Smart migration policy

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Smart Migration Policy
Seminar at the Academy of Sciences of Estonia in Tallinn, Kohtu 6
31 October 2013

Nordic experience

- Migration is part of a Nordic mindset as well as part of the Nordic success story.

- In Sweden, migration has always been a fundamental element of the Swedish economy.

Migration does however also bring challenges:

 In Finland where the unemployment rate is considerable higher for foreign citizens than for native citizens.

A current problem in Norway is how labor migrants from Eastern Europe have a peripheral position in the Norwegian economy. This fact has created increased segregation in the society, and according to research there is little development over time.

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Migration and Demographic Challenges
in the Nordic-Baltic Region

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Baltic experience

- The Baltic States have during the recent years experienced an immense increase in outward migration.

- The last years' emigration has been due to foremost accession to the European Union and the economic recession.

- The number one destination country for Estonians is Finland, while labor migrants from Latvia and Lithuania emigrate to English speaking countries, mainly United Kingdom and Ireland.

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Migration and Demographic Challenges in the Nordic-Baltic Region

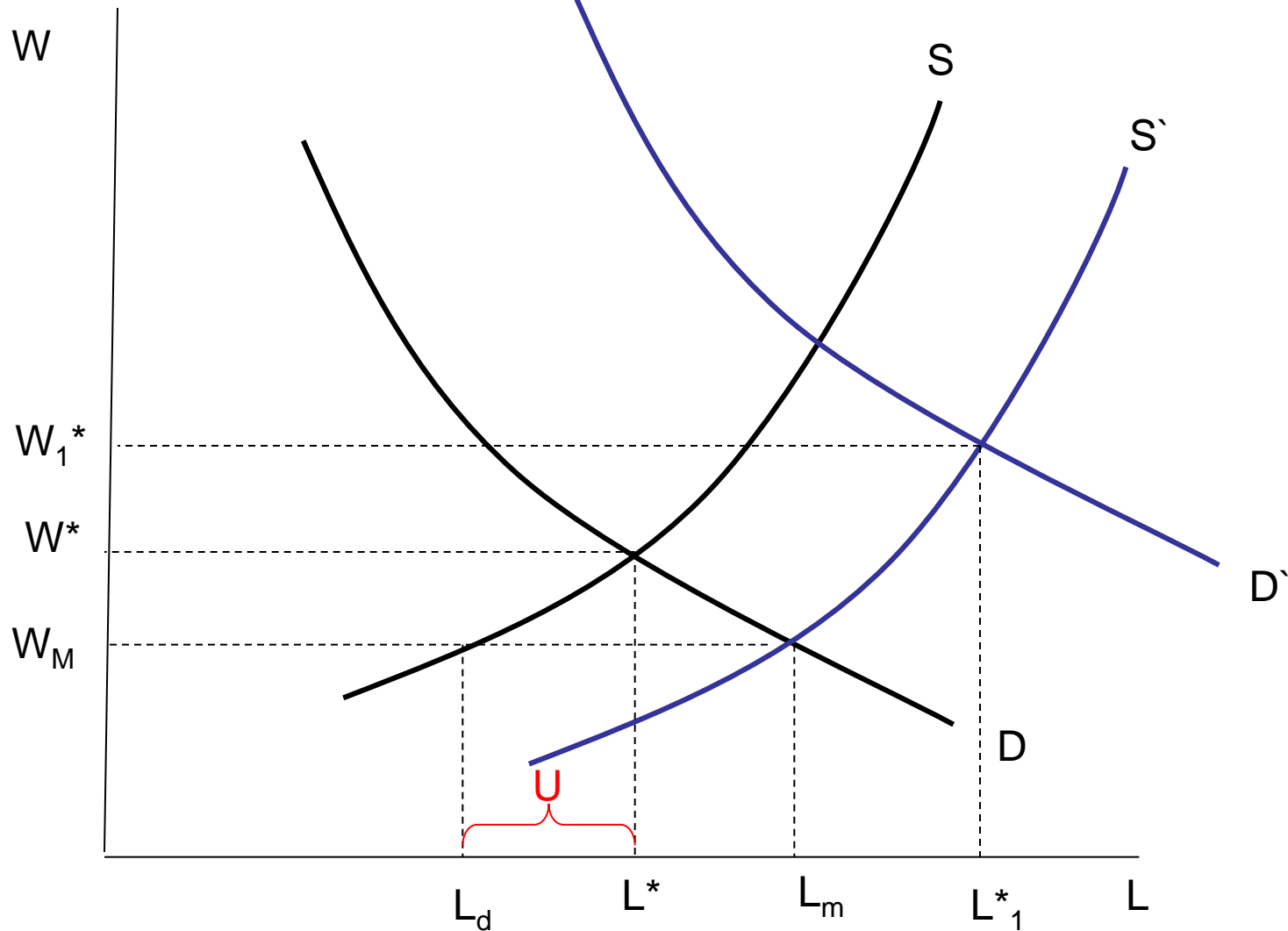*7 & 8 March 2013 • KUMU Art Museum • Tallinn • Estonia*

