profession, the arts, sports, or research and academia, who will have no difficulty in integrating into the Australian labor market and will bring a significant positive contribution to the Australian society. | Family unification allowed. All new Australian permanent residents must wait for 2 years to become eligible for short term social security benefits (health, unemployment, disability, and others) and 10 years for Old Age and Disability Pensions. Immigrants or their sponsors must be able to support themselves and their families during the first 2 years. Wage equality with natives applies. | Applicants must demonstrate that they have an internationally recognized record of outstanding achievement in their field, would bring a significant positive contribution to the Australian society, would be financially independent and would be well integrated in the labor market. All applicants must obtain a nomination from an Australian citizen, permanent resident or an Australian organization with national reputation in the applicant’s area of expertise. The nominator should provide attestation of the applicant’s international standing in the area. | The nominator provides a comprehensive statement of the applicant’s standing in his field. The nomination form is sent together with the application to DIC. | The Department of Immigration and Citizenship is the authority in charge of processing visa applications and issuance, and enforcing immigration laws and border control. | 199 entries in 2009-2010. |
### Australia (2): Main Temporary and Provisional Admission Schemes

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<tr>
<th>Scheme Name &amp; Type</th>
<th>Policy Objectives &amp; Skill Level</th>
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<tr>
<td>Skilled Graduate Program</td>
<td>Temporary scheme for overseas graduates from Australian universities</td>
<td>Allow foreign graduates from Australian universities who are unable to pass the points test to remain in Australia temporarily to gain the skills and experience needed for a successful application to the General Skilled Migration visa.</td>
<td>18 months visa. Possibility to apply for a permanent General Skilled Migration visa at any time during the 18 months while holding the visa. Family unification allowed. Temporary workers are required to maintain private health insurance for themselves and their family during their stay. Wage equality with domestic workers applies.</td>
<td>Government-based. Graduates under age 50 who have completed an eligible qualification as a result of at least 2 years study in Australia and have the skills, attributes and qualifications that meet the Australian standard for an occupation on the Skilled Occupation List (SOL).</td>
<td>Recent graduates from Australian universities send their application directly to DIC.</td>
<td>The Department of Immigration and Citizenship is the authority in charge of processing visa applications and issuance, and enforcing immigration laws and border control.</td>
<td>Initiated in 2001.</td>
<td></td>
</tr>
<tr>
<td>Temporary Business Sponsorship (subclass 457)</td>
<td>Employment-based temporary scheme for skilled workers</td>
<td>Address temporary shortages in nominated skilled positions in Australia.</td>
<td>Between 1 day and 4 years. Eligible for permanent residency after 2 years of temporary residency. Possibility to change employer (internal mobility). Family unification allowed. Temporary workers are required to maintain private health insurance for themselves and their family during their stay. Wage equality with domestic workers applies.</td>
<td>Employment-based with shortage list (nominated occupations). English proficiency is required.</td>
<td>The employer first applies with DIC to become an eligible business sponsor and then processes a nomination for the position to be filled. The applicant worker files a visa application once the employer nomination is approved by DIC.</td>
<td>The Department of Immigration and Citizenship is the authority in charge of processing visa applications and issuance, and enforcing immigration laws and border control. The employer has an obligation to provide records and information on the employee as requested by the Minister.</td>
<td>Visa extension to 4 years since 1996. Since 2009, employers are required to match the market pay rates of domestic workers and commit to train their own workforce.</td>
<td>67,980 entries in 2009-2010. 68,400 primary visa holders in Australia in June 2010. Steady rise in entries since early 2000s.</td>
</tr>
<tr>
<td>Pacific Seasonal Worker Pilot Scheme</td>
<td>Seasonal scheme for low-skilled agricultural workers</td>
<td>Address seasonal shortages of low-skilled farm workers in the horticulture industry where seasonal migrants to gain valuable work experience abroad and contribute to local economic development at home through remittances, employment experience and training.</td>
<td>7 months (at least 6 months) in any 12 months, multiple entries possible, return possible if compliance with visa conditions. No possibility to apply for another visa while in Australia. No family unification. Seasonal workers are required to maintain private health insurance during their stay and to cover half of their travel and living expenses. The employer covers the other half. Wage equality with domestic workers applies.</td>
<td>Memoranda of Understanding between the Australian government and the governments of Kiribati, Papua New Guinea, Tonga, and Vanuatu to select low-skilled farm workers willing to perform seasonal work in the horticulture industry in Australia.</td>
<td>Workers interested in participating in the seasonal pilot scheme first contact their government for placement with approved Australian employers.</td>
<td>The Department of Education, Employment and Workplace Relations (DEEWR) administers the program and acts as lead agency.</td>
<td>Initiated in 2008. Because of the economic downturn only 56 workers have participated in the pilot to date.</td>
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<tr>
<td>Working Holiday Maker Program</td>
<td>Temporary scheme for young people interested in a working &amp; tourism experience</td>
<td>(1) Encourage cultural exchange with selected industrialized countries. (2) Promote the tourism industry in Australia. (3) Help employers in regional Australia address short-term labor needs in specified industries. (4) Reciprocally allow for young Australians to undertake working holidays abroad with arrangement countries.</td>
<td>Up to 12 months with possibility to work up to 6 months with each employer and study up to 4 months. Applicants who have performed specified work in an eligible regional area for a min of 3 months while on their first visa can apply for a second Working Holiday Visa. No family unification. WHM workers required to maintain private health insurance during their stay. Wage equality with domestic workers applies.</td>
<td>Visa available to applicants aged 18 to 31 and holding a passport from Belgium, Canada, Cyprus, Denmark, Estonia, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Korea, Malta, Netherlands, Norway, Sweden, Taiwan and UK.</td>
<td>Applicants are in charge of filing their application with the Department of Immigration and Citizenship.</td>
<td>The Department of Immigration and Citizenship is the authority in charge of processing visa applications and issuance, and enforcing immigration laws and border control.</td>
<td>Initiated in 1975. 175,739 entries in 2009-2010. Half of WHMs have university degrees, are geographically mobile and willing to work in a variety of low-skilled/low paid jobs. The supply of WHM labor is valuable for agricultural employers in regional Australia. But the majority of WHM work is low skilled in the cities, where they compete with local students seeking similar jobs. WHM is mostly a tourism export and cultural exchange program rather than a temporary labor supply scheme.</td>
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</table>
More selective immigration rules for improved labor market outcomes for immigrants and their children: since 1999, Australia has moved towards a more selective immigration system targeted at high skilled foreign workers and improved labor market performance of immigrants and their children. Strengthened points test requirements related to skills, age and English proficiency and the compulsory skill recognition by a relevant assessing authority have contributed to increase the skill level and employment rates of economic immigrants. Moreover, the waiting period for eligibility for short term social benefits increased to 2 years, providing a strong incentive for newcomers to enter quickly into employment. Foreign workers admitted under the skilled migration program now represent the majority of immigrants in Australia. By increasing the selectivity of its admission system, Australia has improved the labor market outcomes of skilled immigrants and their children, both in absolute terms and in comparison with other traditional immigration countries.

A mix of government-based and employment-based system for the selection of skilled immigrants: Australian has built a hybrid selection system (Papademetriou et al., 2008) for skilled foreign workers, which combines points testing, shortage skills lists, employer-sponsorship and local government sponsorship, and transitional temporary schemes towards permanent residency. This skilled immigration system allows for maximizing the labor market performance of skilled immigrants and their children while addressing the labor market shortages faced by Australian employers from the short to the longer term, including in lagging regions. The flexibility of the system is enhanced by mechanisms such as the Skill Matching Database for applicants under the points system who are willing to be sponsored by an employer, or the Skilled Recognized Graduate Program for foreign graduates of Australian universities willing to gain further experience for an application under the points system. The temporary business sponsorship can also be used as a provisional program towards permanent residency.

Key sources and websites:
Department of Immigration and Citizenship: http://www.immi.gov.au

References:


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<tr>
<td><strong>Skilled Worker Program</strong></td>
<td>Points System for Permanent Immigration of High Skilled Foreign Workers</td>
<td></td>
<td>A successful application provides access to permanent resident status with equal work and social protection conditions as for Canadian citizens. Permanent residents can sponsor spouses and family dependents.</td>
<td>Applicants directly submit their application form and fee to Citizenship and Immigration Canada (CIC).</td>
<td>Federal Program. Open to all countries. Citizenship and Immigration Canada (CIC), within the Ministry of Citizenship, Immigration and Multiculturalism, is the authority in charge. CIC handles applications and issues permanent resident visas through visa offices abroad.</td>
<td>Initiated in 1967, reformed in 2002 with the Immigration and Refugee Protection Act to give more importance to human capital in a broader sense, including capacities to adapt to a flexible and changing labor market, to perform in the knowledge economy and to adjust to a new cultural environment.</td>
<td>40,735 entries + 55,227 spouses and dependents, representing 38.1% of permanent immigrants and 0.27% of Canada's population in 2009. 470,052 entries + 651,905 s.d. from 2000 to 2009.</td>
<td>Immigrants underperform on the labor market: lower participation rates, higher unemployment rates and lower total income when compared to native workers. This suggests skill mismatches and difficulties to forecast labor market needs through a government-based process as opposed to employment-based temporary schemes. The adoption of new selection criteria in 2002 has improved the economic performance of selected workers. Empirical analysis suggests that language abilities and previous work experience in Canada have a positive impact on economic performance.</td>
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<tr>
<td><strong>Business Immigration Program</strong></td>
<td>Points system for permanent immigration of Business People</td>
<td></td>
<td>Idem</td>
<td>Idem</td>
<td>Idem</td>
<td>Initiated in 1967, reformed in 2002 with the Immigration and Refugee Protection Act to give more importance to human capital in a broader sense, including capacities to adapt to a flexible and changing labor market and to a new cultural environment.</td>
<td>3,423 entries + 8,736 spouses and dependents, representing 4.7% of permanent immigrants and 0.03% of Canada's population in 2009. 32,532 entries + 84,895 s.d. from 2000 to 2009.</td>
<td>To early for assessment but evidence that foreign workers with previous Canadian work experience have better employment and earning outcomes than immigrants with no pre-immigration human capital (Sweetman and Warman, 2009) suggesting that this scheme can play a screening role to select the best workers and improve LM outcomes of immigrants.</td>
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<tr>
<td><strong>Canadian Experience Class</strong></td>
<td>Government-based provisional scheme for skilled workers</td>
<td>Idem</td>
<td>Government-based. Application while working in Canada (within 1 year of living the current job). No points system applied. To become eligible, foreign workers need 2 years of work experience or a degree from a Canadian post-secondary institution and one year of full-time skilled experience over a 36-month period prior submitting the application.</td>
<td>Idem</td>
<td>Idem</td>
<td>Initiated in 2008</td>
<td>1,775 entries + 770 spouses and dependents, representing 1% of permanent immigrants and 0.007% of Canada's population in 2009.</td>
<td>Strong increase in number of applicants from 368 in 2000 to 11,801 in 2009. Provinces increasingly use PNP s to recruit semi-skilled to high-skilled workers on probationary periods to screen potential permanent immigrants in demand in the local economy.</td>
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<tr>
<td><strong>Provincial Nominee Program</strong></td>
<td>Permanent immigration scheme for skilled workers at the provincial level</td>
<td>Idem</td>
<td>Idem</td>
<td>Idem</td>
<td>Idem</td>
<td>Initiated in 1991</td>
<td>11,801 entries + 18,577 spouses and dependents, representing 12.1% of permanent immigrants and 0.08% of Canada’s population in 2009. 38,749 entries + 67,843 s.d. from 2000 to 2009.</td>
<td>Strong increase in number of applicants from 368 in 2000 to 11,801 in 2009. Provinces increasingly use PNP s to recruit semi-skilled to high-skilled workers on probationary periods to screen potential permanent immigrants in demand in the local economy.</td>
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<tr>
<td>Temporary Foreign Workers Program</td>
<td>Employment-based temporary scheme for skilled workers</td>
<td>Address temporary skill shortages across sectors that cannot be filled by Canadian citizens and permanent residents. Improving flexibility and efficiency of the labor market for increased business productivity while avoiding displacing domestic workers and bidding down wages for permanent residents.</td>
<td>Variable length of work permits, tied to one employer. Same wage and work conditions as permanent residents. Family unification allowed. Contribution to Canadian Pension Plan.</td>
<td>Employment-based with labor market test: Labor Market Opinion (LMO) issued by Human Resources and Skills Development Canada (HRSDC). Work permit issued by Citizenship and Immigration Canada (CIC) if positive LMO. Certain job categories do not require an LMO. Employers recruit abroad (possibly through a recruitment agency) and send the application to HRSDC for the LMO. Employers pay all recruitment fees. If a positive LMO is received the employee applies to CIC for a work permit from abroad.</td>
<td>Federal Program. Open to all countries. Human Resources and Skills Development Canada (HRSDC) is in charge of issuing the Labour Market Opinion (labor market test) and ensuring equal wages and occupational standards as for permanent residents. Citizenship and Immigration Canada (CIC) is in charge of issuing the work permits. Employers must ensure that each foreign worker has a social security number.</td>
<td>Initiated in 1973 under the name of Non-Immigrant Employment Authorization Program</td>
<td>Total of Temporary Foreign worker entries in 2000: 116,540; in 2009: 178,478. Average of 136,019 in 2000s. 1,581 entries of workers without LMO and 81,736 workers with LMO (including the 3 programs below) representing respectively 0.9% and 45.8% of total entries of foreign workers in Canada in 2009.</td>
<td>Increased reliance on temporary workers as a flexible alternative to the points system for permanent skilled immigrants.</td>
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<tr>
<td>Post-Graduation Work Permit Program</td>
<td>School-to-work temporary scheme for foreign students graduated in Canada</td>
<td>Allow for foreign graduates of Canadian post-secondary training institutions to gain temporary work experience in Canada.</td>
<td>Work permit cannot be longer than duration of study program if less than 2 years or study more than 2 years, work permit up to 3 years. Internal mobility allowed. Same wage and work conditions as permanent residents. Family unification allowed. Contribution to Canadian Pension Plan.</td>
<td>Government-based. For full time students who have completed a program study of at least 8 months in a post-secondary institution. No Labor Market Opinion. Students with valid study permit apply for a work permit within 90 days of receiving written confirmation of completing academic program. Students pay all application processing fees.</td>
<td>Federal Program. Open to all countries. Citizenship and Immigration Canada (CIC) is in charge of issuing the work permits. Employers must ensure that each foreign worker has a social security number.</td>
<td>Initiated in 2008</td>
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<tr>
<td>Pilot Project for occupations requiring low level of training</td>
<td>Employment-based temporary scheme for low-skilled workers</td>
<td>Address temporary shortages in certain low-skilled occupations across sectors that require at most a high school diploma or max 2 years of job-specific training.</td>
<td>Maximum of 24 months permit renewable (if successful labor market test). Permit tied to employer. Employers pay roundtrip transport costs and support workers in finding housing. Same wage and work conditions as permanent residents. Family unification allowed. Contribution to Canadian Pension Plan.</td>
<td>Employment-based with labor market test: Labor Market Opinion (LMO) issued by Human Resources and Skills Development Canada (HRSDC). Work permit issued by Citizenship and Immigration Canada (CIC) if positive LMO. Employers recruit abroad and send the application to HRSDC for the LMO. Employers pay all recruitment fees. If a positive LMO is received the employee applies to CIC for a work permit from abroad.</td>
<td>Federal Program. Open to all countries. Human Resources and Skills Development Canada (HRSDC) is in charge of issuing the Labour Market Opinion (labor market test) and ensuring equal wages and occupational standards as for permanent residents. Citizenship and Immigration Canada (CIC) is in charge of issuing the work permits. Employers must ensure that each foreign worker has a social security number.</td>
<td>Initiated in 2002, reformed in 2007 to extend the maximum duration of the permit from 12 to 24 months.</td>
<td>2,592 entries representing 2.3% of total entries of temporary foreign workers in 2002. 19,656 entries representing 11% of total entries of temporary foreign workers in 2009. 81,560 entries from 2002 to 2009. 38,255 workers present on Dec 1st 2009.</td>
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<tr>
<td>Seasonal Agricultural Workers Program</td>
<td>Seasonal scheme for agricultural workers</td>
<td>Address seasonal shortages of low-skilled farm workers in the agricultural sector (harvesting and other peak activities).</td>
<td>Up to 8 months per year renewable. Permit tied to employer. Compulsory return after work completed – at least 4 months in home country before re-entry in Canada, no access to permanent residency. No family unification. Travel costs partially covered by employer, housing covered by the employer. Same wage and work conditions as permanent residents. Contribution to Canadian Pension Plan.</td>
<td>MOU between Canada and receiving countries: originally with Jamaica, then expanded to Mexico and other Caribbean States. Quotas and labor market test. The State Employment Service in Mexico and Ministries of Labor in Caribbean countries select and recruit the candidates. Employers in Canada must obtain approval from HRSDC and demonstrate their incapacity to find sufficient domestic workers.</td>
<td>The administration of the program is outsourced by HRSDC to the Foreign Agricultural Resource Management Service (FARMS) funded by Canadian growers. Employers must ensure that each foreign worker has a social security number.</td>
<td>Initiated in 1966</td>
<td>16,710 entries representing 14.3% of total entries of temporary foreign workers in 2000. 23,372 entries representing 13.1% of total entries of temporary foreign workers in 2009. 203,233 entries from 2000 to 2009. 23,437 workers present on Dec 1st 2009.</td>
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</table>
Live-in caregivers
Temporary scheme for domestic workers

Address temporary shortages in domestic workers, caring for children, the elderly or the disabled and living in the home where they work. Minimum skill requirements are completion of secondary school degree, English or French language ability and 6 months of full time training or 12 months of paid work experience related to the job.

4 year work permit tied to one employer. Permit tied to employer. The worker lives with the employer in a private home and works on a full-time basis. Employers pay roundtrip transport costs. Eligible for permanent residency after 24 months or 3,900 hours of full-time employment in a period of 4 years from the date of arrival. Same wage and work conditions as permanent residents. Family unification allowed. Contribution to Canadian Pension Plan.

Employment-based with labor market test: Labor Market Opinion (LMO) issued by Human Resources and Skills Development Canada (HRSDC). Work permit issued by Citizenship and Immigration Canada (CIC) if positive LMO. Employers recruit abroad (possibly through a recruitment agency) and send the application to HRSDC for the LMO. Employers pay all recruitment fees. If a positive LMO is received, the employee applies to CIC for a work permit from abroad.

Federal Program. Open to all countries. Human Resources and Skills Development Canada (HRSDC) is in charge of issuing the Labour Market Opinion (labor market test) and ensuring equal wages and occupational standards as for permanent residents. Citizenship and Immigration Canada (CIC) is in charge of issuing the work permits. Employers must ensure that each foreign worker must have a social security number.


2,684 entries representing 2.3% of total entries of temporary foreign workers in 2000. 9,816 entries representing 5.5% of total entries of temporary foreign workers in 2009. 76,595 entries from 2000 to 2009. 38,608 workers present on Dec 1st 2009, 6,273 workers + 6,181 s.d. had access to permanent residency in 2009, representing 5% of permanent immigrants and 0.035% of Canada’s population. 32,353 domestic workers + 23,166 s.d. had access to permanent residency from 2000 to 2009.

Comments:

Limits of the points system for the selection of economic migrants: Existing evidence indicates that the government-based points system faces limitations in forecasting accurately the labor demand in the short run and matching immigrants’ skills supply with employers’ demand (Helly, 2010). In the years following their arrival, immigrants face greater difficulties than domestic workers on the labor market, underperforming in terms of wages and employment rates. In 2006, immigrants with a university degree had an unemployment rate of 11.4% compared with 2.9% for non-immigrants (Statistics Canada, Zietsma, 2007). In 2008, 42.1% of immigrants were overqualified for the position they occupied compared to 28.1% for non-immigrants (Statistics Canada, Gilmore, 2009).

Adjustment and alternatives to the points systems: 4 solutions to overcome the limits of the points system are being explored by Canada: (1) 2002 reform aiming at improving the selection of skilled immigrants by broadening the selection criteria to maximize the adaptability and labor market insertion of immigrants and their families; (2) Canadian Experience Class introduced in 2008 to allow for screening foreign students and skilled workers before granting them permanent residency; (3) decentralized the government-based selection process to provinces through the Provincial Nominee Program to make the admission system more responsive to local labor market needs; (4) increasing reliance on temporary foreign workers to increase flexibility and skills matching on the labor market in the short run with potential downward pressure on wages.

Labor Market Opinion for admission of temporary foreign workers: The goal of the Temporary Foreign Worker Program is to allow Canadian businesses to recruit foreign workers with a broad range of skills to meet temporary labor shortages while avoiding displacing domestic workers and bidding down wages. The purpose of the Labor Market Opinion issued by HRSDC is to make sure that no suitable permanent residents are available to fill the jobs offered to foreign workers and that the temporary entry of these workers on the Canadian labor market will have no negative impact on wages. This is the responsibility of employers to demonstrate that they are unable to find suitable permanent residents to fill the positions offered and that the entry of the applicant workers will have no negative impact on the domestic labor market.