Policy experience

- Better data collection to understand the various migration processes At the moment there is already cooperation between Finland and Estonia, and a possible next step would be to create a similar cooperation between the Nordic and Baltic countries.
- To inform citizens about their rights in order to prevent work exploitation,
- Support people to return to their country of origin.
- An example of policy change came from Lithuania, where in 2007 a project was established with the objective to promote return of labor migrants. The project has ended due to the economic recession and high unemployment, as the project became a "lose-lose" situation due to few job opportunities in Lithuania for returnees. Instead, the current policy is to develop a stronger strategic relationship with the Lithuanian diaspora.

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Low skill and high skill labour migration effects

Jobs created by migrants: US case (2008)

Company	Founder	Country of Origin	Employees
Intel	Andy Grove	Hungary	86,300
Sun	Bechtolsheim/Khosla	Germany/India	34,900
Yahoo	Jerry Yang	Taiwan	13,600
Google	Sergey Brin	Russia	20,222
eBay	Pierre Omidyar	France	16,200

Lessons for Baltics (1)

We have

- negative birth rate,

- negative net migration,

- ageing population,

- increasing cost of social welfare system

Lessons for Baltics (2)

How to solve the problems?

- Productivity increase
- Reduction of inactivity
- Reduction of unemployment
- Increasing birth rate??

and

- Immigration

A survey by Manpower in 2008 found that more than 190 million people live outside their countries of birth, about three per cent of the world's population

World in motion: around one out of every 35 people is a migrant.

Smart migration policy

FOUR principles

Control

Compensate

Create

Connect

Idea: **Devesh Kapur** and John McHale "**Give Us Your Best and Brightest: The Global Hunt for Talent and Its Impact on the Developing World**"

Smart migration policy (1)

Control – difficult to control outflow, possible in the case of inflow.
Control when absolutely necessary

Compensation – for rich countries, to compensate those who left behind, for less developed to be compensated by firms or individuals who leave – exit tax on human capital
Compensation when it is feasible

Smart migration policy (2)

- **Creation** - Creating human capital, address the skill imbalances that are both the cause and consequence of emigration. Creating better working conditions, invest to education

Creation whenever possible.

Smart migration policy (3)

- **Connect** – connect those who left their homeland, co-operation with diaspora.

  Policies that affect the probability of return

  Connect migrants with native population

Connections whenever possible.

Smart migration
Hunt for talents

Three powerful long-term trends are likely to rekindle the international competition for talent.

- First, the skill bias of recent technological advancements is leading governments to strive for a competitive advantage in emerging knowledge-based industries. With a continuing high demand for skill, industry is likely to lobby for more liberal immigration policies to ease cost pressures, and strong skilled-wage growth will once again dampen domestic worker opposition.

- Second, international competition for skilled labor will be abetted by the aging of rich-country populations together with the ever-expanding technical possibilities for costly (and often highly beneficial) health care.

- Third, international competition for talent is bound to increase because of the broader globalization of production and trade.
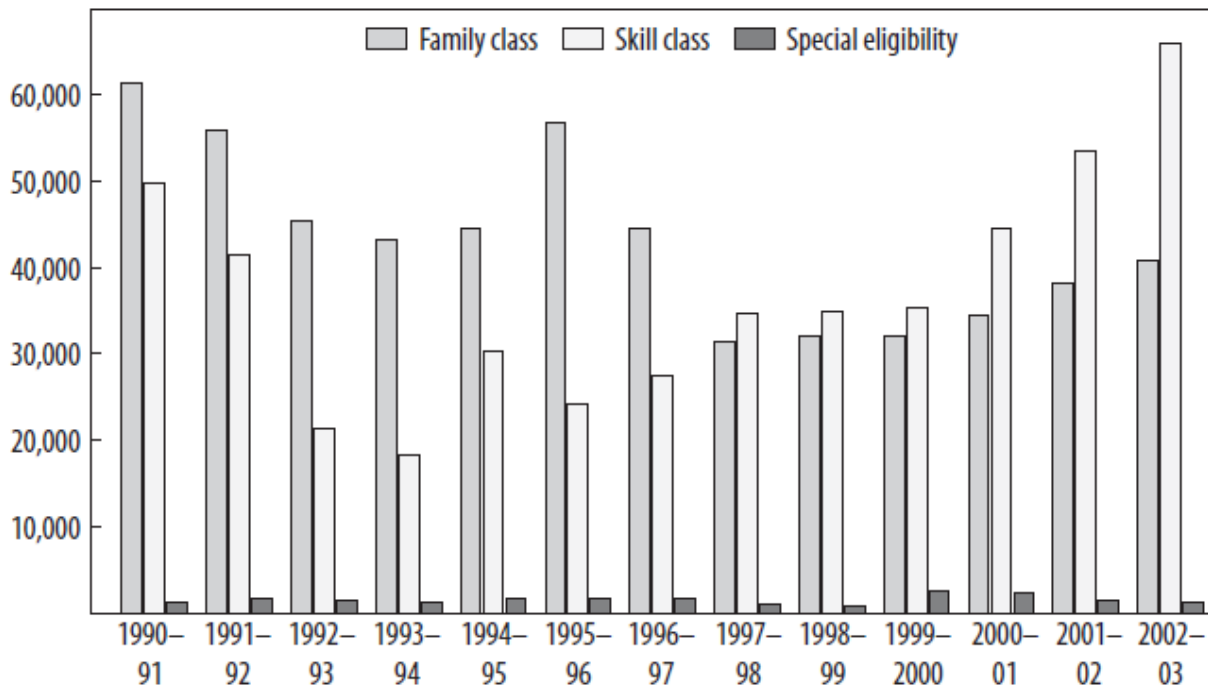
Source: Devesh Kapur and John McHale "Give Us Your Best and Brightest: The Global Hunt for Talent and Its Impact on the Developing World"

Countries with active point system Australia

Figure 3-1. Permanent Immigration to Australia by Broad Category, 1990–91 to 2002–03

Number of immigrants

Source: Hugo (2001); Department of Immigration and Multicultural and Indigenous Affairs.