Key sources and websites:

Human Resources and Skills Development Canada ( http://www.rhdcc-hrsdc.gc.ca)
Citizenship and Immigration Canada: http://www.cic.gc.ca
Metropolis Canada: http://canada.metropolis.net/
OECD Directorate for Employment, Labour and Social Affairs. International Migration Policies: http://www.oecd.org/department/0,3355,en_2649_33931_1_1_1_1_1,00.html

References:


### DENMARK: Main Temporary & Provisional Admission Schemes

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<td><strong>Greencard scheme</strong></td>
<td>Attract high-skilled workers (min Bachelor’s degree) with a high potential of successful labor market integration in Denmark.</td>
<td>18 months initially, possible first extension of 2½ years, second extension up to 4 years. Possible access to permanent residency permit through a points system after 4 years of legal residency. Same wage, work and social protection conditions as native workers. Family unification allowed.</td>
<td>Points system with shortage list. Points awarded for: (1) educational level: minimum equivalent to Danish Bachelor’s degree; (2) language skills: points for one Scandinavian language and for either English or German; (3) work experience: points for research experience or experience in occupations on the shortage list (Positive List) within the last 5 years; (4) adaptability: points for Danish language skills and education or work experience in a European country; (5) age: points if age below 40.</td>
<td>Individual application to the Danish Immigration Service. Web portal with jobs &amp; CV database to facilitate matching between foreign jobseekers and Danish employers: Workindenmark.dk</td>
<td>The Danish Immigration Service within the Ministry of Refugee, Immigration and Integration Affairs is the agency in charge of processing applications and issuing visas.</td>
<td>Introduced in 2007 and included as independent category in July 2008 under the new Job Plan.</td>
<td>156 permits granted in 2008. 1,117 permits granted in 2009.</td>
<td></td>
</tr>
<tr>
<td><strong>Positive List</strong></td>
<td>Address short to long term shortages in skilled specific occupations requiring at least a professional bachelor’s level.</td>
<td>Residency permit granted or extended up to 3 months before passport expires. Extension possible if still in employment. In case of expiration of temporary job contract or redundancy, 6 extra months are allowed to look for a new job. If he/she finds a new job, the employee must apply for a new work and residency permit. Possible access to permanent residency permit through a points system after 4 years of legal residency. Family unification allowed.</td>
<td>Employment-based with shortage list of qualified professionals (the Positive List) including: academic work, construction, ITC, management, education, social &amp; religious work, sales, marketing, healthcare &amp; personal care, postal services, storage, education &amp; tuition. Minimum professional bachelor’s degree required. Salary and employment conditions must meet Danish standards.</td>
<td>Application to the Danish Immigration Service filed both by the employer and the employee. Web portal with jobs &amp; CV database to facilitate matching between foreign jobseekers and Danish employers: Workindenmark.dk</td>
<td>Idem</td>
<td>Introduced in 2002 under the Job Card Scheme. Expansion of the Positive List introduced in July 2008 under the new Job Plan replacing the Job Card Scheme.</td>
<td>259 permits granted in 2008 (+844 under the old scheme). 200 permits granted in 2009.</td>
<td></td>
</tr>
<tr>
<td><strong>Pay Limit scheme</strong></td>
<td>Attract highly paid workers in Denmark.</td>
<td>Residency permit granted or extended up to 3 months before passport expires. Extension possible if still in employment. In case of expiration of temporary job contract or redundancy, 6 extra months are allowed to look for a new job. If he/she finds a new job, the employee must apply for a new work and residency permit. Possible access to permanent residency permit through a points system after 4 years of legal residency. Family unification allowed.</td>
<td>Employment-based with minimum gross annual salary of DKK 375,000. Salary and employment conditions must meet Danish standards.</td>
<td>Application to the Danish Immigration Service filed both by the employer and the employee. Web portal with jobs &amp; CV database to facilitate matching between foreign jobseekers and Danish employers: Workindenmark.dk</td>
<td>Idem</td>
<td>Introduced in 2002 under the Job Card Scheme. Reduction of min pay from DKK 450,000 to DKK 375,000 introduced in 2008 under the new Job Plan replacing the Job Card Scheme.</td>
<td>1,243 permits granted in 2008 (+109 under the old scheme). 2,057 permits granted in 2009.</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate scheme</strong></td>
<td>Allow multinational companies with operations in Denmark to transfer employees with special abilities or qualifications to work on innovative or educational projects.</td>
<td>Residency permit granted or extended up to 3 months before passport expires. The employee can alternate between working in Denmark and abroad. If the relationship btw the foreign company and the Danish branch ends, the residency permit will be revoked. Possible access to permanent residency permit through a points system after 4 years of legal residency. Family unification allowed.</td>
<td>Employment-based. Temporary employees do not qualify. The work performed in Denmark must be related to a specific project or be innovative or educational in nature. Salary and employment conditions must meet Danish standards.</td>
<td>The company is encouraged to obtain a corporate approval before the employee applies for a residency permit to make the application process faster. A corporate approval can be granted to a Danish company which is part of an international corporation with foreign subsidiaries.</td>
<td>Idem</td>
<td>Introduced in July 2008 under the new Job Plan.</td>
<td>13 permits granted in 2008. 199 permits granted in 2009.</td>
<td></td>
</tr>
</tbody>
</table>
Residency granted or extended up to 3 months before passport expires. Possible access to permanent residency permit through a points system after 4 years of legal residency. Family unification allowed.

Government-based with 3 conditions: (1) evidence of particular Danish business interests related to the establishment of the applicant’s business; (2) the applicant has access to sufficient funds to run the business; (3) the applicant’s presence is essential for business operations. Restaurants, retail shops and small business enterprises are excluded.

Individual application to the Danish Immigration Service

The Danish Immigration Service within the Ministry of Refugee, Immigration and Integration Affairs is the agency in charge of processing applications and issuing visas.

Since 2008 Denmark uses a hybrid admission system (Papademetriou et al., 2008) which mixes different selection mechanisms to screen and select high-skilled immigrants with strong employment and economic potential. It builds both on government-based selection mechanisms: points system and shortage list, and employment-based selection mechanisms.

All temporary foreign workers in Denmark are provisional programs eventually allowing for access to permanent residency through a points system. Foreign workers (except working holiday makers) can apply to permanent residency after 4 years holding a temporary residency permit in Denmark, and provided that they successfully pass a points test. The requirements associated with the points test include: (1) legal residency for at least 4 years; (2) no serious crime committed; (3) no overdue public debts; (4) no public assistance received in the past 3 years; (5) signed declaration of integration and active citizenship; (6) intermediary level in Danish; (7) have worked in Denmark for at least 30 of the 36 months; (8) having shown active citizenship by serving on a board or being active member of other organizations for at least 12 months; (9) one of the following: have worked in Denmark for at least 48 of the 52 months or have completed one educational program at a Danish School or have passed level 3 in Prøve i Dansk test.

Greencard scheme for study-to-work transition: recently graduated foreign students are allowed to stay in Denmark 6 months after completing their degree to look for work.

Key sources and websites:

New to Denmark: http://www.nydenmark.dk/en-us/coming_to_dk/work

Work in Denmark: https://www.workindenmark.dk/

References:


**HONG KONG: Main Temporary & Provisional Admission Schemes**

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<td><strong>Quality Migrant Admission Scheme</strong></td>
<td>Attract high-skilled workers (min Bachelor’s level) and talented persons to enhance HK’s economic competitiveness on the global labor market.</td>
<td>Initial 12 month permit. Extension granted if evidence of skilled employment, business creation or financial autonomy for individuals with extraordinary abilities. Access to permanent residency possible after 7 years of residency under the scheme. Family unification allowed if the applicant can support his/her family dependents without relying on public assistance. Permanent residency provides access to the same work and social protection conditions as for native workers.</td>
<td>Points system + quota. Prerequisites include: language proficiency in Chinese or English; tertiary education degree; and sufficient funding for self-maintenance without relying on public assistance. General Points Test with 5 scoring factors: (1) age; (2) academic or professional qualifications; (3) work experience; (4) language proficiency; (5) family background. Alternative points test for individuals with extraordinary talents who have either received an award of exceptional achievement or have been recognized by their peers for their exceptional achievement in their field.</td>
<td>Individual application to Immigration Department.</td>
<td>Immigration Department is the authority in charge of processing applications, issuing visas and controlling borders.</td>
<td>Introduced in June 2006. Increase in upper age limit and adjustment in mark scheme of points system in 2008 to increase attractiveness for talented foreign professionals.</td>
<td>1,479 entries in 2009. 1,808 entries in 2010.</td>
<td>Successful applicants under the GPT are mainly from Financial &amp; Accounting Services, ITC, and Commerce &amp; Trade. Increase in applications since 2008 changes in points test.</td>
</tr>
<tr>
<td><strong>Immigration Arrangements for Non-local Graduates (IANG)</strong></td>
<td>Retain foreign graduates of HK’s higher education institutions to participate in skilled employment or set up business with a significant impact on HK’s global competitiveness. Contribute to develop HK as a regional education hub.</td>
<td>Initial 12 month permit. Extension granted if secured skilled employment at market level. Time limitation on 2-3 years pattern for extended permits. Possibility to change employer during permitted stay (internal mobility). Access to permanent residency possible after 7 years of residency under the scheme. Family unification allowed if the applicant can support his/her family dependents without relying on public assistance. Permanent residency provides access to the same work and social protection conditions as for native workers.</td>
<td>Employment-based. Foreign graduates who apply within 6 months of their graduation can enter without job offer. Returning foreign graduates applying after 6 months of their graduation are required to secure a skilled job offer. In both cases, extension after initial 12 months permit can be granted only if the applicant has secured skilled employment at the market rate.</td>
<td>Individual application to Immigration Department.</td>
<td>Idem</td>
<td>Introduced in May 2008.</td>
<td>6,125 entries in 2009. 10,101 entries in 2010.</td>
<td></td>
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<tr>
<td><strong>General Employment Policy (GEP) and Admission Scheme for Mainland Talents and Professionals (ASMTP)</strong></td>
<td>Address short to long term shortages in skilled occupations without displacing native workers or bidding down wages. Attract business people and investors capable of bringing a significant positive contribution to HK’s economy. Enhance HK’s global competitiveness.</td>
<td>Initial 12 month permit. Extension granted if secured skilled employment at market level. Time limitation on 2-3 years pattern for extended permits or according to duration of employment contract, whichever is shorter. Possibility to apply for changing employer during permitted stay (internal mobility). Access to permanent residency possible after 7 years of residency under the scheme. Family unification allowed if the applicant can support his/her family dependents without relying on public assistance. Permanent residency provides access to the same work and social protection conditions as for native workers. Wage equality with natives applies.</td>
<td>Employment-based. Requirements: (1) higher education degree or relevant technical qualifications and professional experience; (2a) confirmed offer of skilled employment filling a genuine vacancy that cannot be readily filled by a national + remuneration package including income, accommodation, medical and other benefits; the prevailing market rate OR (2b) investor in a position to make a significant contribution to HK’s economy by joining or establishing a business (Chinese residents of the Mainland, and nationals of Afghanistan, Albania, Cambodia, Cuba, Laos, North Korea, Nepal and Vietnam excluded).</td>
<td>Individual application to Immigration Department. Applicants for entry for investment must nominate a local sponsor (company or individual).</td>
<td>Idem</td>
<td>ASMTP introduced in July 2003 with assessment criteria in line with GEP.</td>
<td>20,988 entries under GEP (among which 329 investors) + 7,854 entries under ASMTP in 2009. 26,881 entries under GEP+ 8,313 entries under ASMTP in 2010.</td>
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</tr>
<tr>
<td><strong>Capital Investment Entrant Scheme</strong></td>
<td>Attract investors who can make a significant contribution to HK’s economy without running any business.</td>
<td>Initial visitor status for 3 months, extended to another 3 months if evidence of active progress in investment. Permission to stay for 2 years if requisite level of investment reached after the 6 month-initial period + 2 years extensions possible if requirements still met. Access to permanent residency possible after 7 years of residency under the scheme. Family unification allowed if the applicant can support his/her family dependents without relying on public assistance. Permanent residency provides access to the same work and social protection</td>
<td>Government-based. Minimum capital investment of HK$10 million. The minimum investment level must be reached within 6 months of entry. The entrant is allowed to choose amongst the following permissible investment assets: equities, debt securities, certificate of deposits, subordinated debt, and eligible collective investment schemes. No need for the investor to establish or join a business.</td>
<td>Individual application to Immigration Department. Possibility for applicant to engage at his cost a Certified Public Accountant, member of HK Institute of Certified Public Accountants to issue the report on investment</td>
<td>Immigration Department is the authority in charge. Portfolio maintenance and ring-fencing requirements are imposed to ensure that the foreign investor does not reduce her/his investment while staying in HK under the scheme. The entrant can transact only in the specified financial asset in a designated account opened with a single</td>
<td>Introduced in October 2003. Investment threshold raised from HK$6.5 million to 10 million in October 2010.</td>
<td>7,221 entries in 2009 for total amount of HK$424.07 billion investment. 8,924 entries in 2010 for total amount of HK$63.31 billion.</td>
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| **Supplementary Labor Scheme**              | Allow HK employers to address temporary labor shortages in low to mid-skilled occupations while avoiding displacing local workers and bidding down wages and work conditions.  
Employment-based. The applicant must be suitably qualified and experienced for the specified job. Employers are required to pay a levy that goes into funding for training and retraining of vulnerable local workers changing employment in economic restructuring process. This entry arrangement does not apply to nationals of Afghanistan, Albania, Cambodia, Cuba, Laos, North Korea, Nepal and Vietnam.  
Employers first apply to the SLS application office of the Labor Department for approval-in-principle. When approval-in-principal granted, employers have 3 months to arrange the application of their prospective workers to Immigration Dept.  
Scheme administered by the Labor Department. Immigration Department is the authority in charge of processing applications, issuing visas and controlling borders. A Labor Advisory Board comprising representative from employers and labor unions is in charge of monitoring the scheme.                                                                 | Introduced in 1996.                                                                                                                                 |
| **Foreign Domestic Helpers**                | Allow HK families to hire domestic helpers on a temporary basis for support and relief on daily household tasks.  
2-year contract tied to the employer. At the end of the contract the helper must return to his/her place of origin for vacation before possibly re-entering (no internal mobility). Change of employer can be done only after the end of the contract and upon re-entry. No family unification. The employer must pay at least the minimum wage. The domestic helpers must work and reside in the contractual address.  
Employment-based. The employer must be HK resident and be financially capable of employing a domestic helper at least at the minimum wage and offering suitable accommodation with reasonable privacy. Employers are required to pay a levy (except for visas granted btw 1st August 2008 and 31st July 2013) that goes into funding for training and retraining of vulnerable local workers changing employment in economic restructuring process. This entry arrangement does not apply to nationals from China Mainland, Macau, Taiwan, Afghanistan, Albania, Cambodia, Cuba, Laos, North Korea, Nepal and Vietnam.  
Application to Immigration Department submitted by the employer on behalf of the domestic helper. The visa application form should be completed and signed by the helper and the employer should provide evidence of funding, identity, residency and copy of work contract.  
Immigration Department is the authority in charge of processing applications, issuing visas and controlling borders. Since 2003 the importation of foreign domestic helpers is a labor importation scheme under which employers are subject to pay the Employees Retraining Levy.                                                                 | The population of foreign domestic helpers in March 2010 was 273,609, about 49% and 48% of which came from Indonesia and the Philippines respectively. |
| **Working Holiday Scheme**                  | Facilitate cultural and educational exchange btw HK and partner countries through Youth exchange.  
Non-extendable and non-renewable 1 year permit. Possibility for temporary employment not more than 6 months for Korean nationals and 3 months for nationals from other countries. Possibility to enroll in education. No family unification. Self-funding: no recourse to public assistance.  
Government-based. Inter-government agreements with South Korea, Australia, Canada, Germany, Ireland, Japan, and New Zealand. Requirements: (1) age btw 18 and 30; (2) primary intention of stay in HK is holiday; (3) sufficient funding for self-maintenance during the stay; (4) return air ticket or corresponding amount; and (5) own medical insurance.  
Individual application to Immigration Department.  
Idem                                                                                                                      | Introduced in April 2001.                                                                                                                   |

**Comments:** Hong Kong’s recent schemes for high-skilled workers can be seen as provisional schemes that can potentially lead to permanent residency after 7 years of employment. As other receiving countries do, Hong Kong uses a mix of points system and employment-based selection mechanisms to recruit and screen skilled foreign workers. A key economic objective for Hong Kong is to enhance its competitiveness in the global economy through an aggressive selection policy across the skills spectrum.

**Key sources and websites:**

Immigration Department: [www.immd.gov.hk](http://www.immd.gov.hk)

**References:**


Hong Kong Immigration Department. 2011. *Immigration Department Year-end Briefing 2010*. Government of the Hong Kong Special Administrative Region.


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## Scheme Type & Policy Objectives

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<td><strong>Skilled Migrant Category</strong></td>
<td>Points System for Permanent Immigration of High Skilled Foreign Workers</td>
<td>Address long term labor market needs of New Zealand while contributing to growth, innovation and global connectedness. Strong demand for skilled foreign workers in the following industries: (1) education; (2) health; (3) ICTs; agriculture and farming; (4) engineering; (5) trades.</td>
<td>Access to permanent residency comes with equal work and social protection conditions as for native workers. Family unification allowed.</td>
<td>Points system. Basic requirements: age 20 to 55, English language proficiency, good health and good character. Points awarded for: (1) offer of skilled employment or current skilled employment in NZ – extra points if job offer in future growth area/areas of absolute skills shortage/outside of Auckland, or partner has a skilled job offer; (2) relevant work experience – extra points if experience in NZ and priority areas; (3) recognized post-secondary qualification assessed by NZ Qualifications Authority – extra points if recognized post-secondary qualification in NZ or priority areas, or partner with recognized qualification; (4) Age; (5) Relatives in NZ.</td>
<td>The applicant submits an Expression of Interest (EOI) in which he claims points for skills, experience and other selection factors. Immigration NZ sends an Invitation to Apply to successful EOIs. INZ makes full assessment of documents provided before granting a permanent visa.</td>
<td>Immigration New Zealand within the Department of Labour is the agency in charge of performing the labor market test, processing applications, issuing visas, and enforcing immigration rules.</td>
<td>Introduced in 1991. Reform of points system in 2007 granting bonus points for employment qualifications and work experience in identified future growth areas + points for study in NZ and for partner’s qualifications and skilled job offer.</td>
<td>27,011 approvals for residency in 2008-2009. SMC approvals accounted for 59% of all residency approvals in 2008-2009. 80% of principal applicants in the SMC were approved with a skilled job offer. High rates of employment and skill match for skilled principal immigrants. Selection criteria under the SMC lead to high labor market performance among principal immigrants.</td>
</tr>
<tr>
<td><strong>Long Term Skill Shortage List Work-to-Residence category</strong></td>
<td>Employment-based provisional scheme for skilled workers in high demand in New Zealand</td>
<td>Address long-term labor market shortages in skilled occupations. Screen the best candidates for high skilled immigration.</td>
<td>Work visa for up to 30 months with possibility to apply for permanent residency after 2 years work experience in an occupation on the Long Term Skill Shortage List (LTSSL). Access to permanent residency comes with equal work and social protection conditions as for native workers. Family unification allowed.</td>
<td>Employment-based with shortage list: Long Term Skill Shortage List (LTSSL) updated twice a year. The job offer must be for full time work in an occupation on the LTSSL, and for at least 2 years. Age limit: 53.</td>
<td>The applicant submits his application to INZ, including evidence of a valid job offer by a NZ employer.</td>
<td>Idem</td>
<td>Introduced in 2002.</td>
<td>From 2002 to 2009, 3,202 principal applicants have had access to an LTSSL provisional work permit, among which 1,539 people have had access to permanent residency. Former temporary work permit holders who transitioned to permanent residency display strong labor market outcomes and skill match. Many workers have access to permanent residency through the SMC system before reaching the 2 years term for work-to-residency admission, especially high-skilled workers on the LTSSL.</td>
</tr>
<tr>
<td><strong>Talent Work-to-Residence category for accredited employers</strong></td>
<td>Employment-based provisional scheme for skilled workers</td>
<td>Streamlined entry route to reward employers with good practices and screen the best candidates for high skilled immigration.</td>
<td>Work visa for up to 30 months with possibility to apply for permanent residency after 2 years work experience in the area of expertise. Access to permanent residency comes with equal work and social protection conditions as for native workers. Family unification allowed.</td>
<td>Employment-based with the following requirements: valid job offer for full time work for at least 2 years in the employer’s main business activity and with an annual salary of at least NZ$55,000.</td>
<td>Accredited employers must prove that they are financially viable, committed to training and employing New Zealanders and have sound employment practices. Applicants submit their application to INZ, including evidence of a valid job offer by an accredited employer.</td>
<td>Idem</td>
<td>Introduced in 2002.</td>
<td>From 2002 to 2009, 7,729 principal applicants have had access to a Talent accredited employer provisional work permit, among which 3,724 people have had access to permanent residency.</td>
</tr>
<tr>
<td><strong>Talent Work-to-Residence category for workers in arts, sports and culture</strong></td>
<td>Provisional scheme for talented workers in arts, sports and culture</td>
<td>Attract and screen high skilled workers with extraordinary talents in arts, sports and culture.</td>
<td>Work visa for up to 30 months with possibility to apply for permanent residency after 2 years work experience in the area of expertise. Access to permanent residency comes with equal work and social protection conditions as for native workers. Family unification allowed.</td>
<td>Government-based for talented workers in arts, sports and culture. Requirements: (1) age under 55; (2) international recognition of exceptional talent in a particular field that will contribute to NZ society; (3) support from a NZ organization of national reputation; (4) sponsorship by an individual or supporting organization.</td>
<td>Applicants submit their application to INZ with evidence of their talent and valid sponsorship.</td>
<td>Idem</td>
<td>Introduced in 2002.</td>
<td>From 2002 to 2009, 248 principal applicants have had access to a Talent provisional work permit, among which 118 people have had access to permanent residency.</td>
</tr>
</tbody>
</table>
Attract and screen entrepreneurs who want to establish a business in New Zealand as a step towards permanent residency. Business creation must have a positive impact on NZ economy.