Point system in Canada

	Maximum points
New system	
Education	25
Language	24
First	16
Second	8
Experience	21
Age	10
Arranged employment	10
Adaptability	10
Spouse's education	3–5
One year authorized work in Canada	5
Two years postsecondary study in Canada	5
Points received under arranged employment	5
Family relationship in Canada	5
Total	100
Initial pass mark	75

Devesh Kapur and John McHale

Countries with active point system Canada

Figure 3-2. Gross Immigrant and Refugee Flows to Canada, by Broad Category, 1995–2002
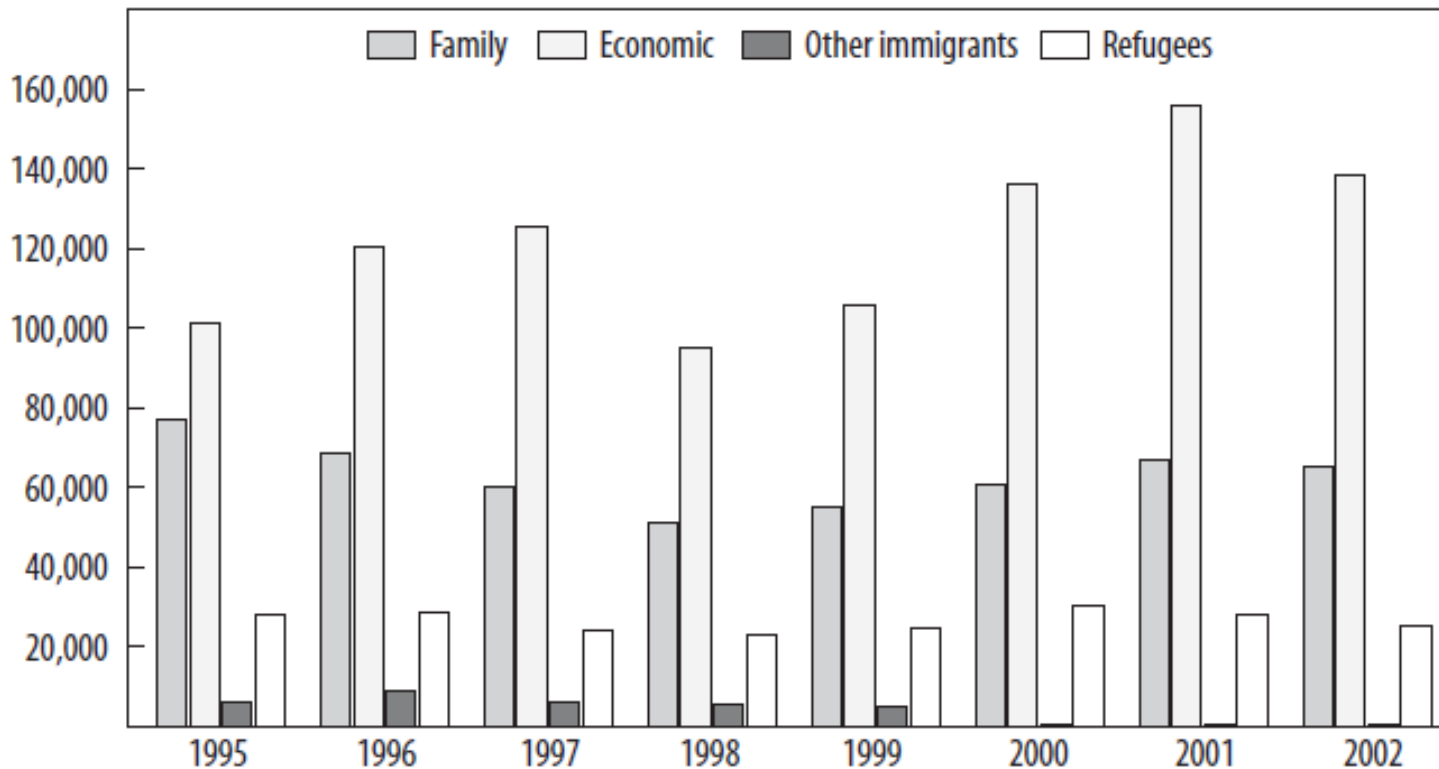
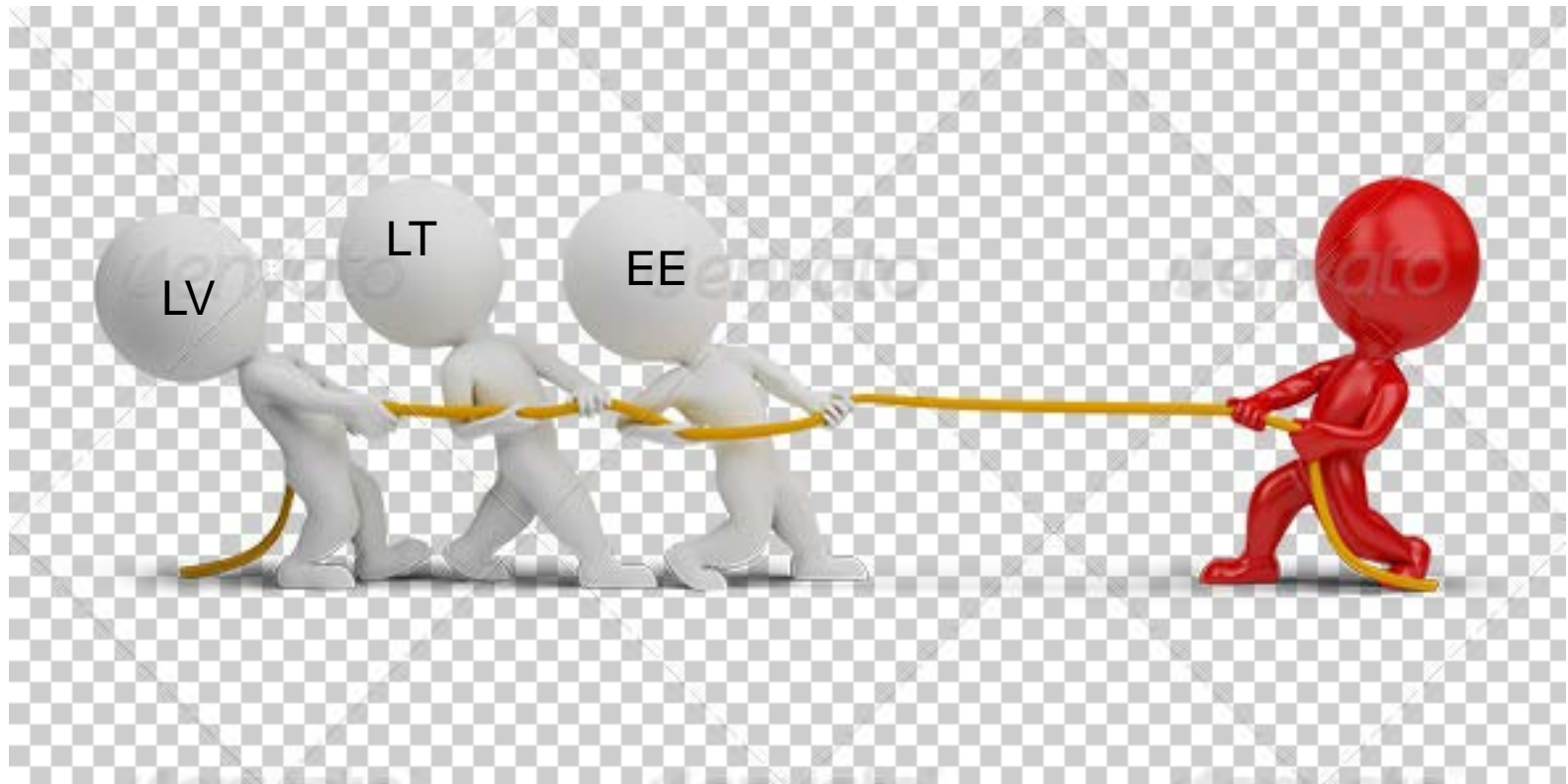Source: Citizenship and Immigration Canada.

What policy is relevant?

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Thank you!