Initial 9 months visa to establish the business, extended to 3 years if demonstrated progress in setting up the business. Possibility to apply for permanent residency after 2 years of self-employment and provided that the business created has benefited NZ. Access to permanent residency comes with equal work and social protection conditions as for native workers. Family unification allowed.

Applicants must (1) submit a sound business plan, (2) show relevant knowledge of NZ business environment, (3) demonstrate that their business will have a positive impact on NZ economy, (4) provide evidence of relevant business experience, and (5) provide evidence of sufficient funding to support themselves and their family dependents during their stay.

Applicants send their application including business plan and other required evidence base for assessment by INZ.

Employees of Relocating Businesses category

Employment-based provisional scheme for key employees of businesses relocating in NZ

Allow for entry of foreign workers participating actively to business relocation in NZ, which can have a positive impact on the local economy.

Possibility to apply for residency after 2 years employment in the relocated business. Access to permanent residency comes with equal work and social protection conditions as for native workers. Family unification allowed.

Employment-based. Applicants under this scheme must demonstrate that they are key employees of the relocating business and that they are unable to meet the criteria for approval under any other immigrant category. Functional English for the applicants and their family dependents is required (alternatively English training can be pre-purchased for family dependents).

Individual application to INZ including letter from business’s chief executive officer that provides information on the firm and its new location, the reasons for relocation, potential benefits for NZ economy, the role and importance of the applicant in the business, reasons why the applicant is not eligible to residency under other immigration categories + proof of current business operations.

Police and screen entrepreneurs who want to establish a business in New Zealand as a step towards permanent residency. Business creation must have a positive impact on NZ economy.

Initial 9 months visa to establish the business, extended to 3 years if demonstrated progress in setting up the business. Possibility to apply for permanent residency after 2 years of self-employment and provided that the business created has benefited NZ. Access to permanent residency comes with equal work and social protection conditions as for native workers. Family unification allowed.

Applicants must (1) submit a sound business plan, (2) show relevant knowledge of NZ business environment, (3) demonstrate that their business will have a positive impact on NZ economy, (4) provide evidence of relevant business experience, and (5) provide evidence of sufficient funding to support themselves and their family dependents during their stay.

Applicants send their application including business plan and other required evidence base for assessment by INZ.

NEW ZEALAND (2): Main Temporary Admission Schemes

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<td>Essential Skills category</td>
<td>Employment-based temporary scheme for skilled workers</td>
<td>Address temporary labor market shortages in skilled occupations while avoiding displacement of native workers and negative impacts on work and salary conditions. Max duration of 3 years/5 years for higher skilled with salary of at least NZ$ 55,000. Need to re-apply if changing employer (internal mobility allowed). Wage equality with natives applies. Family unification allowed if salary at least NZ$ 33,675 gross per year.</td>
<td>Employment-based with labor market test or shortage list. Assessment of qualifications, training and relevant work experience based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO). The job offer is either subject to a labor market test or corresponds to an occupation on the Essential Skills in Demand List.</td>
<td>If the occupation is not listed on the Essential Skills in Demand List, the employer has to demonstrate that no New Zealanders were suitable and available to do the advertised job. INZ conducts the LM test. If the offer of employment meets the requirements, applicants send their application to INZ with evidence of their qualifications, work experience, and valid offer of employment.</td>
<td>Immigration New Zealand within the Department of Labour is the agency in charge of performing the labor market test, processing applications, issuing visas, and enforcing immigration rules.</td>
<td>Introduced in 2008</td>
<td>37,278 work permits issued in 2008-2009.</td>
<td></td>
</tr>
<tr>
<td>Silver Fern category</td>
<td>Job-search visa</td>
<td>Allow for temporary entry of young skilled workers to search for skilled employment on a temporary basis. The Silver Fern Job-search visa allows foreign workers to enter NZ for 9 months to search for skilled employment. If successful in finding employment, Silver Fern visa holders can apply for a Silver Fern Practical Experience visa allowing up to 2 years work experience in NZ. Wage equality with natives applies.</td>
<td>Employment-based. Job search visa for skilled workers for 9 months with limit of 300 places per year. Applicants must be outside of NZ, aged 20-35, hold post-secondary education qualification, functional English, and have enough funds to support themselves during their stay. Successful job search allow for applying to a 2-year skilled work visa with no cap. The job offer must be for at least 12 months in full-time skilled employment.</td>
<td>Individual application to INZ online outside of New Zealand for job-search visa.</td>
<td>Idem</td>
<td>Introduced in 2009.</td>
<td>314 job search visas since introduction of the scheme. 18 two-years work permits issued in 2010-2011.</td>
<td></td>
</tr>
</tbody>
</table>
Study to Work category
Employment-based temporary scheme for employment of foreign students graduated in NZ

Allow for foreign graduates of NZ post-secondary training institutions to work temporarily in New Zealand.
Up to 2 years (3 years for registration from a NZ professional association requires it). Wage equality with natives applies.
Employment-based with job search visa. Students without job offer can apply for Graduate Work Search visa of max 12 months to search for skilled employment before applying for a further visa under the Study to Work category. Applicants must have completed a post-secondary qualification in NZ that would qualify for points under the Skilled Migration Category.
Individual application to INZ (no later than 3 months after graduation for job search visa)
Idem
Introduced in 2005.

Recognised Seasonal Employer Work category
Seasonal scheme for low-skilled agricultural workers

Address seasonal shortages of low-skilled farm workers in the viticulture and horticulture industry while allowing seasonal migrants to gain valuable work experience abroad and contribute to local economic development at home through remittances, employment experience and training.
Max 7 months in any 11 months period (9 months for Tuvalu and Kiribati residents)/ Return compulsory after work completed, re-entry possible if return to home country at the end of contract. The employer covers health care, housing and half of the travel costs. No family unification. Wage equality with natives applies.
Employment-based + Inter-Agency Understandings with 5 “kick start states”: Kiribati, Samoa, Tuvalu, Tonga, Solomon Islands, and Vanuatu. Annual quota (8,000 in 2010).
Community leaders in Pacific countries involved for the selection of potential seasonal migrant workers. Applicants need a job offer from a recognized employer before sending their application to an INZ branch in the Pacific.
The RSE scheme is developed through the coordination of the Dpt of Labour, the Ministry of Social Development, and New Zealand’s International Aid and Dpt Agency (NZAID) in New Zealand, and collaboration with ministries of labour and community leaders in Pacific countries involved for the selection of potential seasonal migrants.
Introduced in 2007 with a cap of 5,000 workers. Cap raised to 8,000 in 2008. Since 2009 employers have more flexibility to recruit workers outside the Pacific region if they already have pre-established relationship with workers from other countries.
Positive results from evaluations conducted by the Dpt of Labor. Employers reportedly benefit from a reliable and productive workforce. Most workers are subsistence farmers and return home with savings. Small number of overstays. Satisfied employers tend to recruit the same workers from one season to the next and invest in training, new equipment, and better work & living conditions. Constant M&E has allowed improvements regarding implementation.

Working Holiday Scheme
Temporary scheme for young people interested in a working & tourism experience in NZ.
Encourage cultural exchange with selected countries. Promote the tourism industry in NZ. Help employers addressing short-term labor needs in specified industries including viticulture & horticulture. Reciprocally allow for young New Zealanders to undertake working holidays abroad with arrangement countries.
Up to 12 months (12 months for UK citizens). Working holiday makers who have worked in the horticulture or viticulture industries for at least 3 months are eligible for a 3 month-extension of their visa. No family unification. WHMs hold their own medical insurance during their stay.
Visa available for citizens of a set of 34 countries. Cap for certain countries. Requirements: (1) age 18-30; (2) no family dependents; (3) sufficient funding to return and meet living costs during the stay; (4) good health and character; (5) hold medical insurance during the stay; (6) tourism as primary intention; (7) first application to the WHS.
Individual application to INZ online outside of New Zealand.
Immigration New Zealand within the Department of Labour is the agency in charge of performing the labor market test, processing applications, issuing visas, and enforcing immigration rules.

Comments: New Zealand’s hybrid immigration system (Papademetriou et al., 2008) makes use of different selection mechanisms to screen and select high-skilled immigrants with strong employment and economic potential. It builds on government-based selection mechanisms: points system and shortage lists, and employment-based selection mechanisms: employer-sponsorship and points granted for skilled employment offer. New Zealand’s immigration system also relies on transitional schemes towards permanent skilled employment: in 2008-2009, 81% of people approved for permanent residency had previously held a temporary permit, among which 59% had previously held a work permit. Among skilled immigrants, 85% of the applicants had previously held a temporary work permit. Many students use temporary work permits as a stepping stone towards permanent residency: in 2008-2009, half of the people who had access to permanent residency were previously on student permits. Former temporary work permit holders who transitioned to permanent residency display strong labor market outcomes and skill match.

Key sources and websites:
Immigration New Zealand: http://www.immigration.govt.nz/

References:


## SINGAPORE: Main Temporary & Provisional Admission Schemes

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<th>Assessment</th>
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<tbody>
<tr>
<td><strong>Employment Pass</strong> Employment-based Provisional Scheme for High-Skilled Professionals</td>
<td>Attract high-skilled professionals in managerial, executive or specialist positions to enhance Singapore's competitiveness in the global economy.</td>
<td>Tied to the employer (no internal mobility). Eligible for permanent residency at any time. Family unification allowed. Same wage and work conditions as natives.</td>
<td>Employment-based with shortage list. Eligibility criteria: (1) salary: fixed monthly salary more than $2,500; (2) qualifications: higher education degree from a recognized institution or equivalent work experience requiring specific skills in demand; (3) type of job offer: Professionals, Managers, Executives or Specialists positions on Strategic Skills List (shortage list).</td>
<td>The employer makes the application on behalf of the job candidate.</td>
<td>The Ministry of Manpower is the authority in charge of processing applications and issuing permits. The Immigration and Checkpoints Authority is in charge of enforcing immigration laws.</td>
<td>Introduced in 1998</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personalized Employment Pass</strong> Government-based Provisional Scheme for High-Skilled Professionals</td>
<td>Allow for high-wage professionals to stay in Singapore to fill temporary labor shortages without being tied to any employer. PEP holders can generally take on employment in any sector.</td>
<td>Valid for 5 years non-renewable. Max unemployment period: 6 months. No need to re-apply when changing job (internal mobility). Eligible for permanent residency at any time. Family unification allowed. Same wage and work conditions as natives.</td>
<td>Government-based. Eligible worker is overseas foreign professionals with monthly salary of at least $7,000 over the last 6 months and Employment Pass holders meeting certain work experience and salary criteria. A min annual fixed salary of $30,000 is required for each calendar year of the PEP.</td>
<td>Individual application to MOM.</td>
<td>The Ministry of Manpower is the authority in charge of processing applications and issuing permits. The Immigration and Checkpoints Authority is in charge of enforcing immigration laws.</td>
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<td></td>
</tr>
<tr>
<td><strong>Employment Pass Eligibility Certificate</strong> Job-Search visa for high-skilled workers</td>
<td>Allow high-skilled foreign workers to stay in Singapore for up to one year to look for employment.</td>
<td>Up to 1 year for job search in Singapore. Non-renewable. The certificate is not a work pass and does not allow the permit holder to work in Singapore. Applicants can start work only after Employment Pass is approved.</td>
<td>Government-based. Eligibility criteria: be a current or former holder of selected skilled migrant visa or hold a selected university qualification.</td>
<td>Individual application to MOM.</td>
<td>The Ministry of Manpower is the authority in charge of processing applications and issuing permits. The Immigration and Checkpoints Authority is in charge of enforcing immigration laws.</td>
<td></td>
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</tr>
<tr>
<td><strong>EntreePass</strong> Provisional scheme for investors and business people</td>
<td>Attract entrepreneurs willing to start a business in Singapore.</td>
<td>Renewable as long as eligibility criteria are met. Eligible for permanent residency at any time. Family unification allowed.</td>
<td>Government-based. Eligibility criteria: (1) applicant to hold at least 30% of shares in the company; (2) company to have at least $50,000 paid-up capital (bank statement from the Singapore-based company bank account required for verification); (3) company must not be registered for more than 6 months at the point of application; (4) exclusion of low value-added businesses such as: coffee shops, bars, massage parlors, etc.</td>
<td>Individual application to MOM. The company must be registered as a Private Limited Company with the Accounting and Corporate Regulatory Authority.</td>
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</tr>
<tr>
<td><strong>S Pass</strong> Provisional scheme for mid-level skilled workers</td>
<td>Address short to long term shortages in mid-level skilled occupations while avoiding displacement of native workers and negative impacts on work and salary conditions.</td>
<td>Up to 2 years renewable for up to 3 years. Tied to the employer (no internal mobility). Family unification allowed if monthly salary higher than $2,500. S Pass holders are required to maintain private medical insurance for themselves and their family dependents during their stay. Eligible for permanent residency at any time. Same wage and work conditions as natives.</td>
<td>Points-system with shortage list + employment-based with foreign worker levy (tax on employer) and quota on companies (S Pass holders max 25% of total workforce). Points awarded for: (1) salary: min fixed $1,800 monthly; (2) qualifications: mid-level degree, diploma or technical certificate; (3) type of job offer: occupation on the Strategic Skills List; (4) work experience abroad and in Singapore.</td>
<td>The employer makes the application on behalf of the job candidate.</td>
<td>Idem</td>
<td>Introduced in 2004</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Work Permit/R Pass</strong> Temporary scheme for unskilled workers including domestic workers</td>
<td>Address short to long term shortages in low-skilled occupations while avoiding displacement of native workers and negative impacts on work and salary conditions.</td>
<td>Up to 2 years renewable as long as employed (no internal mobility). No family unification and no access to permanent residency under R Pass. Employers are required to provide accommodation and cover medical insurance for their workers. Wage equality with natives applies.</td>
<td>Employment-based with foreign worker levy (tax on employer) + quota on companies according to the industry. Low-skilled workers with a monthly salary of not more than $1,800.</td>
<td>Prospective employers must first apply to the Controller of Work Passes for a WP before employing a foreign worker.</td>
<td>Idem</td>
<td>Introduced in 1998</td>
<td></td>
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</tr>
</tbody>
</table>
Global Competitiveness objective: Just as in Hong Kong, a key economic objective for Singapore is to enhance its competitiveness in the global economy through an aggressive selection policy across the skills spectrum. Therefore its immigration policy is aimed at contributing to develop Singapore as a talent hub of the global economy.

Foreign worker levy and dependency ceilings: Singaporean employers are not required to pay social security contributions for temporary foreign workers but they are liable to pay monthly levies to hire employees holding work permits or S Passes (other passes are excluded). Levy rates vary according to the type of permit, the skill level of the foreign worker, the sector of employment and the “dependency ratio”: proportion of foreign workers in the total workforce of the company. Dependency ratios have different to the industry, up to 65% of foreign workers (R and S Pass) in Manufacturing and up to 25% for S Pass holders. The levy rate is lower for skilled workers and S Pass holders and increases with the dependency ratio. Moreover, every employer is required to pay a monthly Skilled Development Levy for his foreign workers holding a Work Permit or S Pass.

Central Provident Fund for permanent residents: The social security system in Singapore is based on a Central Provident Fund (CPF) for Singaporeans and permanent residents (only mid- to high-skilled workers with valid Employment Passes, EntrePass and S Pass, and their dependents are eligible to permanent residency). The CPF is a social security savings scheme for retirement benefits, health care expenditures and access to home ownership. Eligible workers and their employers make monthly contributions to the CPF and these contributions go into three accounts: (1) ordinary account: the savings can be used to buy a home, pay for CPF insurance, investment, and education; (2) special account: for old age and investment in retirement-related financial products; (3) medisave account: the savings can be used for hospitalization expenses and approved medical insurance. At the age of 55, members may withdraw their CPF savings after setting aside a CPF minimum sum. At the age of 62, members may make monthly withdrawals from their minimum sum to help meet basic needs in retirement. Members can withdraw their CPF savings if they leave Singapore.

Key sources and websites:


Ministry of Manpower: www.mom.gov.sg/foreign-manpower

References:


Yeoh, Brenda. 2007. “Singapore: Hungry for Foreign Workers at All Skill Levels.” Country Profiles, MPI (Migration Policy Institute), Washington, D.C.
## UNITED KINGDOM (1): Main Provisional Admission Schemes (Until April 2011 – Ongoing reform of the admission system under the new government)

<table>
<thead>
<tr>
<th>Scheme Name &amp; Type</th>
<th>Policy Objectives &amp; Skill Level</th>
<th>Residency Rules &amp; Conditions</th>
<th>Selection mechanisms</th>
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<th>Governance &amp; Enforcement mechanisms</th>
<th>EVALUATION</th>
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</thead>
<tbody>
<tr>
<td><strong>Points-Based System Tier 1 – Highly Skilled Workers</strong> (Currently replaced by an exceptional talent route)</td>
<td>Attract top talents from outside of the EU who can bring a significant positive contribution to the British economy.</td>
<td>Initial 2-year permit. Extension possible for another 3 years. Access to permanent residence possible after 5 years in Tier 1. Family unification allowed. Access to state benefits based on National insurance contributions. Equal wage conditions as for domestic workers. Access to welfare programs (public funds) restricted to permanent residents.</td>
<td>Points system. Points awarded for: (1) post-secondary qualifications: at least bachelor’s level; (2) previous earnings: at least £16,000; (3) UK experience: previous earnings or qualifications obtained in the UK; (4) age: below 34 for application to residency; (5) English proficiency; (6) self-maintenance funds.</td>
<td>Individual application to UK Border Agency including employer-sponsorship certificate. Employers must obtain a sponsor license to hire foreign workers under the points system.</td>
<td>UK Border Agency within Home Office is the agency in charge of processing applications, issuing work permits, controlling borders and enforcing immigration policy. Visa operation services abroad are managed through UK embassies and consulates or visa application centers run by commercial partners. Immigration policy enforced through workplace controls.</td>
<td>Introduced in 2008. Abolished in April 2011, replaced by an exceptional talent route with numerical limit of 1,000 workers per year. 7,785 main applicants + 3,090 dependents accepted in 2008. 13,930 main applicants + 10,385 dependents accepted in 2009.</td>
</tr>
<tr>
<td><strong>Points-Based System Tier 1 – Entrepreneurs</strong></td>
<td>Attract entrepreneurs who will be actively involved in the running of one or more businesses in the UK.</td>
<td>Initial 3-year permit. Extension possible for another 2 years. Access to permanent residency possible after 3-5 years in Tier 1 and evidence of active engagement in business activity at the time of application. Family unification allowed.</td>
<td>Government-based. Requirements: (1) having at least £200,000 or £50,000 from venture capital fund or other approved source; (2) funds held in a regulated institution; (3) funds disposable in the UK; (4) English proficiency; (5) self-maintenance funds.</td>
<td>Idem</td>
<td>Idem</td>
<td>Introduced in 2008. Under the new visa rules introduced in April 2011, entrepreneurs will be allowed a quicker access to permanent residency if they create 10 jobs or turn over £5 million in a 3-year period. 25 main applicants + 25 dependents accepted in 2008. 120 main applicants + 180 dependents accepted in 2009.</td>
</tr>
<tr>
<td><strong>Points-Based System Tier 1 – Investors</strong></td>
<td>Attract investors ready to make substantial financial investments in the UK.</td>
<td>Initial 3-year permit. Extension possible for another 2 years. Access to permanent residency possible after 5 years in Tier 1 and evidence of maintained investments throughout the 5 years. Family unification allowed.</td>
<td>Government-based. Requirements: investment capacity of at least £1 million held in a regulated financial institution in the UK.</td>
<td>Idem</td>
<td>Idem</td>
<td>Introduced in 2008. Under the new visa rules introduced in April 2011, the transition towards permanent residency will be accelerated according to the amount invested (see comments below). 45 main applicants + 95 dependents accepted in 2008. 155 main applicants + 280 dependents accepted in 2009.</td>
</tr>
<tr>
<td><strong>Points-Based System Tier 1 – Post-study Workers</strong> (Proposed elimination of this route by the current government)</td>
<td>Retain the most capable international graduates and allow them for a job search period without needing a sponsor.</td>
<td>2-year permit non-extendable. No access to permanent residency under post-study work category but possibility to switch to Tier 2 sponsored work or another Tier 1 category leading to permanent residency. The post-study category provides a bridge to highly skilled or skilled work. Family unification allowed.</td>
<td>Government-based. Requirements: (1) UK qualification: at least a diploma; (2) study at a recognized UK institution; (3) immigration status during UK study or research; (4) date of award of the qualification: within the last 12 months of making the application; (5) English proficiency; (6) self-maintenance funds.</td>
<td>Idem</td>
<td>Idem</td>
<td>Introduced in 2008. 760 main applicants + 230 dependents accepted in 2008. 4,245 main applicants + 2,480 dependents accepted in 2009.</td>
</tr>
</tbody>
</table>

**Qualitative research indicates that the PBS is a clear and readable system for applicants. Evidence that a significant proportion of Tier 1 visa holders are employed in unskilled occupations which would not allow an extension under Tier 1 or Tier 2.**
Points-Based System Tier 2 – Employment based skilled workers
Address skilled labor shortages in the short to long run without displacing native workers and bidding wages down.
Initial 3-year permit. Extension possible for another 2 years. Access to permanent residency possible after 5 years in Tier 2 and certificate of sponsorship from current employer. Family unification allowed.
Employment-based with shortage list and labor market test. Requirements: (1) job offer from a licensed sponsor; (2) min skill level; (3) appropriate salary and allowances: min £20,000; (4) job offer that passes the labor market test OR salary above £150,000; OR occupation on shortage list or post-study work or job extension with same sponsor; (5) English proficiency; (6) self-maintenance funds. Possibility to switch to Tier 2 from Tier 1, Tier 4 (students), and Tier 5 (temporary workers).
Idem
Idem
Introduced in 2008.
Numerical limits starting in April 2011: 20,700 entries per year. Those earning a salary of £150,000 or more will not be subject to the cap.
Evidence that the shortage route offers, on average, lower prospective earnings than the labor market test route (MAC, 2009).

Points-Based System Tier 2 – Intra Company Transfers
Allow employees of multinationals and graduate trainees to be transferred in a UK branch.
Initial permit up to 3 years. Extension possible for another 2 years. Access to permanent residency possible after 5 years in Tier 2 and certificate of sponsorship from current employer. Family unification allowed.
Employment-based. Requirements: (1) appropriate salary and allowances: min £24,000 for short-term staff and min £40,000 for long term staff; (2) certificate of sponsorship from a licensed sponsor; (3) available maintenance funds; (4) English proficiency for stays above 3 years.
Idem
Idem
Not subject to the cap introduced in April 2011 but changes in access to permanent residency according to salary level (see comments below).
Intra company transfers: 45 main applicants accepted in 2008. 22,030 main applicants accepted in 2009.
Evidence that ICTs offer, on average, the highest prospective earnings among Tier 2 routes (MAC, 2009).

United Kingdom (2): Main Temporary Admission Schemes

<table>
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<tr>
<th>Scheme Name &amp; Type</th>
<th>Policy Objectives &amp; Skill Level</th>
<th>Residency Rules &amp; Conditions</th>
<th>Selection mechanisms</th>
<th>Recruitment mechanisms</th>
<th>Governance &amp; Enforcement mechanisms</th>
<th>History &amp; Reforms</th>
<th>Admission Statistics</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points-Based System Tier 5 - Temporary Workers</td>
<td>Entry route for miscellaneous categories of workers in various sectors including: creative industries, sports, charity, or religious affairs.</td>
<td>12 to 24 month permits. Change in sponsor allowed (internal mobility). No access to permanent residency through Tier 5. Family unification allowed. Access to state benefits based on National Insurance contributions. Equal wage conditions as for domestic workers. Access to welfare programs (public funds) restricted to permanent residents.</td>
<td>Employment-based + points system. Points awarded for sponsorship and self-maintenance funds.</td>
<td>Individual application to UK Border Agency including employer-sponsored employment certificate. Employers must obtain a sponsor license to hire foreign workers under the points system.</td>
<td>UK Border Agency within Home Office is the agency in charge of processing applications, issuing work permits, controlling borders and enforcing immigration policy. Visa operation services abroad are managed through UK embassies and consulates or visa application centers run by commercial partners. Immigration policy enforced through workplace controls.</td>
<td>Introduced in 2008.</td>
<td>31,105 main applicants + 755 dependents accepted in 2009.</td>
<td></td>
</tr>
<tr>
<td>Points-Based System Tier 5 - Youth Mobility Scheme</td>
<td>Allow for youth cultural exchange with selected partner countries while supporting the tourism industry in the UK through work &amp; holiday experience of young foreign workers.</td>
<td>Up to 24 months. No access to permanent residency through Tier 5. No possibility to switch to another tier while in the UK. No family unification. Access to state benefits based on National Insurance contributions. Equal wage conditions as for domestic workers. Access to welfare programs (public funds) restricted to permanent residents.</td>
<td>Government-based, with country agreements with Australia, Canada, Japan, New Zealand, and Monaco. Applicants are sponsored by their own governments. Requirements: (1) nationality; from a country in the scheme; (2) age: bw 18 and 31; (3) self-maintenance funds.</td>
<td>Idem. Offshore application only.</td>
<td>Idem</td>
<td>Introduced in 2008.</td>
<td>5,095 entries in 2009.</td>
<td></td>
</tr>
</tbody>
</table>
The UK is currently undergoing major changes to its immigration policy designed to enforce reductions in the number of migrants (especially for the low and middle skilled) both at the point of entry and at the point of transition to permanent residence. Human capital and salary requirements will increase to make the system more selective within the new quantitative restrictions. Tier 1 will be restricted to entrepreneurs, investors, and people of exceptional talent who can make the biggest contribution to science, engineering and arts in the UK. Under the new annual limit, employers will be able to recruit 20,700 foreign workers from outside the EU to work in skilled occupations under Tier 2 and a further 1,000 visas will be granted to migrants with exceptional talents. In addition to such quantitative restrictions, the government will impose the following requirements: (1) prospective workers will need to have a graduate-level job offer, (2) speak at least an intermediate level of English and (3) meet specific salary and employment requirements. Those earning a salary of £150,000 or more will not be subject to the cap. The Intra-Company Transfer Route will not be part of the annual limit and will change in 3 ways: (1) the job will have to be in an occupation on the graduate occupation list; (2) only those with salary above £40,000 will have the possibility to stay for more than a year- they will have the permission to stay for 3 years, with a possibility to extend for a further 2 years; (3) those with a salary between £24,000 and £40,000 will be allowed to stay for no longer than 12 months, at which point they will have to leave the country and will not be able to re-apply for 12 months. The current government has also proposed to abolish the post-study work route. The transition towards permanent residency after 5 years of employment in eligible skilled categories of the points system (Tier 1 and 2) will not be automatic but subject to a new income requirement, criminality requirement and reform of the English language requirement. Under the new visa rules for investors, the transition towards permanent residency will be accelerated according to the amount invested: after 3 years for those investing £5 million and after 2 years for those investing £10 million. Entrepreneurs will also be allowed a quicker access to permanent residency if they create 10 jobs or turn over £5 million in a 3-year period. Tiers 3 and 5 remain temporary migration schemes and workers under this category cannot switch to another tier while in the UK.

Government-based vs points-based system: The UK admission system is described as a points system by the government but in fact it is mostly a government-based system where prospective workers have to meet all the requirements set by the government to be granted access to the UK labor market. Points systems in settlement countries often use such mandatory requirements but allow for substitutability between the selection criteria. With the elimination of Tier 1-General entry route, the UK has totally moved away from this pure points-based model.

Key sources and websites:

UK Border Agency: [http://www.ukba.homeoffice.gov.uk/](http://www.ukba.homeoffice.gov.uk/)


References:


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</tr>
</thead>
<tbody>
<tr>
<td><strong>EB-1</strong> Permanent Immigration scheme for exceptional high-skilled foreign workers</td>
<td>Selecting persons of extraordinary ability in the sciences, arts, education, business, or athletics; outstanding professors or researchers; multinational executives and managers to join permanently the US labor force.</td>
<td>A successful application provides access to permanent resident status; after 5 years of permanent residence, migrants receive social protection conditions as for US citizens. Permanent residents can petition for immigration of spouses and children.</td>
<td>Employment-based. No labor market test required. No job offer required for applicants able to demonstrate extraordinary ability through sustained national/ international recognition. Evidence of international recognition + 3 years academic experience requested for outstanding professors and researchers.</td>
<td>Persons with extraordinary ability file an immigration petition to USCIS and Immigration Services (USCIS) at the Dept of Homeland Security. For outstanding professors and researchers and managers, the employer files the immigration petition.</td>
<td>National program open to all countries. USCIS is in charge of approving the immigration petition.</td>
<td>The Immigration Act of 1990 raised the cap on employment-based preference visas from $4,000 to 140,000 per year.</td>
<td>40,924 admissions in 2009/27,566 admissions in 2000/355,140 admissions from 2000 to 2009.</td>
<td>Employment-based immigrants in the US are skilled workers with high employment rates, and generally a supportive employer. When required, the labor certification with DOL usually needs the support of a lawyer and can take several years before approval. Given the importance of employer sponsorship and the delays in the admission procedure, most applicants to permanent resident status are already in the US working on a temporary visa. Rigid admission ceilings + heavy bureaucratic procedures leading to major processing delays are the main limits of the employment-based immigration system in the US. Temporary schemes are overwhelmingly used as a more flexible alternative to the permanent immigration system.</td>
</tr>
<tr>
<td><strong>EB-2</strong> Permanent Immigration scheme for high-skilled foreign workers</td>
<td>Selecting professionals with advanced degrees or persons with exceptional ability in the arts, sciences, or business to join permanently the US labor force.</td>
<td>Idem</td>
<td>Employment-based with labor market test (except for national interest waivers): labor certification from Dept of Labor (DOL) to verify (1) no displacement of domestic workers; (2) no downward pressure on wages and working conditions of domestic workers. Evidence of advanced degree, professional experience or public recognition for extraordinary ability.</td>
<td>The employer submits a labor certification to DOL before filing the immigration petition to USCIS. The worker can be abroad or in the US with temporary visa (most frequent case).</td>
<td>National program open to all countries. DOL is in charge of the approving the Labor Certification to ensure that the admission of EB-2 workers has no adverse effects on the local labor market. USCIS is in charge of approving the immigration petition.</td>
<td>45,552 admissions in 2009/20 255 admissions in 2000/79,329 admissions from 2000 to 2009.</td>
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<td><strong>EB-3</strong> Permanent Immigration scheme for low-to mid-skilled foreign workers</td>
<td>Selecting skilled workers whose job requires min 2 years training or work experience, professionals whose job require at least US baccalaureate or foreign equivalent, and low-skilled workers performing non-temporary/non-seasonal jobs to join permanently the US labor force.</td>
<td>Idem</td>
<td>Employment-based with labor market test: Idem. Skilled workers must demonstrate 2 years of job experience or training. Professionals must possess equivalent of US baccalaureate degree.</td>
<td>Idem</td>
<td>National program open to all countries. DOL is in charge of the approving the Labor Certification to ensure that the admission of EB-2 workers has no adverse effects on the local labor market. USCIS approves the immigration petition.</td>
<td>40,398 admissions in 2009/49,589 admissions in 2000/749,145 admissions from 2000 to 2009.</td>
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<td><strong>EB-4</strong> Permanent Immigration scheme for specific categories of skilled foreign workers</td>
<td>Selecting special immigrants such as religious workers, international organization employees, physicians, or armed forced members to join permanently the US labor force.</td>
<td>Idem</td>
<td>Employment-based. No labor market test required.</td>
<td>Idem</td>
<td>National program open to all countries. USCIS is in charge of approving the immigration petition.</td>
<td>13,472 admissions in 2009/9014 admissions in 2000/83,587 admissions from 2000 to 2009.</td>
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<td><strong>EB-5</strong> Permanent Immigration scheme for business investors</td>
<td>Selecting business investors who invest $1 million or $500,000 (if investment in targeted employment area) in a new commercial enterprise that employs at least 10 full-time US workers to join permanently the US labor force.</td>
<td>Idem</td>
<td>Employment-based. No LE test. Applicants must invest at least $1M ($500,000 in targeted employment area) in a new commercial enterprise that will benefit the US economy and create at least 10 full-time jobs or in a troubled business that has existed for at least 2 years and has incurred net loss for last 12-24 months.</td>
<td>Idem</td>
<td>The entrepreneur files the immigration petition to USCIS from outside the US. Successful applicants are granted conditional permanent residency for 2 years before applying for unconditional permanent residency.</td>
<td>3,688 admissions in 2009, 218 admissions in 2000, 7,693 admissions from 2000 to 2009.</td>
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4 DHS/USCIS admissions data.
### USA (2): Main Temporary Admission Schemes (excluding Treaty workers)

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<th>Scheme Name &amp; Type</th>
<th>Policy Objectives &amp; Skill Level</th>
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<tr>
<td><strong>H-1B</strong> Temporary scheme for skilled professionals in “specialty occupations”</td>
<td>Address temporary shortages in services requiring specialized knowledge generally associated with a tertiary education degree such as engineers, teachers, IT programmers or medical doctors (+ cooperative research or co-production with the US Department of Defense fashion models).</td>
<td>3 years permit renewal once. Possibility to switch employer (visa portability), and to apply for permanent residency (transitional visa). If delays in receiving green cards, the visa can be extended beyond 6 years. Same wage and work conditions as US citizens. Family unification allowed but no work permits for family dependents. Contribution to public pension scheme.</td>
<td>Employment-based. No labor market test required but the employer must file a Labor Condition Application to DOL to ensure (i) wage equality with domestic workers and (ii) equal working conditions with respect to equivalent domestic workers. H-1B has an annual numerical limit (“cap”).</td>
<td>The employer submits the Labor Condition Application (LCA) to DOL for certification. Once LCA is approved, the employer files the petition to USCIS and pays a fee allocated to a fund for the training of domestic workers in occupations with skill shortages. Once the petition is approved the foreign worker applies for admission with the US Dept of State (DOS) at a US embassy or consulate abroad.</td>
<td>National program open to all countries. DOL is in charge of approving the Labor Condition Application to ensure that hiring H-1B workers has no adverse effects on the local labor market. USCIS in charge of approving nonimmigrant worker petition. DOS is in charge of issuing visas.</td>
<td>H-1 visa created in 1952. The Immigration Act of 1990 created the “specialty occupations” category with annual cap of 65,000 visas per fiscal year. The American Competitiveness in the 21st Century Act of 2000 raised the cap to 195,000 + exemptions, allowed H-1B workers to switch employers and to apply for permanent residency. Since 2004, cap returned to 65,000 and the first 20,000 petitions of applicants with a US master’s degree or higher are exempt from the cap.</td>
<td>133,290 H-1B visas issued in 2000/110,367 in 2009/131,285 on average in 2000-2009.</td>
<td>The program is used by employers and workers as a transitional program towards permanent residency. It allows for screening of skilled foreign workers.</td>
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<tr>
<td><strong>H-2A</strong> Temporary scheme for lower-skilled agricultural workers</td>
<td>Address temporary and seasonal shortages in agricultural jobs. The job offer must be temporary or seasonal by nature.</td>
<td>Up to 1 year. 1 year extensions possible up to 3 years. After 3 years, compulsory return of 3 months outside of the US before possible readmission. Visa tied to the employer: no internal mobility. Travel and housing costs covered by the employer. Same wage and work conditions as US citizens. Family unification allowed but no work permits for family dependents. No contribution to social security in the US.</td>
<td>Employment-based with labor market test and other regulatory requirements, including requirement to provide housing and transportation.</td>
<td>Farm Labor Contractors must register with DOL to act as employers. The employer submits a Temporary Labor Certification Application to DOL. After receiving DOL’s temporary labor certification the employer files the petition with USCIS. Once the petition is approved the foreign worker applies for admission with DOS at a US embassy or consulate abroad.</td>
<td>National program opened to nationals from a list of countries published by the Dept of Homeland Security (DHS). DOL is in charge of approving Labor Certification. USCIS is in charge of approving nonimmigrant worker petitions. DOS is in charge of issuing visas. Employers are responsible for notifying USCIS in case of absence from work of their employees or early termination + submitting social security and visa numbers to USCIS to identify H-2A workers.</td>
<td>H-2 visa created by the Immigration and Nationality Act of 1952 to address seasonal shortages in agriculture. 1986 Immigration and Control Act subdivided the visa into H-2A (agricultural) and H-2B (non-agricultural) visa for lower-skilled temporary labor.</td>
<td>30,01 H-2A visas issued in 2000/60,112 in 2009/39,927 on average in 2000-2009.</td>
<td>Reported delays in the labor certification approval. Lack of transparency in the recruitment process by intermediary contractors in Mexico. Some employers reportedly use H-2A to hire workers who previously worked for them in an unauthorized status.</td>
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<tr>
<td><strong>H-2B</strong> Temporary scheme for lower-skilled non-agricultural workers</td>
<td>Address temporary shortages in lower-skilled non-agricultural jobs.</td>
<td>Up to 1 year. 1 year extensions possible up to 3 years. After 3 years compulsory return of 3 months outside of the US before possible readmission. Visa tied to the employer: no internal mobility. Same wage and work conditions as US citizens. Family unification allowed but no work permits for family dependents. Contribution to public pension scheme.</td>
<td>Employment-based with labor market test + cap.</td>
<td>The employer submits a Temporary Labor Certification Application to DOL. After receiving DOL’s temporary labor certification the employer files the petition to USCIS. Once the petition is approved the foreign worker applies for admission with DOS at a US embassy or consulate abroad.</td>
<td>Idem</td>
<td>Program created by the Immigration and Control Act of 1986. H-2B has an annual cap of 66,000 visas each fiscal year (excluding extensions of H-2B permit holders).</td>
<td>45,037 H-2B visas issued in 2000/44,847 in 2009/67,847 on average in 2000-2009.</td>
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### L
Temporary scheme for transfers of high-skilled workers from multinational companies with US operations

- Allowing for US employers and foreign companies opening a branch in the US to transfer executives, managers (L-1A) or workers in positions utilizing specialized knowledge (L-1B) from affiliated foreign offices.
- Initially 3 years, up to 7 years for L-1A, up to 5 years for L-1B. Visa tied to the employer: no internal mobility. Possibility to apply for permanent residency. Same wage and work conditions as US citizens. Family members admitted for same period, spouses allowed to work. No contribution to US pension scheme if social security agreement with the US.

- Employment-based. No labor market test required.
- The employer submits the petition to USCIS.
- USCIS in charge of approving nonimmigrant worker petition.
- Program created in 1970 to address delays in employment-based visas faced by multinational firms.

#### Limits of the employment-based immigration system:
the two major limits of the US employment-based immigration system are the rigidity of the admission ceilings and the major administrative and processing delays (Martin, 2006).

Given these limits, the permanent immigration system fails in meeting US employers’ needs in foreign workers. Both foreign workers and employers adapt to the failures of the permanent immigration system by increasingly relying on temporary migration, notably through the H-1B visa for skilled workers.

### O
Temporary scheme for exceptional high-skilled workers in science, arts, business, culture, sports and religion

- Allow for temporary stay persons with national and international recognition of their extraordinary ability in the sciences, arts, education, business, or athletics.
- Up to 3 years, unlimited 1 year extensions. Possibility for O-3 workers to apply for permanent residency. Visa tied to the employer: no internal mobility. Employer responsible for return transportation costs if employment terminated before the end of authorized stay. Same wage and work conditions as US citizens. Family unification allowed but no work permits for family dependents. Contribution to public pension scheme.

- Employment-based. No labor market test required but consultation requirement: written advisory opinion from a peer group (including labor organizations) or a person designated by the group with expertise in the applicant’s professional area.
- The employer submits the petition to USCIS.
- USCIS in charge of approving nonimmigrant worker petition.

#### References:


#### Key sources and websites:


#### Processing delays and multiple administrative levels:
processing delays are related to the labor market test (labor certification approval) by the Department of Labor and the several administrative bodies involved in the admission system: Department of Labor for labor certification or attestation, Department of Homeland Security (USCIS) for immigration or admission petition, and Department of State for visa issuance. This administrative division in the admission system requires data transfer between government agencies, increases complexity of the administrative procedure both for employers and employees, and generates greater processing delays (Meyers, 2006). Such a complex administrative structure is not easily readable for migrant workers.

#### Comments:
Temporary worker schemes as an alternative and transition to permanent labor immigration: temporary admissions of foreign workers far outweigh employment-based admission of permanent immigrants. Just as in Canada, the US has already moved towards an admission system based on large-scale temporary migration of foreign workers as a more responsive answer to face its labor market needs. Greater use of temporary schemes can be viewed as a response to the major processing delays in the application for permanent residency, as well as an answer to inflexible admission ceilings in the employment-based immigration program. Moreover, a large proportion of foreign workers admitted under certain temporary schemes adjust to permanent resident status when they are allowed to. H1-B, L and O visas allow for such an adjustment. This use of temporary schemes as transitional permits towards permanent economic immigration can allow for the screening of skilled workers by employers.


